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What might the Commonwealth Games 2018 mean to Australia?

Some highlights of a full day conference hosted by Griffith University, Friday 2nd July 2010, which I attended courtesy of the Urban Development Institute of Australia. The opportunity to host the Commonwealth Games is an opportunity, not only for the Gold Coast, but for Australia to increase its international profile and trade performance.

Firstly, while it was the Queensland Government that came up with the idea and undertook the initial feasibility study, the Bid is the responsibility of the Australian Commonwealth Games Association (ACGA). CEO Perry Crosswhite AM and former Olympian pointed out that hosting a Commonwealth Games involves a great deal more than sport, with the extra visitors to the region as it prepares for a festival event of about 12 days.

He said sport on the Gold Coast would be a major beneficiary, not only because of the additional venues to be constructed and upgraded for the event, but for training venues to accommodate 6,000 athletes for the duration of the Games. This would provide a major legacy for the community.

The central, critical facility to be constructed for 2018 would be the Athletes Village, with the Parklands Showgrounds site adjoining Griffith University and the new Gold Coast University Hospital the chosen site.

Outgoing CEO of the Commonwealth Games Bid Directorate, Michael Denton, indicated that all of the proposed sporting facilities for the Games would be within a compact footprint (considered an important advantage). The exception would be the proposed shooting venue at Belmont in Brisbane. See also the map of venues in *The Gold Coast Bulletin* of 3 July 2010.

While the decision on whether the Gold Coast will be the chosen venue for the 2018 Commonwealth Games will not be made until 11 November 2011, the ACGA will need to have everything in place for representatives of 71 voting nations to visit and inspect proposed venues in June and July 2011. Michael Denton provided details of who these voting Commonwealth Games Association countries are: 19 are African countries, 15 are Caribbean, 8 from Asia, 6 from the Americas, 10 European and 13 from Oceania.

While there was some disagreement among speakers about just how serious the competition from Sri Lanka's small fishing village of Hambantota would be, it is the site of a major port construction by China. In gaining votes, if Africa or the Caribbean voted as a block, it is easy to see that the decision could go against us.

Surprisingly, there was little real speculation from speakers about just what infrastructure (other than the event venues and village), might be brought forward if the Gold Coast does become the 2018 venue for the Commonwealth Games. For example, might we see extension of the Gold Coast Rapid Transit project to the Carrara Stadium, to be the venue for the Opening Ceremony and the athletics events?

There was more emphasis on intangible benefits, quoting Gold Coast Mayor, Ron Clarke, who said "community pride and confidence" would be a benefit.

However, I made further enquiries about a figure quoted by Tim Harcourt, Chief Economist of Austrade, an organisation that has hosted 300 events and 36,000 business people through the Business Club Australia initially created for the Sydney 2000 Olympics.

His statement that countries that hold major sporting events can benefit from a 30% increase in trade was no throw-away line. It is based on a rigorous, empirical study by two skeptical professors from San Francisco (Andrew Rose of the University of California and Mark Spiegel of the Federal Reserve Bank of San Francisco).

Economists are often skeptical about the benefit of major sporting events, saying infrastructure spending could have been undertaken without incurring the cost and inconvenience of the event; and that resident spending is often a substitute from other consumption that would have occurred anyway.



*Skilled Park Stadium at Robina is the only completed venue, with Carrara Stadium under construction and other venues requiring upgrading or development
(Photograph: courtesy Tom Anthony)*

Economists also warn that there is a danger of a legacy of underutilised infrastructure and accommodation may take decades to pay off (for example Montreal).

The Rose & Spiegel study found that there is a "large and positive" impact of not only hosting an Olympic or similar event, but that a 20% to 30% increase in two-way trade accrues for decades after a country undertakes an unsuccessful bid. The professors concluded that "becoming a serious bidder... has a signaling impact"; that bids are accompanied by trade liberalisation that occurs simultaneously; and that the "long-term benefits from trade liberalisation can more than compensate for the short-term costs of hosting a mega-event" (source: Rose & Spiegel in *Finance & Development*, March 2010).

In practical terms, Gold Coast businesses can look forward to having an unequalled marketing opportunity. A study by Wharton University mentions a supplier of vegetables to the Beijing Olympic Village, who made its "Olympic mission" central to its marketing before and after the event.

Tim Harcourt quotes the impact on one Australian architectural firm (PTW Architects) who met Chinese Olympic officials at the Sydney Business Club Australia in 2000 and went on to design the much awarded Beijing water cube.

I entitled this newsletter, *What might the Commonwealth Games 2018 mean to Australia?* quite deliberately. Not what it might mean to the Gold Coast, because of the potential economic gains to Australia outlined above. Furthermore, a possibly disturbing fact is that part of the ACGA bid book will be the findings of a survey to show national support for the bid.

This is not just some parochial Gold Coast event. It is Australia's Commonwealth Games Bid 2018. Gold Coasters need to get out and sell the benefits to Australians.

The Commonwealth Games 2018 is a much needed opportunity to boost infrastructure spending in the Gold Coast region. Property research over the decades has shown a close positive relationship between infrastructure spending and property markets.

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