

## MEGA-EVENT STRATEGY AS A TOOL OF URBAN TRANSFORMATION: SYDNEY'S EXPERIENCE

*Yawei Chen\* & Marjolein Spaans\*\**

\* Delft University of Technology, Faculty of Architecture, Department of Real Estate and Housing,  
PO Box 5043, 2600 GA Delft, the Netherlands, email: y.chen@tudelft.nl

\*\*Delft University of Technology, OTB Research Institute for Housing, Urban and Mobility Studies,  
PO Box 5030, 2600 GA Delft, the Netherlands, email: m.spaans@tudelft.nl

**ABSTRACT:** Mega-event strategies and their impact on host cities have drawn increasing interest, as organising large-scale urban events has become part of a deliberate urban policy strategy to promote local economic growth and put the host city on the world agenda. Thus far, the research addressing what strategies can be adopted and to what extent the strategies can produce a catalyst effect has been limited. Furthermore, while most mega-event studies have addressed the impact in a specific economic, spatial or environmental perspective, little research has been done on the extent to which mega-event strategies may lead to sustainable development, balancing economic, social and environmental perspectives in the long term. Using Sydney as a case study, this paper examines how the host city of the Summer Olympics in 2000 explored the mega-event strategy concept to create a catalyst for its urban regeneration programme.

**KEYWORDS:** mega-event strategy, Olympic city, place marketing, sustainable development

### 1 INTRODUCTION

Mega-events – such as the Olympics or a World Fair – are large-scale undertakings which are intended to encourage local and regional economic development by attracting investment, tourism and media attention for the host city. Host cities generally attach great importance to factors such as the event's economic implications, event-related income and the development of tourism. Consequently, many studies have looked at the economic implications of staging mega-events for host cities. Most studies attempt to identify the economic benefits, measuring either the extent to which such benefits offset the costs or the extent to which such benefits can be sustained in the long term (Preuss 2004; Kasimati 2003; Gratton et al. 2006). Meanwhile, others focus on the development of event tourism (Higham 2004; Gotham 2005; Weed 2008; Van den Berg et al. 2002). In addition to the economic implications, a number of studies have drawn attention to the event's likely sociocultural and environmental impact, such as the local community's sense of self-worth. However, there may also be negative social effects, particularly on housing and tenants' rights and processes of social gentrification (Jones 2001; Olds 1998; Waitt 2003).

Among various mega-events, the Olympic Games are perhaps the most spectacular. The Games' five-ring symbol alone can be recognised by approximately 90 percent of the world's population. Given the event's significance and mass involvement of capital, land, construction and actors, studies have paid increasing attention to the Olympics in recent years. Although the Olympic Games usually have a huge impact on a host city's spatial structure due to the IOC's requirements regarding the construction of enormous sports venues and facilities, studies of the Games have been largely concerned with a city's economic or social motives for hosting the event. In recent years, the Olympic Games have increasingly been viewed as a means to stimulate urban development processes, as new landmarks, infrastructure and urban renewal processes frequently transform an urban space (Chalkley and Essex 1999; Roche 2000; Gold and Gold 2006). The Olympics' role as a catalyst for urban development and regeneration was first identified in Barcelona's bid. Owing to its use of the Olympic legacy, increased capital flows and its improved attractiveness as a city, Barcelona was able to boost its economic growth, enhance its image and transform itself into a globally competitive city. Barcelona's success is one indication of the significance that the Olympic Games can have for urban development practices and urban policy in host cities, and, equally, the importance of understanding the Olympic Games from an urban development perspective.

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With this success in mind, the objective of this paper is to understand how Sydney, the host city for the 2000 Summer Olympic Games, explored the mega-event strategy concept to create a catalyst for its urban regeneration programme. In doing so, we attempt to draw links between the Olympic Games and urban development practices. Olympic-related urban development in host cities will be examined in terms of the motives behind applying to become an Olympic city, the urban development strategies designed to achieve the goals which were set and the impact of these strategies. The remainder of the article is structured as follows: in Section 2 we will explain the context of the Summer Olympic Games and outline our research model. We will then turn to the empirical case study of Sydney in Section 3 and ask: What motivated Sydney to submit its bid to host the Games? What were the various urban development strategies that were used to translate the host city's visions and goals into reality? and What was the expected impact of the Games and what has been the reality? In Section 4 we will summarise the findings of our empirical case study and relate them to our research model. We conclude this paper by highlighting the catalyst effect of the mega-event strategy which promotes urban transformation, but we will also reflect on the potential challenges that a mega-event strategy may introduce in relation to the ultimate goal of the sustainable development of Olympic cities.

## 2 THE RESEARCH MODEL

The relationship between the Olympic Games and urban development in host cities is often addressed from two distinct angles: the Games as a global *and* a local phenomenon. The reason for this is that the Games are a global event that unfolds in a particular place (Short 2008). Mega-events such as the Olympic Games have often been described as one of the primary expressions of globalisation, especially with regard to their social and cultural significance and role in global society or, as Roche puts it, as “large-scale cultural (including commercial and sporting) events, which have a dramatic character, mass popular appeal and international significance” (Roche 2000). Roche (2003: 102, 119) also argues that the continuity of a mega-event has the potential “to exert a popular appeal as temporal markers throughout the history of modernity”, and that such an event's ability to support and adapt to the time structure imposed helps “to coordinate intergenerational cultural, political and economic flows and networks” at the global level.

Moreover, the unique feeling of being in a ‘global village’ and the ‘one world awareness’ that is provoked by the Games has been further strengthened by the emergence of globally mediated television broadcasting and advances in communications technology. Horne and Manzenreiter (2006) for example, suggest that new developments in mass communications technology, especially satellite television, have created unprecedented global audiences for mega-events. They also argue that the formation of a sport-media-business alliance has transformed professional sports through the idea of packaging “via the tri-partite model of sponsorship rights, exclusive broadcasting rights and merchandising”. In their view, exposure to vast global audiences allows this alliance to benefit from the promotion and association of business with sport. In such circumstances, sports and the Olympic culture “provide a special and arguably unique sphere and system of social organisation and of cultural events and exchanges in which some of the international, transnational and universal dimensions of human society in the contemporary period can be experienced in dramatic, memorable and significantly translinguistic forms of communication both by performers and by media spectators” (2006: 31). In this way, as Roche (2006: 30) argues, the Olympic Games have become “an element in the development of global culture” on local soil.

For host cities, the Games provide an incentive and opportunity for city elites to restructure their cities in an increasingly competitive environment. The Olympic Games have often been described as a lucrative tool for place promotion and marketing and as a key link between the local and the global (Surborg et al. 2008; Short 2008). Since the Games are tightly interwoven with urban economies and urban development or redevelopment schemes, the ways in which cities harness the Games and create their own Olympic legacy can best be understood by looking at their motives, the type of Olympic legacy that they anticipate and the implementation processes that connect the vision with the expected results. As one would expect, there is a wide range of literature on the Olympic Games and this is even the case if one narrows the criteria to motives for hosting the Games and their effects. In general, the literature distinguishes between motives for hosting the Games, strategies for implementing the various objectives and the impact of these strategies (the Olympic legacy). We conducted a thorough review of a significant number of studies on the Olympic Games, so as to identify the factors proposed in the research model as shown in Fig. 1. All of the motives,

strategies and effects mentioned above were grouped into one of four perspectives: economic, spatial and environmental, social and governance-related perspectives. As we are interested in the balance between different perspectives and sustainable development, we distinguish between the widely accepted three-dimensional nature of sustainable development in economic, social and environmental terms and governance which relates to the implementation of these perspectives.

City pride and boosterism	Improving public management, including:	Enhancing international prestige	Governance
Community empowerment	Special Olympic legislation to increase decision-making efficiency	Enhancing self-esteem & self-confidence	
Decreasing crime rate	Public-private partnership in event preparation and organizing	Community empowerment	Social & political
Increasing sport participation at community & city levels	Tax incentive to stimulate certain economic sectors	Providing housing for different income groups	
Increase community visibility	Tax incentives and grants to refurbish properties	Multicultural society & diversity	
Mixing of social groups	Information system with high-tech support	Improving health	
Greener environment	Encourage the inflow of external talent	Reducing poverty	
International image building, place promotion and recognition	Community participation in small-scale neighbourhood upgrading programme	Social security	
Better public spaces	Education, job training	Improving (physical) accessibility	
Creating new tourist attraction	Upgrading of low-quality area	Decreasing environmental pollution	
Infrastructure improvement	Using special housing policy to provide different housing types	Landscape beautification	
Creating mixed function area including new development	Neighborhood facilities for different income groups	Creating new landmark	
Improving tourism facilities	Provision of high-quality sport facilities	Creating new urban centrality (reimaging)	Spatial & environmental
Housing affordability	Infrastructure development	Create high-quality public transportation system	
Property price increase	Removing pollution sources	Creating high-quality public space system	
Metropolitan economic growth	Developing fast public transportation system	Growth in tourism	
City-wide employment growth	Introducing mix-function land use	Creating employment	Economic
Revenues to the event organizers	Improving retail and service sector	Real estate growth (quantity + quality)	
Attracting manufacturing facilities & company headquarters	Creating business network strategy	Short-term economic growth	
Increase in tourism during & after the event	Real estate development	Long-term economic growth	
Local merchants benefiting	Focus on tourist planning	Foreign direct investment	
Expected effect	Urban development strategy	Motive	

**Figure 1** Research model

## 2.1 Motives

A number of factors can shape a city's motives for hosting the Games, including its circumstances prior to the Olympics, the key challenges that it faces and its vision of how the Games will contribute to urban regeneration. With a view to this, studies have often positioned host cities – especially Western industrial cities – in the context of deindustrialisation (Gratton and Henry 2001; Surborg et al. 2008). Prior to hosting the Olympics, many of the cities in question had ceded their involvement in traditional industries to newly industrialised countries and were facing significant challenges in the form of local economic depression, unemployment and urban decay. Recognising the growing importance of the service sector and the creation of new leisure and consumption spaces in the post-Fordist urban economy, these cities chose to host the Olympic Games as a strategy to facilitate urban restructuring and transformation processes (Surborg et al. 2008; Hannigan 1998). Furthermore, Hiller (2000), Hall (2006) and Surborg et al. (2008) explain the host cities' motives in terms of concepts such as the urban growth machine, urban boosterism, urban entrepreneurship and neo-liberalism. In doing so, they highlight a coalition between two kinds of local elites – local government officials and interest groups, in particular the private sector – both of whom wish to use the institutional apparatus to pursue material goals. In this way, the Olympic Games can be used as an instrument to facilitate the development of alliances.

## 2.2 Urban development strategies

Perhaps the most significant urban development strategies to appear in the literature are those related to spatial development and environmental upgrading within host cities. They are concerned, in particular, with how to combine preparation for the Olympics with urban restructuring programmes designed to meet long-term demand. Chalkley and Essex (1999) identify a general transition in urban development strategies from an early emphasis on constructing massive sports facilities and urban infrastructure, to a much broader notion of urban regeneration and restructuring programmes that sees the Olympic Games as a catalyst. In the case of Berlin (1936), Rome (1960) and Tokyo (1964), for example, the host cities reconstructed and

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expanded existing facilities, constructed landmark buildings and generally improved existing infrastructure in order to achieve urban upgrading. In the case of Montreal (1976) and Seoul (1988), Chalkley and Essex explored the role of the Olympics as a vehicle for urban change via the development of the Olympic venue. In these two cases, the sports facilities and Olympic villages were developed in combination with urban renewal and schemes for “improved traffic management, the enhancement of cultural facilities, an environmental beautification program and actions to ensure health and hygiene standards throughout the city” (Chalkley and Essex 1999). Furthermore, the development of Olympic sites has been increasingly integrated into host cities’ larger-scale urban development plans, enabling such sites to become sports and recreation complexes, harbour developments, or housing and tourist accommodation after the Olympics. Barcelona (1992) perhaps offers the most expansive example of how the Olympics can function as a catalyst for urban development. Not only was Barcelona’s urban structure modified through the development of four Olympic sites in different types of location (such as a low-income neighbourhood, a declining industrial site and a waterfront area), but many programmes that had already been proposed, such as the creation of public open spaces, the general improvement of public transportation, the opening of the city to the sea, the renovation of the city’s cultural infrastructure, the landscaping of squares and the commissioning of new sculptures, could finally be realised. These programmes might otherwise have suffered long delays, or might have been cancelled altogether (Chalkley and Essex 1999; Marshall 2000, 2004; Monclú 2007; Coaffee 2007).

### **2.3 Expected effects**

Despite the important economic impact that sport events can have on their host cities, evaluating this impact remains a complex undertaking (Owen 2005). Poynter (2006) suggests that it is perhaps useful to distinguish the financial costs and benefits derived from staging the event (the ‘one-time’, primary Games-related impact) from an evaluation of the longer-term structural economic changes that are derived from investing in transport infrastructure, telecommunications, the environment, social and sports facilities, and housing (the secondary impact). Ingerson (2001) also suggests that studies of the economic impact of sporting events should take two key elements into account: the costs and revenues for the event’s organisers, and the event’s impact on the area in question. Increased community pride and self-esteem, increasing levels of cultural interaction, boosting a city’s profile and making a place more interesting to live in, are among the positive social outcomes of hosting the Games. While the Games can have a positive social legacy, there is no compelling evidence to suggest that individuals and groups in local communities of host cities receive a fair share of the rewards. Some analyses suggest that city elites tend to steer the Games towards corporate rather than social goals, thus undermining the potential positive social impact on local communities. Moreover, “which social groups actually benefit, which are excluded, what scope is there for contestation of these developments, and how can social equality be measured are three important questions that are often ignored” (Horne and Manzenreiter 2006: 8).

## **3 SYDNEY: AN EMPIRICAL CASE STUDY**

### **3.1 Motives for hosting the Games**

The motive behind Sydney’s bid for the Olympic Games in 2000 was to contribute to Australia’s internationalisation and to promote the city as a global city (Cashman 2002; Hollway 2001), as the preoccupation of many Australian cities was that they were isolated from the world. Defenders of the Olympic Games foresaw that the event could bring long-term promotional benefits for the whole of Australia, a significant increase in its international profile and lift Sydney’s profile as a Pacific Rim and Asian business centre and tourist destination (Berlin 2003). With intense publicity and a positive image projected from the event, the Australian organisers aimed to increase the city’s international profile, attract inward investment, promote tourism and create temporary and permanent jobs (Yu 2004). Various studies estimated around AU\$3,500 million for the host city,<sup>1</sup> AU\$1 billion business for the State of New South Wales (NSW) and AU\$6.5 billion in business for Australia as a whole. The Australian Tourist Commission also predicted the arrival of an additional 2.1 million overseas visitors between 1995 and 2004 due to the Sydney Olympics,

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<sup>1</sup> At the time of writing AU\$1.00 was equivalent to €0.58.

generating an estimated AU\$16 billion in tourism and creating 150,000 new jobs (Hall 2001).

Along with commercial, economic and political legacy, Sydney also aimed to pursue a tangible legacy, including spectacular Olympic venues, an upgraded infrastructure system and impetus for its urban regeneration programme. When the IOC signalled its desire to apply the concept of sustainable development to the Olympic movement as a means to raise global awareness of environmental and resource issues, Sydney appealed to this concept in its bid and sought to become the first city to adopt the IOC's environmental agenda and produce a 'Green Olympics'. To ensure a net regeneration and environmental gain, Sydney chose to regenerate Homebush, a derelict 760 hectare former industrial site that had housed the city abattoir and a rubbish dump, located on the Parramatta River, some 19 kilometres from the city centre.

### 3.2 Urban development strategies

The Homebush Bay development zone was an area of contaminated wasteland used for dumping household and industrial waste. In the early 1990s, soil and water tests estimated there were 9 million square metres of domestic, commercial and industrial waste spread over 160 of the 760 hectares of the site. The Sydney bid included a total clean-up – or remediation – of the previously contaminated industrial site, so that Homebush would qualify for the Olympic event (Sydney Organising Committee for the Olympic Games [SOCOG] 2001). The master plan, developed by the Olympic Co-ordination Authority (OCA), provided a coherent vision that would advance all three complex planning aspects, creating a successful centre for the Sydney 2000 Games, addressing the environmental requirements and ensuring development would create assets for the future. In addition, the master plan also “determined the mixed uses of the site and the relationships between the various precincts” (SOCOG 2001: 55). As stated in the official report, the master plan was the cornerstone for the development of Homebush Bay, setting out the location of each of the Olympic and Paralympic sporting venues, the location of roads and other essential infrastructure and design principles to guide construction. The new Athletics Stadium, warm-up track and Aquatic Centre, together with the Olympic Village, would create a multi-use centre for Western Sydney.

The master plan concept divided the site into four distinct precincts: (1) an urban core with sporting, entertainment, exhibition and commercial facilities, (2) an Olympic village which would become a residential suburb for some 5,000 people, (3) a major metropolitan park and (4) a waterfront development to provide public access to the Homebush Bay shores. The establishment of a central sports complex and additional recreational facilities was an integral part of Sydney's bid for a successful 2000 Olympic Games ( Fig. 2). Furthermore, the master plan was supported by a public transport strategy which integrated heavy rail, bus, coach and ferry facilities and an extensive pedestrian and cycle network. The plans for a transportation and construction included AU\$2 billion for the upgrade of Sydney airport, AU\$700 million for an Eastern Distributor (road network) in Sydney and AU\$320 million for the beautification of Sydney's Central Business District. Public transport to the Olympic site was further enhanced by a new rail link capable of delivering up to 50,000 passengers an hour, the construction of Homebush Bay Wharf, allowing



Figure 2 Sydney Olympic Park (Source: [www.sydneyolympicpark.com.au](http://www.sydneyolympicpark.com.au))

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people to access Sydney Olympic Park by ferry, and the provision of bus parking bays (SOCOG 2001). The existence of the public transportation system provided long-term benefits for Sydney, allowing easy access to Olympic Park Station from both the east and west sides. Furthermore, the Olympic village was intended to be a model of ecosensitive design, which was undertaken jointly with Greenpeace, incorporating solar power, water recycling and passive heating and cooling. A detailed set of 'green' guidelines that were intended to govern the design, layout and construction of Olympic facilities was published by the Sydney Organizing Committee. Some 90 ecologically sustainable development (ESD) principles were included, with statements on recycling, renewable energy sources, public transport, derelict land and protection of threatened environments and endangered species. The theme of sustainability was also addressed by situating many Olympic facilities within walking distance of each other, reducing the dependence on motor vehicles.

The process of staging the Sydney Games and providing the facilities saw the creation of two new state government agencies: the Sydney Organising Committee for the Olympic Games (SOCOG) and the Olympic Coordination Authority (OCA). While SOCOG was responsible for undertaking the bid with regard to the organisation and staging of the Games, OCA was entrusted with the task of delivering venues and facilities for use during the Olympic and Paralympic Games. To create efficiency in terms of implementation and operation, Sydney's organisational structure ensured high-level government involvement and financial backing, but also a leading decision-making role in Australia's sporting community (SOCOG 2001). By the same token, the Olympic Roads and Transport Authority (ORTA) was established by the New South Wales Government to coordinate all ground transport services for the Games. Special Olympic legislation effected significant changes to the usual planning and consultative process, aiming to provide certainty in the development procedure and meet the deadlines for the Olympic planning process, "[t]he relaxing of the planning process, for example not requiring environmental impact statements for Olympic development, enabled organising authorities to have most Olympic facilities ready nearly twelve months in advance of the opening ceremony" (Owen 2002: 332). However, these changes reduced the levels of accountability to the community at large and provided insufficient information to the local community.

The main goal of place marketing was to attract business and investment through the Olympic event and strategically seek to maximise long-term benefits. Sydney invested heavily in the regeneration and construction of landmark Olympic venues and various beautification programmes in order to promote Sydney and Australia in general as an attractive destination for tourism and business investment. The opening and closing ceremonies and the extensive media attention during the Games all played their parts in projecting an image of Australia and Sydney in particular to the global audience. To maximise the benefit to the tourism industry, a series of promotional programmes were launched to target the various potential groups before, during and after the Games. In 1995, the Olympic Business Roundtable (OBRT) was established as an umbrella organisation with representatives from government, Olympic sponsors, SOCOG and industry groups. OBRT launched a series of business promotion programmes which aimed to present a high-profile business image of Australia, one example being Investment 2000, which was designed to attract companies to invest in and establish branches in Australia, and another being Business Club Australia (BCA), which would provide a business-matching service between Australian and overseas companies (Yu 2004).

Despite the increasing concerns and attention given to the social impact of a mega-event such as the Olympics (Olds 1998), the sociocultural dimension of the Sydney Games was somewhat forgotten during the bidding process and the following period. Except "to the extent in which the different cultures of Australia could be used to promote an image which might see the bid attempt succeed" (Hall 2001), no social impact study was undertaken by the Sydney bid team during the bidding process. After the bid was won, a comprehensive housing and social impact study was carried out by Cox et al. (1994), which presented a number of recommendations that would lead to positive social development. However, the low-income housing recommended in Cox's study did not interest the NSW State Government or the Sydney Olympic organisation, which was more interested in higher-income housing, benefiting commercial interests and local revenues. Lenskyj (2002) reveals the harsh realities of the most vulnerable members of the community contrary to the 'best-ever Olympic Games' claimed by IOC president Samaranch.

### **3.3 Effects**

Hosting the Sydney 2000 Olympic Games undoubtedly generated certain positive benefits. Sandy Hollway, the Chief Executive Officer of the 2000 Sydney Olympics, has spoken of the tangible legacy in terms of three categories: (1) the presence of international standard sport facilities in Sydney due to the

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Games, (2) the improvement of urban quality due to the rehabilitation of the Homebush Bay area and (3) the development of economic infrastructure as an impulse of the Games, such as the airport upgrade, rail links and the Eastern Distributor motorway (Hollway 2001). It was a public-private partnership that saw the Homebush site created, with exceptional transport connections to the Sydney city region and Games “that captured the imagination of the nation, as a direct route to performance on a world economic stage” (Tibbott 2001). Without the Olympics it is highly doubtful, for example, whether the regeneration of Homebush Bay would have been achieved within the time frame or on such a scale, or whether a new railway would have been built: “The win skewed the regeneration towards construction of Olympic venues, a large housing area and a regional park which helped Sydney’s claim of a Green Games” (Searle 2002: 850). The significant urban development consequences of the Green Games promise were the adoption of strong ESD principles in building the Athletes’ Village and the creation of Sydney’s largest urban park, Millennium Parklands, on 450 hectares of formerly derelict land between Olympic Park and the Parramatta River. However, the impressive tangible spatial outcome may have been undermined by the difficulties that the two Olympic stadiums – Stadium Australia and the Sydney Superdome – have faced in the post-Olympic period. Since the Olympic Games they have experienced major financial shortfalls which threaten their viability. Despite being a continuous attraction to 9 million tourists annually, the two large stadiums are having difficulties in attracting large events or a large audience for sporting events after accommodating the huge Olympic Games crowds. After 2000, Homebush has been host to a handful of rugby and cricket internationals, but the attendance at these events hardly compares with the Olympic crowds (Searle 2002; Berlin 2003). Sue Holliday, the former chief planner for the Sydney Games, told a conference recently that the host city should have focused more broadly on a legacy programme for the Olympic site: “Sydney is paying the price”, she said (The Independent 2008). The Sydney Olympic Park became yet another white elephant after the Games closed and a long-term plan for its redevelopment, turning the site over to residential and commercial use, did not appear until 2005 (Lochhead 2005).

The same dilemma is apparent in relation to the environmental legacy. As mentioned above, an innovative action taken by Sydney’s organisers was to develop a partnership with the NGO Greenpeace to outline ESD principles and bring them into practice. However, the ‘green’ credentials of the Games were challenged during the process (Lenskyj 1998), with a number of environmental organisations and pressure groups questioning whether the various commitments set out in the Environmental Guidelines would actually be delivered. Measures to increase the city’s airport capacity, an integral part of the Olympic development, were opposed by local residents, who argued that there would be adverse environmental consequences in terms of noise and pollution. There were media allegations that not enough work was being undertaken to clean up areas on the Homebush Bay site from toxic contamination, with suspected dioxin contamination arousing particular concern. The ‘Green’ Olympics remained, therefore, the subject of considerable controversy (Chalkley and Essex 1999).

Before the Games started, several projections on the economic impact of the Sydney 2000 Olympic Games appeared, among which were reports by KPMG in 1993 and Arthur Anderson in 1999, both of which presented positive economic impact predictions. After the Games, however, doubts were raised about the positive legacy claim. According to Haynes (2001), the total cost of staging the Olympic Games as announced by NSW Treasurer Michael Egan was AU\$6.5 billion. The Federal Government contributed AU\$194 million and the private sector AU\$1.3 billion, while the NSW State Government contributed AU\$2.3 billion. Haynes believes that the Sydney Olympic Games were not the money-maker that the 1984 Los Angeles Games were, but neither have they been a financial burden on the NSW State Government. With respect to the post-Olympic economic impact, Price Waterhouse Coopers (2001, in Clark 2008), a major source for a positive evaluation, concluded that the Sydney Olympic Games delivered substantial benefits to Sydney, NSW and Australia, including some AU\$3 billion in business outcomes, over AU\$6 billion injected into infrastructure in NSW, over AU\$1.2 billion worth of convention business for NSW between 1993 and 2007, over AU\$6 billion in inbound tourism spending during 2001, greatly enhanced business profiles for Sydney, NSW and Australia through the equivalent of up to AU\$6.1 billion worth of international exposure, and great expertise and confidence in tendering, both domestically and overseas, for large-scale projects. This economic impact analysis was echoed by research from Yu (2004) and Hill (2009).

Madden (2002) extended the assessment of the economic impact of Sydney 2000, suggesting that the economic activity in NSW was 0.3 percent higher over the 12-year period due to the Games. Another report about economic legacy of Sydney 2000 pointed to the fact that the Olympics helped to create a more

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competitive economic attitude in Australia, also pointing to the catalyst effect the Olympics have had on economic, cultural and social change (SOCOG 2001; Tibbott 2001). They considered that there were undoubtedly clear and lasting rewards for the substantial investments made with respect to many interest groups in the city, region and even country as a whole. However, other researchers doubt the direct link between the two. Weed (2008: 149) questions the accuracy of the impact measurement since “little research to specifically examine this issue has been conducted”, suggesting that in some cases there was “evidence of duplication”. Preuss (2004) reported that the long-term increase in tourism cannot be proven due to the drastic change after 11 September 2001. He also pointed to some miscalculation during the Games, such as the overbooking of hotel rooms by SOCOG and the phenomenon whereby the Olympic attraction adversely affected local trade during the Games. He further reminds us of the price increases suffered by the local community after the Games. Impact research on the Sydney Olympics undertaken by Giesecke and Madden (2007) seven years later actually confronted us with a net consumption loss of approximately AU\$2.1 billion.

Much research has touched upon Sydney’s impressive urban imaging process and place marketing strategy to promote Sydney through the Games (Hall 2001). There was widespread agreement that the greatest opportunities would arise due to the increased media exposure that Australia would gain as a result of the Games. Australia would thus become “the first Olympic host nation to take full advantage of the Games to vigorously pursue tourism for the benefit of the whole country”, stated Michael Payne, IOC Director of Marketing (Brown 2001: 15). It is interesting to highlight that the AU\$12 million four-year Olympic strategy launched by the Australian Tourist Commission (ATC) in 1996 was a combination of short-term advertising campaigns, a marketing campaign and research and strategy on long-term image-building measures (Brown 2001). Clear indications of the positive impact of place marketing was the large influx of overseas visitors to Sydney during the Games and that 50-60 percent of the economic impact was generated by Olympic-related tourist visits and tourist spending over the ten year period between 1994-2004 (Chalip 2000).

The social effects of the Sydney Olympics are noticeably absent from the urban development strategy. Despite the event contributing to a sense of community and national spirit (Waitt 2003), the Olympics downplayed “community and social interests, particularly those of inner city residents”, while being narrowly concerned with “commercial, economic and political interests” (Hall 2001). Research by Blunden (2007) shows that the staging of the Olympic Games brought forward an escalation in housing costs in Sydney and some loss of low-income housing stock. With higher-income households the target of housing development, low-income earners who suffered from rental increases in traditionally cheap housing areas, moved away. The lack of a low-income housing programme, together with an increase in commercial housing development aimed at white-collar professionals, indicates a movement towards gentrification in many of the inner Western suburbs of Sydney near Homebush Bay.

The contrast between the overemphasis on place marketing and economic calculation and the largely absent social concerns simply reveals the current context of staging a mega-event. The Sydney Olympics are a classic case of what Hall has claimed to be “a representative of the growth of corporatist politics in Australia” and the subsequent treatment of a city as a product to be packaged, marketed and sold, in which opinion polls substitute for public participation in the decision-making process (Hall 2001). In fact, Owen even argues that mega-events such as the Sydney Olympics are important redevelopment tools to be utilised by entrepreneurial government. His research provides sufficient examples of entrepreneurship, including “the centralisation of planning powers, the increasing involvement in government activities, and the relaxation of planning processes, result[ing] in reduced openness, accountability and public participation” (Owen 2002: 323). Perhaps a more positive result of entrepreneurialism would be greater private investment and the establishment of a closer partnership between the public and private sectors to share the risks and benefits of the Olympic Games, with a direct consequence being the reduction of the burden placed on taxpayers.

#### **4 CONCLUSIONS**

Urban development strategies generally address challenges in both the global and local contexts. The intensification of global competition and capital mobility have undoubtedly resulted in national, regional and local governments becoming increasingly concerned with promoting local economic development through place marketing. A mega-event strategy such as hosting the Olympic Games is seen by host cities as a strategic opportunity to gain regional, national and international media exposure at low cost and a leverage



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for generating future growth and waging a competitive struggle to attract investment capital (Andranovich et al. 2001). Cities have related the staging of the Olympic Games to a broader and more strategic urban development agenda, using the Games to “boost the urban economy, permanently reposition the city in the global tourist market, promote regeneration, allow the revamping of transport and service infrastructures, create vibrant cultural quarters, and establish a network of high-grade facilities that could serve as the basis for future bids” (Gold and Gold 2008: 301). The research model we introduced in this article has helped to depict the main factors that a host city will have to deal with in using a mega-event strategy such as the Olympic Games as a catalyst to stimulate its urban development process. It is evident that different cities have adjusted their approaches to fit particular circumstances, particularly with a view to temporal demand, purpose, political agendas and the locality in question. Thus, while the 1984 Los Angeles Olympics, the 1992 Barcelona Olympics and the 2000 Sydney Olympics have all been viewed as ‘successful’, each city had fundamentally different aims and objectives and took different approaches. Unlike Barcelona, Sydney was not facing an economic crisis, but it still had to find a niche in order to beat its stronger competitor in the bidding process, Beijing. Sydney thus appealed to the IOC’s concerns about sustainable development and aimed to achieve an environmental legacy. An impressive achievement, despite some controversy, Sydney succeeded in creating a balance between economic and environmental objectives, providing a good example to other potential host cities.

In Sydney’s experience we detected an enthusiasm that many host cities share with respect to the long-term impact the Olympics may have on the city. The Games have become a metaphor for the pursuit of excellence in the world economy and for Australia in taking an international role. Sydney has made particular efforts in the urban imaging process to promote Australia and pursue the place marketing of Sydney as a new business and tourist destination. Various urban development strategies that Sydney explored actually addressed the same place marketing goals.

Perhaps one of the most important concepts to have emerged from impact studies is that of the ‘legacy momentum’, that is, a host city’s capacity to continue to grow in the wake of the immediate post-Games downturn in economic activities and drive the transformation of the host city (London East Research Institute 2007). Various studies of Sydney’s experience in staging the 2000 Olympic Games acknowledge the complex challenges associated with bidding for and staging the Olympic Games. However, the greatest challenge faced by a host city is not so much how to fast-track Olympic venue development under extreme time pressure, but rather what longer-term goals can be achieved and sustained after the Games leave town. Indeed, when IOC president Samaranch declared to the world at the closing ceremony that the Games had been the best ever, Sydney 2000 was seen by many as a success in engineering, communications technology, marketing, finance, operations management and organisational capacity. Yet, when changing the focus from the sixteen days of the Games to the post-Olympic period, the answer to the question concerning the legacy that the Olympics left Sydney is somewhat mixed. This issue has much in common with the IOC’s concerns about sustainable development (Furrer 2002). City leaders may well view the Olympic Games in strategic terms, as an opportunity to gain regional, national and international exposure at a relatively low cost. However, they also face a huge and complex task in addressing financial, spatial and temporal challenges prior to and during the Games, not to mention the enormous investment in resources needed, and the large number of actors involved in the development process. Subject to time pressure and without careful consideration of the long-term impact, Olympic venues may become ‘white elephants’ after the Games have taken place, isolated in their city landscapes (Furrer 2002; Cashman 2002). In such situations, rather than economic benefits, the host city may be left with huge debts that take many years to repay. Moreover, the promises of social benefits made to local communities may well prove to be empty, with the circumstances of vulnerable groups potentially worsening, rather than improving. The contradictions and controversies surrounding the Summer Olympic Games may thus have significant implications for the lives of people living in host cities, and are therefore worthy of increased attention on the part of policymakers and planners.

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