The Redevelopment of Olympic Sites: Examining the Legacy of Sydney Olympic Park

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The Redevelopment of Olympic Sites: Examining the Legacy of Sydney Olympic Park

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Abstract

This paper examines the redevelopment of the site of Sydney’s 2000 summer Olympics, locating it within debates over the legacy of these events. The paper describes some of the key stakeholders involved in the redevelopment and planning of the site. It provides an overview of the regulatory context and governance bodies that have structured the space since the staging of the Olympics, then identifies two key areas of private-sector involvement, in event space and in business development, where tensions emerged over how the site should best be governed.

1. Introduction

The hosting of an Olympic Games is one of the most sought after events to be pursued by state governments. However, after a series of significant public debt crises following the hosting of the Olympics, particularly in Montreal (Levine, 2003) and Atlanta (Andranovich et al., 2001), the issue of legacy has moved to the centre of the Olympics bidding process and wider debates over the benefits of the Games (for example, Gold and Gold, 2008; Newman, 2007). Indeed, legacy has been made a significant aspect of the bid evaluation process by the International Olympic Committee (IOC) in their Olympic Charter, the IOC’s Agenda 21 and the IOC’s Olympic Games Knowledge Management (OGKM) programme. Furthermore, this emphasis on legacy has been accentuated in the context of a wider sustainability agenda that continues to direct attention onto the long-term impacts of large urban development projects (Kornblatt, 2006). As a result, there has

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been a long-standing interest in the integration of Games planning with the development of new economic development zones, key features of both the Barcelona (1992) and Athens (2004) Games (for example, Gospodini, 2009), as well as a less pronounced but extremely valuable commentary on the public finance landscape that has followed the Games (Searle, 2002).

In this paper, we examine the aftermath of the 2000 summer Olympics and Paralympics in the main Sydney site at Homebush in the central west of the metropolitan area, and consider how the New South Wales (NSW) state government and the Sydney Olympic Park Authority (SOPA) have addressed the long-term management of legacy. The paper focuses on the conflictual nature of its development as a ‘retrofitted’ event space and its popularity as a form of business park, set within large and diverse recreational parklands. The paper identifies the key stakeholders from both the private and public sectors, and traces the competing visions for the site’s development. We draw attention to the importance of seeing the Olympic Park as a specific property market, a mix of publicly owned leisure areas, cross-subsidised by the development and leasing of particular sites in order to drive revenue. A key contribution of the paper is to address the ‘texture’ of this market, where the state “must also be considered as a local contingency” (Beauregard, 2005, p. 2435), along with a diverse set of property development and corporate lessee interests. As we shall show, the state itself has to be regarded as a highly contested, strategic site of party factionalism, bureaucratic inertia, managerial cultures and interagency dissonance, as well as playing the more orthodox role of market regulator and development enabler in major sites of urban regeneration (Fainstein 2001). The paper builds on the nuanced analysis by Searle and Bounds of the early planning of Olympic Park, which identified the drive by the [NSW] government to achieve maximum economic return from its land holdings, via sale or lease [and a] state policy of reducing local impediments to development (Searle and Bounds, 1999, p. 166).

The paper is based on a year-long study of Sydney Olympic Park, between March 2008 and February 2009, during which the authors were given unprecedented access to officers of the Sydney Olympic Park Authority and other site stakeholders. We conducted semi-structured interviews with eight officers, working in a range of areas in the Park. In addition, and with the help of the Sydney Olympic Park Business Association (SOPBA), we interviewed five representatives of large businesses, including Acer Arena, the Accor hotels, Commonwealth Bank of Australia as key office tenant and a representative of a major property developer, as well as the Association’s CEO. To gain an insight into the perspectives of neighbouring communities, we conducted interviews and/or focus groups with representatives of community associations and local councils adjacent to the site.

2. The Political Rationale of Olympic Legacy Strategies

There is now increased emphasis on generating a strong functional legacy for the sites of the Olympic Games (for example, Prior, 2006). However, Olympic sites are spaces with huge sunk costs. Hence, the staging of an Olympics is often justified by the argument that the public costs of infrastructure provision, site clearance and facilities construction will lever in private investment and in turn sponsor a wider area-led
regeneration. Hosting the Olympics therefore sees the state acting primarily not as a manager and/or regulator, but as a speculative investor, using its planning authority to absorb risk, stimulate and execute, as opposed to manage, urban development (Harvey, 1989). This state entrepreneurialism is often driven by a coalition of leading private-sector stakeholders (along with major public institutions and agencies) (Cochrane et al., 1996) and tends to be opposed only by community groups protesting against loss of amenity, or fiscal conservatives worried at the long-term impacts on public finance.

Such opposition to hosting the Games is unsurprising given the huge costs involved, the most recent summer Games have been estimated as costing AU$6.6 billion (Sydney 2000), 8.9 billion Euros (Athens 2004) and US$16 billion (Beijing, 2008). Even the bidding process for the Games itself represents a major public investment (Law, 1994; Whitelegg, 2000). Thus the IOC’s bidding process now places significant emphasis on the planning of post-games legacy, making it an objective “to promote a positive legacy from the Olympic Games to the host cities and host countries”, one of the IOC’s 16 goals in its Olympic Charter (IOC, 2007, p. 15). Yet it remains difficult, if not impossible, to identify the costs of hosting; this is despite attempts to improve the correlation of benefits using, for example, input–output analysis (Zhang and Zhao, 2007). This problem is confounded by the opaque accounting measures often used by city and national governments to allocate public spending (Kasimati and Dawson, 2009; Kirkup and Major, 2006; Waitt, 1999).

The major challenge faced by states that host the Games is that of debt financing the huge sunk investments in transport, sports facilities, media infrastructure, accommodation and precinct development. While this can be used to leverage central government funding for nationally significant projects, this often speculative investing can, at its most extreme, generate a fiscal crisis of the state (Harvey, 1989). A notorious example of this was the 1976 Montreal Olympics, its related CDN$1.5 billion debts only being cleared in 2006. Vancouver’s 2010 winter Games generated similar concerns as the city council’s credit rating was downgraded in the face of growing costs relating to the Olympic Village at South-east False Creek. Given that the penalisation of public debt burden has been a key neo-liberal disciplining device (Hackworth, 2002; Harvey, 2005), failure to achieve planned budgeting threatens to trigger credit-rating downgrades and higher interest payments. In such cases, the implications of the state acting as speculator become realised in the form of welfare and social service cutbacks (Hackworth, 2002; Harvey, 2005).

A further challenge concerns the problem of what to do with facilities which without careful community and commercial engagement will become largely redundant in terms of both use and exchange value after the end of the Games. As the Olympics host a wide range of sports that rarely receive large public audiences at other times, it is very difficult to design facilities that can be efficiently re-used for post-Games. Even the central Olympic stadium can often struggle to be efficiently re-used. The Barcelona 1992 stadium was for many years used only for sparsely attended American football matches, then as a temporary home the Espanyol football club, and now lies largely vacant. Legacy planning for the 2012 London Olympic stadium has been dominated by debates over the most appropriate tenant. The most suitable user in terms of crowd size—Tottenham Hotspur—planned to remove the athletics track and significantly redevelop the stadium, thus raising the ire of the athletics community. Perhaps as a consequence, the 2012 stadium leasing agreement was
subsequently awarded to West Ham United which, despite having smaller crowds, offered to retain the athletics track and do little to alter the stadium fabric. The relegation of this club in 2011 from the Premier League raises doubts about whether it will be able to fill the stadium in future. Around the world, most Olympic cities have seen many of their facilities demolished, or else left underused or in disrepair.

Yet these problems have rarely dampened political enthusiasm for hosting the Games. For some, this relates to the lack of options available to city governments in the context of a wider coercive neo-liberal agenda that has drastically constrained economic strategy options (Andranovich et al., 2001; Harvey, 1989). However, it also relates to the fact that legacy benefits come in two forms: the hard (i.e. economic and infrastructure) and soft (i.e. place image and civic pride) (Kornblatt, 2006). Hence, a combination of accounting difficulties and the feel-good benefits delivered to elected politicians from a successful bid means that cost–benefit analysis does not dictate rationale. It is also worth noting that soft benefits are, occasionally, not purely associated with the generation of hosting-related fiscal income (see Hiller, 2000, on Cape Town’s 2004 Olympics bid).

Soft benefits have also become a greater focus in the Olympic bidding competition. In 1996, the IOC adopted UNCED Agenda 21 to “achieve sustainable development through sport” (IOC, 1999), amending the Olympic Charter to include the following statement:

> the IOC sees that the Olympic Games are held in conditions which demonstrate a responsible concern for environmental issues and encourages the Olympic Movement to demonstrate a responsible concern for environmental issues, takes measures to reflect such concern in its activities and educates all those connected with the Olympic Movement as to the importance of sustainable development (IOC, 1999, p. 7).

All subsequent bidding cities have responded to this brief through a wide-ranging embrace of sustainability, where a host of environment and social outcomes that cannot necessarily be reflected in balance sheets have been promised. Sydney’s 2000 Games was notable for being the self-proclaimed ‘first green games’ (Chalkley and Essex, 1999) and more recently the Vancouver (2010) and London (2012) Games have embraced sustainability as a key planning rationale. Of course, there remain significant debates over both the meanings and levels of commitment to sustainability in host cities (see Holden et al., 2008).

Yet despite a growing concern with non-fiscal outcomes, particularly with respect to sustainability, governments continue to use the Games primarily as an economic development strategy. This involves striking a balance between delivering the desired capital works and retaining high credit ratings—preferably AAA—from agencies such as Standard and Poor, bringing the ability to access credit at favourable interest rates (Hackworth, 2007). As Weber notes:

> local governments have the capacity to preserve a realm of provision of public goods—although the nature of these goods and services are often themselves transformed by the manner in which they are financed (Weber, 2010, p. 253).

The management of post-Games legacy has therefore increasingly involved an attempt to balance greater returns from the sale or lease of state assets, with a set of other, potentially contradictory, goals (such as improvements in public transport and affordable housing supply). Indeed, the IOC has structured its bidding competition in an attempt to limit fiscal commitments
and maximise sustainability outcomes. An assessment of legacy outcomes therefore involves not only a consideration of multiple objectives, but also a concern over their on-going compatibility.

3. The Governance of Legacy

The current shape of Sydney Olympic Park emerged from the successful 1993 bid for the 2000 Games. In 1995, the newly formed Olympic Co-ordination Authority (OCA) took control over a 760-hectare site in west central Sydney from the Homebush Bay Development Corporation, established by the NSW State government in 1992 to “promote, co-ordinate, manage and secure the orderly and economic development of the growth centre at Homebush” (Growth Centres (Development Corporations) Amendment Act 1992). When the OCA took control of the area, it was posed with significant remediation challenges, including asbestos, dioxin and pesticide contamination, a consequence of decades of unrecorded industrial and domestic dumping (Beder, 1993). It included land formerly occupied by the state abattoir and a major brickworks, until relocation led to the site’s dereliction in the 1980s. The sections of the site adjacent to the Parramatta River had been used as a ship-breaking yard and for a number of chemical factories since the 1920s. As a consequence, by the late 1970s, this slice of west central Sydney was heavily polluted and uninhabitable. Remediation and redevelopment of the site began in the 1980s, as a private business park and Bicentennial Park (a large recreational park with protected natural heritage areas) were established on sections of the site. However, the Olympics were seen as a vehicle for integrating this area within a wider spatial development framework.

The master planning for the 2000 Olympic Games therefore involved significant site clean-up, helping to establish a strong sustainability legacy for the Games, as well as the creation of the required sporting facilities (see Briese, 2001; Searle, 2002). Perhaps the greatest legacy has been the on-going remediation of the 425-acre parklands, which dominate the site in terms of area. They have become one of the most visited ‘regional’ parks in NSW, with a large residential catchment radiating in all directions. The area contains significant wildlife reserves (for example, the Brickpit, a disused excavation site that is protected to allow the Green and Golden Bell frog to thrive) and remnants of the Cumberland Plain Woodland. It also includes heritage listed historical sites such as the Newington Armory, an old naval site on the Parramatta River foreshore. These sites, several of which were sculpted into artificial viewing hills, still require expensive, on-going, environmental monitoring and development restrictions. However, they have become a popular recreational site, also acting as venues for activities such as wedding receptions, corporate away-days and educational tours.

The Parklands have a very clearly defined set of management principles, enshrined in various pieces of legislation, including the statutory Plan of Management for the Parklands at Sydney Olympic Park (2003), required and authorised by the Sydney Olympic Park Authority Act (2001) and adopted in 2003. The Park itself contains 17 management precincts, each with a detailed, legislatively regulated set of characteristics as regards planting, ecosystems and human use. As a result of this legislation, the parklands have not been subject to development activities, but their location adjacent to the town centre and integrated management by SOPA allow the parklands to be leveraged as a distinctive feature for commercial tenants; a key potential tool in staff attraction and retention. In fact, the costs of maintaining the polluted sites are expected to be borne by the revenues generated by the town centre site. In 2006, the NSW
State government modified SOPA’s overarching governance authority with the establishment of a parallel body known as the Parklands Foundation. This not-for-profit organisation is intended primarily as a revenue-raising venture, using the public foundations of New York’s Central Park and London’s Royal Parks as models.

Such revenue maximisation is driven by the fact that, as with most mega events, development and maintenance costs far exceeded initial projections. In 2002, the Auditor-General reported that the net cost of the Olympics totalled AU$6.5 billion (over double the bid estimate), with approximately AU$1.7 billion of this being borne by the public purse. While this included a range of Olympic sports projects dotted across the metropolitan region, the bulk of the investment was made at the main Homebush Bay site, where the majority of Olympic activities took place (see Figure 1). Major developments included the 80,000-seat Olympic Stadium (currently named ANZ Stadium), a 21,000-seat indoor arena, the SuperDome (currently named Acer Arena) and the Olympic Village (sold post-Games on the open market as the Newington neighbourhood). A new railway station formed the core of the site, the majority of which was remediated and converted into the 425-hectare Millennium Parklands, generating extensive grasslands and wetlands habitat from one of the most polluted sites in Australia.

In order to develop a governance framework for the development of the commercially zoned areas, stadium management, parklands maintenance and general operational needs such as security, events and traffic management, SOPA was established by the NSW State government in 2001 by the Sydney Olympic Park Authority Act 2001. It replaced the Sydney Organising Committee for the Olympic Games (1993–2001) and Olympic Co-ordination Authority (1995–2002), both of which had previously managed the site solely for its Olympic operations and functions. SOPA is responsible for planning and managing the Olympic site, ensuring that it becomes a valued asset and living legacy. Its mission is to “develop and maintain, to international standards, a unique and integrated township called ‘Sydney Olympic Park’” (SOPA, 2010). SOPA’s principal role has been to ensure that the space delivered a return on the fixed capital investment the NSW government had made in preparing for the 2000 Olympics. This role has been legislated to be reduced over time, with stipulated year-on-year budget reductions shrinking state expenditure on the bureaucracy.

SOPA’s responsibilities include the continued management of the site remediation, enforcement of planning legislation for the town centre and parklands areas, management of some of the remaining Olympic facilities and responsibility for basic service provision such as waste disposal, maintenance and provision of roads, trees and public spaces. Hence, SOPA carries out some of the activities normally associated with local councils. Immediately following the 2000 Games, SOPA produced the 2002 Master Plan, which identified eight development sites in the newly designated town centre around the train station that would be used for commercial, leisure, education, retail and cultural purposes (Lochhead, 2005). However, that plan was deemed inadequate because it did not fully integrate the needs of the region. An assessment of the long-term potential of the site was undertaken and a new plan, Vision 2025, was developed (adopted in 2005). Its task was to create a vision that would transform SOP into a “vibrant urban centre, while maintaining the primacy of the public realm and venues for major events” (Lochhead, 2005, p. 219). The plan attempted to integrate the space within its regional context.
Sydney Olympic Park is a unique place that offers a sustainable solution to Sydney’s burgeoning population while enhancing the quality of life for the people of Western Sydney (SOPA, 2002, p. 4).

However, it was also distinguished by a greater emphasis on intensifying development on the site, proposing a denser urban centre with a greater variety of uses, a residential population of 25,000, and 24,500 daily workers and students. Under this long-term plan, the Park will retain its current amenity and event capacity but will have increased economic and community viability (SOPA, 2002, p. 6).

Within the Master Plan, the key rationale for planning was outlined

Sydney Olympic Park has proven to be a successful major sporting, exhibition and entertainment venue, but this alone is not sufficient to ensure the on-going viability of the site. Alternative uses will have to be
introduced into the area to ensure that there will be a sufficient population of people living, working and visiting the site and to contribute to a dynamic and lively place to support existing venues and to maximise best use of significant infrastructure investment (SOPA, 2002, p. 15).

This vision has since been replaced by Master Plan 2030 (SOPA, 2010), which builds on Vision 2025, but with an even higher density form of compact urbanisation, based on proximity to the railway station, and with a general rise in building heights. The draft was released in July 2008, and was approved in early 2010. As well as setting a future development path, the Master Plan 2030 also provides an evaluation of the achievements realised since 2000. These include: “world class event venues”, “the largest remediation project of its kind in the history of Australia”, “the creation of one of the largest metropolitan parklands in Australia”, “the establishment of one of the world’s largest wastewater recycling systems”, “a solar powered suburb”, “best practice to environmental sustainability”, “high quality landscape reconstruction”, “high quality architecture” and a “business park hosting more than 50 companies” (SOPA, 2010, p. 17).

Master Plan 2030 divides the site into nine precincts and reflects a far higher level of coherence and urban design thinking in how the site develops than in previous plans. Each precinct has distinct, and prescribed, floor-space ratios, site configuration ratios and land use and building height controls. Perhaps the two key precincts include Central, which allows for new 20- to 30-storey high-rise commercial towers along Olympic Boulevard, gradually replacing the low-rise pre-Olympic business park with a mixed-use neighbourhood of commercial, residential (zoned as 10-storey blocks) and retail, organised around a new street pattern; and Parkview, a predominantly residential neighbourhood which includes new high-rise residential apartments, of up to 24 storeys.

The Master Plan sits within the context of the NSW government’s Metropolitan Strategy (NSW Department of Planning, 2005). In this plan, the NSW government has positioned SOP alongside a number of unique regional activity centres, ranked hierarchically as a ‘Specialised Centre’ behind the ‘Global City’ (i.e. Sydney CBD) and ‘Regional Cities’ (such as Parramatta). Specialised Centres are identified as key sites of clustered assets and employment, and offer a range of space uses which are unable to be catered for in traditional central business districts.

Sydney Olympic Park has been identified as a specialist economic centre … Sydney Olympic Park’s location at the geographic heart of Sydney, and its infrastructure legacy from the Sydney 2000 Olympic and Paralympic Games, has ensured excellent road and rail access from most places in the greater metropolitan area (SOPA, 2010, p. 18).

A key feature of the 2030 Master Plan was to zone land for a number of high-rise residential developments, an important element of NSW government’s urban consolidation agenda. This projects a base of 14,000 new residents.

To summarise, legacy planning for the 2000 Games has always been within the competence of the NSW State government, with SOPA acting as a powerful executive agency for day-to-day governance, with the Minister for Planning being the ultimate state arbiter. However, in recent years SOPA’s influence has gradually been reduced (see Table 1), with a reduction in staff numbers and an increasing attempt to maximise revenues from leasing and events. As we discuss later, this included the
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<tr>
<th>Organisation</th>
<th>Date established</th>
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<tr>
<td>New South Wales State government</td>
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<td>'Owners’ of Sydney Olympic Park. SOPA presents annual reports to the Minister with oversight of the Department of Planning</td>
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<tr>
<td>Sydney Organising Committee for the Olympic Games (SOCOG)</td>
<td>1993</td>
<td>Dissolved 2001</td>
<td>Responsible for staging of Olympics</td>
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<td>Olympic Co-ordination Authority (OCA)</td>
<td>1995</td>
<td>Dissolved 2002</td>
<td>Responsible for construction and oversight of the Olympic site; dissolved when SOPA was created</td>
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<td>Sydney Olympic Park Authority (SOPA)</td>
<td>2001</td>
<td>Continuing</td>
<td>Statutory management and planning of Sydney Olympic Park, including commercial development</td>
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<td>Parklands Foundation</td>
<td>2006</td>
<td>Continuing</td>
<td>Arms-length non-profit-making organisation aimed at protection and enhancement of parklands through corporate sponsorship and community/educational outreach</td>
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<td>Auburn Council</td>
<td>1892</td>
<td>Continuing</td>
<td>Municipal council that has local government powers (such as service provision, assessment of development applications) over Athletes Village, now known as Newington</td>
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<tr>
<td>Sydney Olympic Park Business Association (SOPBA)</td>
<td>2000</td>
<td>Continuing</td>
<td>Lobby group for businesses in and around Sydney Olympic Park; work closely with SOPA marketing department</td>
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<td>Royal Agricultural Society (RAS)</td>
<td>1822, moved to SOP in 1998</td>
<td>Continuing</td>
<td>Has a 99-year lease on the Sydney Showgrounds, which is situated within Sydney Olympic Park</td>
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<td>Homebush Motor Racing Authority (HMRA)</td>
<td>2008</td>
<td>Continuing</td>
<td>Statutory authority to control and organise the V8 supercar races held at Sydney Olympic Park from 2009; their authority over-rides SOPA during designated race periods</td>
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establishment in 2008 of the Homebush Motor Racing Authority (HMRA), having reached agreement with V8 Supercars Australia to hold a major motor racing event in the Park on an annual basis. Under the Homebush Motor Racing Authority (Sydney 400) Act (2008, no. 106), an eponymous new authority (i.e. HMRA) was established. The Act established a six-member Event Implementation Committee, consisting of a CEO, one representative of SOPA, three other NSW government agency representatives, including the police, and one representative of the race promoters. Significanly, the Act authorised the HMRA to cordon off particular areas of the Park site to stage the race, effectively superseding SOPA’s authority over the area for the duration of the race (including site preparation), being required only to consult with SOPA during this period.

This lack of accountability had long been in evidence. As Owen (2002, p. 329) notes, Auburn Council, the local authority with oversight of much of the Olympic precinct, and which has the highest number of foreign-born residents of any NSW local government area, were shut out of much of the planning process, again a typical outcome of agency-led Olympic site preparation. The post-Games settlement left Auburn with oversight of the Newington Athletes Village. The remainder of the parklands and facilities remained within SOPA’s control (with the exception of the Showgrounds site, as we discuss later). While in 2004, SOPA and Auburn Council signed a Statement of Co-operation which entailed a range of sporting, landscape and infrastructure improvements, there remains no directly elected territorial government for the Games site and no ‘mayor of Olympic Park’, given the lack of incorporation of the site within existing municipalities.

4. Event Space

A significant concern during the Olympic process was the degree of intraurban competition between Sydney’s major event spaces (Searle, 2002). Prior to the staging of the Games, Sydney’s key sports stadia (the Sydney Cricket Ground and the Sydney football stadium) were clustered around Moore Park in Paddington, in the city’s inner east. The operators of the stadium, Stadium Australia Group, sought to compete with these venues by attracting rugby league and AFL matches usually played at club grounds in and around Sydney. The stadium was also partially financed through the sale of 12 000 Gold memberships of 30 years duration to members of the public, who each paid $10 000. By 2009, the stadium had garnered more success but still remained locked in competition with the Moore Park venues. Stadium Australia Group successfully agreed deals with the Sydney-based Bulldogs and Rabbitohs rugby league teams and rugby union side the Waratahs. In addition, they secured naming rights deals first with the telecommunications provider Telstra and then with the banking group ANZ. As the most visible legacy of the Olympics, the main stadia have remained significant—but privately leased (Searle, 2002)—players in the Park, regularly showcasing both Sydney-based club sides and Australian national teams.

SOP’s other major event space, the 21 000-seat Acer Arena, has evolved from the Olympic basketball and trampoline venue into a successful entertainment venue, in spite of early struggles (Searle, 2002). The US Billboard music magazine ranked the Arena as the third most successful arena in the world for 2008, behind the O2 Arena in London and Madison Square Garden, New York. These rankings are based upon the gross income per seat.
generated by each event. ACER Arena’s headline events include media events (such as music awards, including Aria and MTV), religious events (Hillsong), world-famous rock bands (Coldplay, Bon Jovi) and major classical music events (André Rieu). Interviews with Acer Arena management reveal that this success has been pivotal to the continued attraction of international acts to Sydney. They explained this success as a consequence of the wide open spaces and substantial car parking available at the Park. The latter, a AU$63 million facility built by the NSW government before the Olympics, was viewed as particularly important given the fact that the majority of the ACER Arena’s patrons live to the north and north-west of the Park, in Sydney’s high-income, car-dependent suburbs. As a consequence, there is some concern in Acer Arena’s management that the continued evolution of the town centre will present new issues for it, particularly around managing public space and patron behaviour. There is also concern that the changing stakeholder composition of the Park will take emphasis away from the event basis of the Park’s current operations.

The replanning of the site is complicated by the presence of Sydney Showgrounds, a quasi-autonomous enclave within the Park, held and operated on a 99-year lease by the Royal Agricultural Society of NSW (RAS). As a consequence, this organisation is one of the Park’s key stakeholders. The lease conditions, a 99-year lease with another 99-year lease option, are particularly favourable since the NSW government negotiated that the Society be moved from its previous home in Moore Park. This reorganisation of land holdings was stimulated by the NSW State government’s entrepreneurial development agenda (see Searle and Bounds, 1999) that saw the RAS relocate from centrally located Moore Park, allowing this site to be developed as a Fox Studios television production centre and theme park. The relocated Showgrounds consists of 12 significant venue spaces, including the open-air, partially covered Main Arena (15 000 capacity for sports, 30 000 for concerts) and a large exhibition pavilion known as the Dome (up to 7000 covered), along with an array of other sites and pavilions offered for hire (see Figure 1). The Showgrounds hosts over 400 events of various sizes a year, but the key event is the Easter Show, which brings an unrivalled number of visitors (900 000 visitors in 2009) to the Park, followed by the Big Day Out, a major open-air summer pop festival. During both events, much of the town centre is dominated by either the expanded operations of the RAS or visitor management around the train station. The State-government-sponsored O’Neill tourism review (O’Neill, 2008) highlighted the relative lack of space for major conventions in Sydney and argued that the Showgrounds was currently underutilised and could be upgraded at relatively low cost. This would almost certainly exacerbate current space conflicts, such as the impact of major events on the Park’s surrounding residential communities.

The most significant conflict has been the NSW government agreement with V8 Supercars Australia to hold an annual motor racing event—the “Sydney Telstra 500”—in the Park. Controversially, then State Premier Nathan Rees agreed to provide a $30 million subsidy to the organisers in order to secure the race and, prospectively, generate $100 million of tourist revenues over five years. Since 2008, the parklands have therefore been subject to both permanent and temporary construction activities relating to the installation of the racetrack and enclosures to house the estimated 150 000 spectators (NSW Audit Office, 2010) that come to the event over its three-day duration. This development has involved the destruction and replanting of
at least 300 mature trees throughout the park. Interestingly, the race was seen as potentially beneficial by some park stakeholders, but not others, given the disruption caused by increased works traffic, the construction and dismantling of the race infrastructure, and the more general negative impact to the site’s competitive advantage as a site of sustainability. The latter has been an important marketing concept for some of the site’s commercial office developers.

Events remain a key element of the Park space, but will increasingly have to mitigate the negative externalities of their activities such as noise and congestion against the space demands of other users, particularly the rapid projected growth in the residential community.

5. Business Space

We are a little critical of government for not having had a master plan for beyond the Olympic games … We are little disappointed that, four years on, the infrastructure has not arrived (Anthony Duffy, then Chief Executive of Sydney Olympic Park Business Association (SOPBA); quoted in Brooke, 2004).

An important issue for the Park has been the gradual transition from being a state-run and regulated space, to one with increasing private-sector involvement. Large businesses, whether as property actors or major tenants, have begun to emerge as significant political stakeholders through SOPBA. Established in 2000, the business association provides the usual services of a chamber of commerce, providing a unified voice for business within the Park and offering members networking and social opportunities. SOPBA is currently governed by a board of directors which includes representatives of property owners (Colonial First State), the stadia (ANZ Stadium and ACER Arena), tenants (Commonwealth Bank of Australia) and the hotels (Accor), along with the CEO of SOPA and the CEO of the RAS. The association has thus emerged as a key stakeholder in debates on how the Park might develop, and actively lobbies state government. This is particularly important given that the infrastructure lag noted by its CEO in 2004 remains significant. For example, the public transport services to the Park remain limited, with very few direct train links to central Sydney, thus continuing the Park’s relative dependence on car transit. The route for the much-heralded, but endlessly postponed, West Metro light rail link could also link the Park to inner Sydney.

Regardless of these transport debates, SOPBA seeks to maximise Olympic Park’s locational assets. Sited adjacent to a mature park, a river and the reclaimed parklands, the Park can justifiably claim to be one of Sydney’s most attractive business locations, particularly in contrast to the other major suburban office parks such as Norwest and Macquarie Park. With its expansive public spaces, clusters of heritage buildings and relatively tranquil atmosphere, the Park has increasingly been marketed as possessing a particular locational asset, that of the ‘quality of life’ business district. Commercial developments in such districts are seen to possess a set of advantages in that they are perceived to possess health benefits such as cleaner air, stronger visual amenities, more opportunities for healthier routines such as lunch-time walks and close proximity to sports or leisure facilities (Hitchings, 2010). As Nevarez (2003) has described in his study of businesses in such districts in northern California, this offers advantages to employers in terms of worker retention, as well as being easier to market to relocating firms.

In an attempt to enhance worker satisfaction, SOPA, working in partnership with SOPBA, CBA and GPT, set up the Lifestyle
Program in 2007. Offered to employees working within the Park and a selection of neighbouring residents, the programme was aimed at differentiating the business centre from others in Sydney. Its benefits include organised social events (such as educational walks, trivia quizzes), discounted tickets for sports events and a range of services otherwise unavailable within the Park such as car repair and dry-cleaning. The programme was influenced by a similar model in operation at Chiswick Park, a business park located in west London, and aims to foster the physical and social interaction of workers, improving productivity and well-being.

For commercial property developers, this can prove to be a comparative advantage to existing sites in the metropolitan area. The town centre is split into a number of development sites. In the run-up to the 2000 Olympics, these sites were auctioned off to a number of private landowners. Some sites remained the property of SOPA and have been gradually released onto the market under the usual mechanisms of tender and subsequent grant of leasehold. A number of these sites have passed into the hands of institutional stakeholders, such as pension funds and listed property trusts. The two major landowners in the Park—apart from SOPA—are GPT Property Trust and Century Bankminster (part of Century Funds Management). In addition, there are a number of smaller landowners. Interestingly, this presents a scenario where some of the commercial property developers have been among the most ardent defenders of the parklands, particularly in the debates surrounding the V8 Supercars event, given fears that the value of the public assets would be negatively affected.

SOPA have placed increasing emphasis upon dense commercial and residential development around the Park’s train station in the town centre precincts. The advantages of such campus or park-like locations reflect difficulties in finding, and affording, high-specified office towers in the primary CBD. Their disadvantages include poor articulation with existing public transport routes and a lack of the dense business networks (i.e. CBD clustering) for conducting face-to-face business transactions. In Master Plan 2030, SOPA projected an employment base of 28,500, a target far higher than that projected in the previous NSW west central draft sub-regional plan (NSW, 2007). This raises a number of challenges about how best to achieve the optimal employment mix in order to diversify the Park, avoiding a reliance on one or two major firms which may relocate. It also required a stance on whether the type of development opportunities sought by the property development industry—usually higher density than that identified in the Master Plan 2030—are conducive to the retention of the Park’s unique ambience. Indeed, the property peak body made specific recommendations at the Plan’s public review that it should have higher floor-space ratios and larger floor-plates along commercially (i.e. office and retail) zoned strips. They argued that

if the draft master plan is not amended in consultation with the major landowners and other stakeholders, little commercial development will proceed in the short to medium term (Property Council of Australia, 2008, p. 2).

This vision of an employment centre is driven by the fact that SOP requires significant intervention by private developers and landowners to subsidise the ongoing costs of the Parklands. However, it should not be forgotten that the state is using its planning authority in order to stimulate this development to increase both the returns on its own property developments and land values.

This has meant that the major influences on the culture of the Park are the key
commercial tenants, particularly the Commonwealth Bank of Australia (CBA) and Accor Hotels. In mid 2006, the CBA announced the relocation of 12,000 non-branch staff to three sites in Sydney, 5000 of which were moved to SOP. The bank occupied two adjacent, newly built, six-storey office buildings, housing a range of functions including trader support, call centre work and a training facility, but with a secondary role as a ‘continuity’ site, a back-up for use in a major disaster such as a terrorist attack. The large floorplate, 23,000 square metre site suited the bank’s very high technology specifications (Ambler, 2005). The site has been purchased and developed by two of the banks’ property funds, Commonwealth Bank Property Fund and Direct Property Investment Fund, both managed by the CBA’s Colonial First State property company. Such funds are key players in the competitive fortunes of the differing business districts within any major metropolis, but act as major stakeholders within the nascent commercial area of the Park’s town centre (Ambler, 2005).

By contrast, the other major commercial tenant is Accor, the multinational hotel group, which owns and manages four hotels in the SOP town centre: an Ibis and Novotel development (constructed at the time of the Olympics) and a high-end Pullman hotel and budget Formule 1, both constructed at the end of the 2000s. The development of the Pullman reflects the very high occupancy rates that had been realised by the Novotel. The hotels, sited across from the Olympic stadium, are important for a number of reasons: first, as a means of generating a throughput of diverse guests; secondly, providing additional amenities to non-guest Park users, such as bars and restaurants; thirdly, connecting the Park to the wider metropolitan economy, including firms in the nearby Rhodes, Ryde and Silverwater employment lands; fourthly, providing added capacity to Sydney’s MICE (meeting, incentive, conference, events) market, particularly for companies priced or booked out of Sydney’s highly constrained CBD market. Thus, and perhaps surprisingly, Olympic Park has emerged as a successful hotel destination, meeting a variety of demands via its central location in metropolitan Sydney.

The Olympic site is evidently attracting a growing number of corporate tenants. However, it is not clear that having a small number of high-value tenants is the optimal approach to building the density of transactions, and traded and untraded dependencies, that make for a successful commercial neighbourhood. The development of Olympic sites has often been accompanied by a desire to cross-subsidise the heavy infrastructure costs by developing the site to its most profitable, rather than most socially desirable, rent. As Raco and Tunney (2010) have shown in relation to the preparation of the London 2012 site, this means that small and medium-sized business (SMEs) tend to be unfavourably viewed by development authorities and many have been forced to relocate during the development process. While Sydney’s site retains a number of SMEs, it will remain a challenge to continue to balance the commercial demands for a diverse business community with the complex space demands of other users.

6. Conclusion: Sydney Olympic Park’s Contested Legacy

This paper has sought to examine how Sydney Olympic Park’s post-Games legacy has been shaped by a number of state strategies to generate a return on the initial investment. We have argued that it is important to discuss the political economy of state involvement in such legacy debates. In order to achieve its objectives, in the absence of sufficient private capital to appropriate...
development, the NSW State government has used its strong centralised powers to act as both developer and planning authority. This is a typical situation in market economies, as Harvey has argued:

On the one hand the neoliberal state is expected to take a back seat and simply set the stage for market functions, but on the other it is supposed to be activist in creating a good business climate (Harvey, 2005, p. 79).

As has long been the case in NSW, certain elected political figures have pushed through fiscally dubious and environmentally destructive events through stealthy political lobbying, as in the case of the V8 events. The absence of a democratic governance mechanism will become a significant challenge, as the growing residential population will seek greater accountability in the operation of the Park. Even within the business community there are occasional conflicts between the ambitions of major tenants as well as the need to balance the needs of small and medium-sized businesses with the large corporations that exist within the Park (Raco and Tunney, 2010).

In the decade following the games, the Park has therefore undergone a degree of commercialisation with parallels to other Olympic sites and bids (for example, see Cochrane et al., 1996; Shoval, 2002). As with Athens (Gospodini, 2009) and Barcelona (McNeill, 1999), preparing development sites for market creates a significant public debt burden in terms of sunk costs. There is thus pressure to use the sites for the most commercially intensive returns in order to generate the revenues which can be returned to State coffers. However, this may not generate optimum urban policy outcomes, certainly in terms of environmental sustainability and social integration. Furthermore, the State’s objective to make the Park an economically self-sufficient entity brings it into conflict with its Games-related pledges (i.e. sustainability and community benefit) and some of the normative best-practice planning objectives formulated in its various master plans.

In addition, the State is faced with the challenge of producing a mixed-use precinct which adheres to carefully considered urban design guidelines and generates requisite revenues, whilst at the same time, countering the lobbying by the property peak body for larger floorplates. Here, the complex texture of functionally interdependent CBD markets identified by Beauregard (2005) has to be replicated by the State planning agency in order to achieve an appropriate mix of functions (residential, educational, leisure, office, retail and so on) as well as produce investment returns. This is challenging, given that residential and commercial property markets in particular are often asynchronous. The implications of this have been multiple and certainly highlight a series of tensions, including the lack of emphasis on affordable housing provisions, an over-reliance on car-based transit for Park visitors and workers, a lack of a clear labour market strategy and conflicting public space uses. The post-Olympics legacy of the site will thus pose significant governance challenges in coming years, as it matures into a fully functioning zone of metropolitan Sydney.

Notes


2. Stadium Australia Group (SAG) leased the AU$670 million stadium from the NSW government until 2031. In 2006, the debt-laden SAG was taken over by its banker, ANZ, at a nominal cost. SAG is now a wholly owned subsidiary of Stadium Investments Pty Ltd, a company that is wholly owned by Diversified Infrastructure Trust which is, in turn, managed by ANZ.
4. These sites can be viewed at: http://www.sydneyolympicpark.com.au/developing_and_commercial/commercial_opportunities/development_sites.

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