

Monday 12 September 2016

Stimulus book

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# Economics

Year 11 — Supervised written assessment — extended written response

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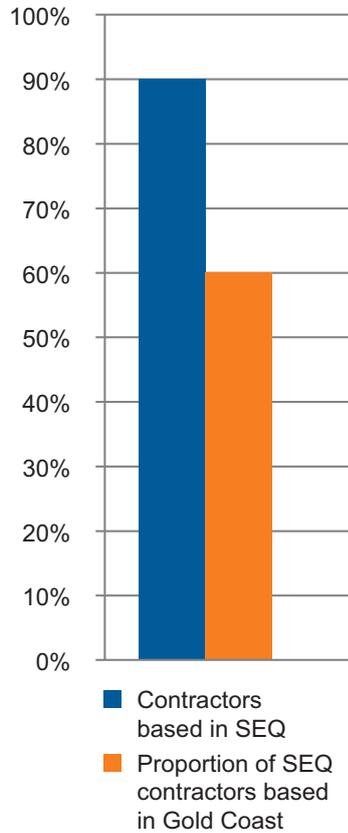
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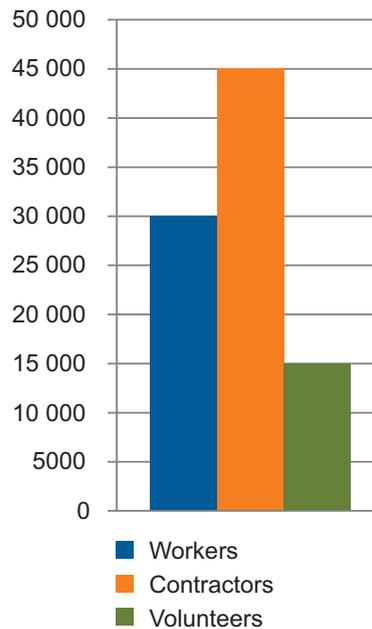
**Source 1: Snapshots of Gold Coast redevelopment**

**Contractors working on redevelopment by region**

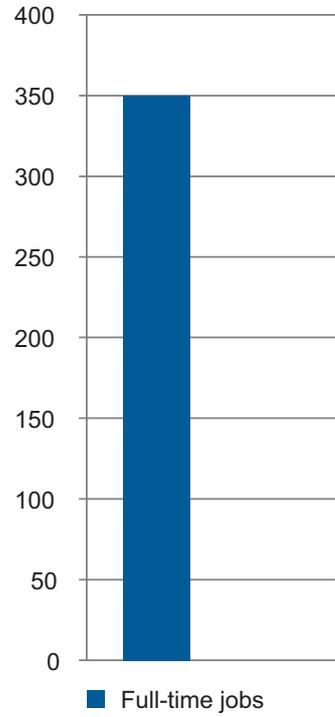


**‘Gold Coast Commonwealth Games Corporation Chairman Nigel Chamier says economic boost to double to \$4–5 billion or more.’**

Number of workers, based on previous \$2 billion economic development



**Building of Aquatic Centre**



**Public domain improvements:**

- upgrades to Southport and Broadbeach malls
- tree planting
- streetscaping
- roads and footpaths

**Legacies:**

- attraction of other major sporting events
- national & international training camps
- 100 000+ visitors

Information adapted without altering intent or meaning from the following sources: Gold Coast 2018 Commonwealth Games Corporation 2014, *Annual Report 2013–14*, Gold Coast 2018 Commonwealth Games Corporation, Bundall; Keen, R 2016, ‘Gold Coast Commonwealth Games Corporation chairman Nigel Chamier says economic boost to double’, *Gold Coast Bulletin*, 20 April, [www.goldcoastbulletin.com.au/news/gold-coast/gold-coast-commonwealth-games-corporation-chairman-nigel-chamier-says-economic-boost-to-double/news-story/b4966f88aa13d3c26e0580cdba973830](http://www.goldcoastbulletin.com.au/news/gold-coast/gold-coast-commonwealth-games-corporation-chairman-nigel-chamier-says-economic-boost-to-double/news-story/b4966f88aa13d3c26e0580cdba973830); Queensland Department of Tourism, Major Events, Small Business and the Commonwealth Games 2014, ‘Gold Coast Aquatic Centre’, *Embracing 2018: Our legacy stories*, [www.embracing2018.com/page/Our\\_Legacy\\_Stories/Case\\_study\\_Gold\\_Coast\\_Aquatic\\_Centre/](http://www.embracing2018.com/page/Our_Legacy_Stories/Case_study_Gold_Coast_Aquatic_Centre/); Pye, N (Teamz International) for Gold Coast Legacy Advisory Committee 2013, *Assessing Legacy: A best practice review (The Gold Coast Legacy Advisory Committee Report)*, Teamz International, City of Gold Coast, [www.goldcoast.qld.gov.au/documents/bf/comm-games-assessing-legacy.pdf](http://www.goldcoast.qld.gov.au/documents/bf/comm-games-assessing-legacy.pdf).

### Source 2: Towards a sustainable GC2018

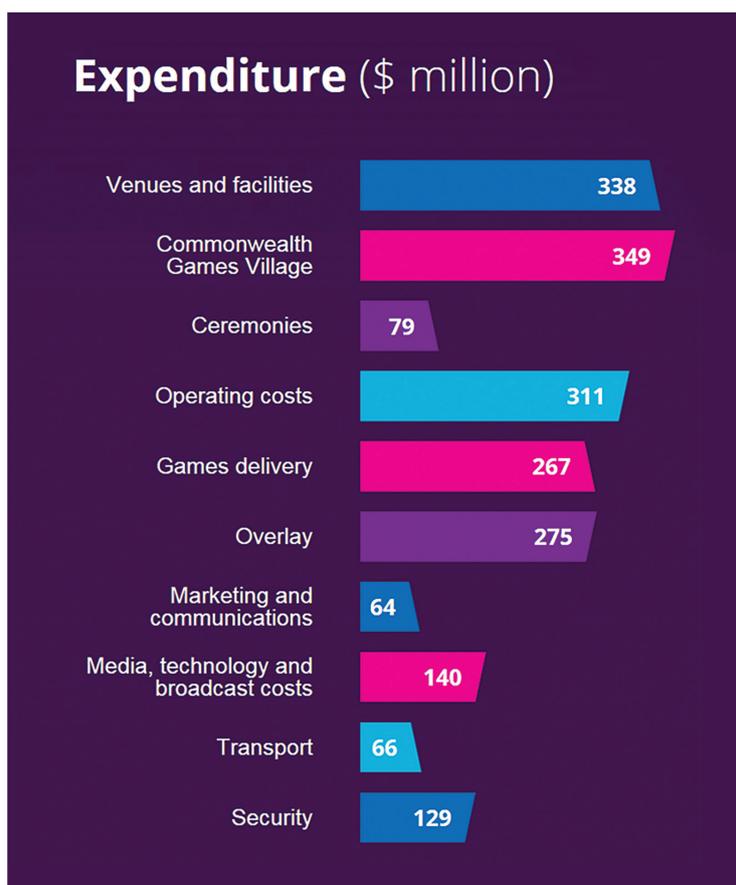
The Gold Coast 2018 Commonwealth Games™ (GC2018) will be the largest elite multi-sport event that the Gold Coast has ever hosted. It will take place from 4 to 15 April 2018 and will see 6500 athletes and team officials from 71 nations compete in 17 sporting disciplines at 18 venues across Queensland. 40 000 spectators will attend both the Opening and Closing Ceremonies held at Carrara Stadium. An estimated 1.5 million tickets will be sold for the 11 days of competition, with a global broadcast audience of 1.5 billion. GOLDOC will have a team of approximately 1000 paid employees, up to 35 000 external services providers and 15 000 volunteers.

An event of this magnitude will present significant business and tourism opportunities to the region, and the aim will therefore be to embrace the opportunities whilst limiting any negative social, economic or environmental impacts ...

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Source: Adapted without altering intent or meaning from Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) 2014, *Towards a sustainable GC2018*, August, p. 5, [https://gc2018.com/sites/default/files/Sustainability-Document\\_0.pdf](https://gc2018.com/sites/default/files/Sustainability-Document_0.pdf).

### Source 3: Ahead of the Games: Financial overview




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Source: Queensland Department of Tourism, Major Events, Small Business and the Commonwealth Games 2016, *Ahead of the Games: The inside story on Gold Coast 2018 Commonwealth Games preparations*, 3rd edn, February, <http://aheadofthegames.embracing2018.com/financial-overview>.

#### Source 4: Brisbane Olympics case difficult to make

Last week, Brisbane Lord Mayor Graham Quirk said he wants Brisbane to put in a bid for the 2028 Olympic Games. Any bid would be costly and would need the backing of all the councils in South East Queensland and support from both State and federal governments. The bid alone could cost up to A\$100 million, and that's before the Games are even awarded. So, before any money is spent, we might want to ask why Brisbane would want the Olympic Games anyway.

There are strong economic arguments to suggest hosting the Olympics could be a good thing. The economic impact would certainly be significant. The London Olympics claims to have brought in 800 000 overseas visitors with an economic impact of £890 million. They also argue it created around 70 000 permanent and temporary jobs.

The global media coverage of mega-events (such as the Olympics or Commonwealth Games) is also an important factor, resulting in more visitors travelling to the city after the event, as the figures from the UK suggest.

Mega events are also a great way to showcase the host city on social media. During the recent Commonwealth Games in Glasgow, the city was mentioned over a million times on social media. This publicity would be hard to come by any other way.

The Olympic Games could also be a catalyst for improved transport links and sporting infrastructure throughout South East Queensland, similar to those improvements currently being made on the Gold Coast in advance of the 2018 Commonwealth Games. These include the new Gold Coast tram network, the Commonwealth swimming complex and road improvements around the new athletes village.

#### Money well spent?

However, let's look at this more carefully. According to The Guardian, underestimating Olympic costs has almost become an Olympic sport in itself.

The budget for the Winter Olympics held in Sochi in early 2014 was around US\$10 billion, but the Games eventually cost around US\$51 billion. This makes it the most expensive Olympics ever. It is likely that hosting the Games in Australia

would cost considerably less, as much of the basic infrastructure is already in place. But could Brisbane, or even Australia, contemplate a cost of this order of magnitude?

And what about the opportunity costs? Shouldn't the State and federal governments be spending taxpayer money on domestic priorities, such as health and education, rather than on bidding for the Olympic Games? One of the strongest ground-roots anti-Olympic movements to date, the Bread not Circuses movement based in Toronto, successfully stopped a bid by Toronto to host the Olympic Games in 2008. They argued it was wrong to spend money bidding for the Olympic Games when there were public sector budget cuts and a shortage of housing. A similar popular movement in Brisbane could be equally damaging to any potential Olympic bid.

There is also a danger that publicly funded sporting infrastructure may become a 'white elephant' — following the Olympics in Athens, many of the purpose-built venues now lie empty, unused and decaying. Of course, presumably some of the new Gold Coast facilities, created for the Commonwealth Games in 2018, would form part of any Olympics Bid. This would certainly allay fears of these facilities becoming white elephants, at least in the short term. But this is a long-term game.

Perhaps the biggest advantage of a Brisbane Olympic Games would not be the temporary economic boost from visitors, or the global showcasing opportunity, but rather the opportunity to create a better and more liveable South East Queensland for the people who live there. This is the legacy of a successful mega-event. But this is also problematic in the case of Brisbane.

Mega events have often been the catalyst for redeveloping deprived inner-city areas. Hosting such events has also spurred on improvements in transport and infrastructure for disadvantaged or marginalised sections of the population. This urban regeneration formed a key part of the London Olympic bid. But, South-East Queensland does not have the large areas of urban wastelands that were to be found in other Victorian cities, such as London and Glasgow. In fact, Brisbane prides itself on being a 'new world city'.

(continued over)

**Source 4** (continued)

Other Olympic host cities, such as Rio de Janeiro in Brazil, have used the opportunity offered by the Olympics to address long-standing poverty and disadvantage, with some degree of success. But South–East Queensland arguably does not need to stage an Olympic Games to address these issues.

So what can the Olympics offer Brisbane in the long term? Any worthwhile legacy must be planned — it doesn't happen by itself. If planned well, the long term benefits for local residents may be worth the enormous costs of bidding for and staging the Games. As yet, that remains a big 'if'.

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Source: Mair, J (UQ) 2015, 'Brisbane Olympics case difficult to make', *The Conversation*, 3 March, CC BY-ND 4.0, <http://theconversation.com/brisbane-olympics-case-difficult-to-make-38166>.

### Source 5: Commonwealth Games: Friendly rivalry

... The Gold Coast Commonwealth Games Bid team submitted its bid for the 2018 Commonwealth Games to the CGF on 11 May 2011. The bid emphasised that the Gold Coast had experience in hosting national and international events, that much of the infrastructure and competition and training venues needed for the Games were already in place and that there was strong government support for the event — that the Gold Coast was in fact 'event ready'.

A feasibility study by the Queensland Government indicated that the economic benefits to be gained from the Games could be in excess of \$1.9 billion, but as has been noted in relation to the Brisbane and Melbourne experience, it is difficult to calculate the economic benefits which may result from staging the Games. In addition, the study surmised that the Games could create up to 30 000 full time jobs ...

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Source: Adapted without altering intent or meaning from Jolly, R 2013, *Commonwealth Games: Friendly rivalry*, research paper series 2013–14, 6 November, Parliamentary Library, Canberra, pp. 44–45.

### Source 6: The fairy tale of Olympic gains for cities

... The Gold Coast's 2018 Commonwealth Games is a much smaller and less costly event than the Olympics, but it's still generated bemusing hype. The Gold Coast is suffering from a dramatic oversupply of housing in the wake of a speculative bubble combined with Australians realising there is more to the world than Surfers Paradise and the tourism industry being slow to service the next wave of international tourism instead of hankering after the last.

It's hard to see a sports carnival in seven years' time doing much about any of those issues. The coast has to fill its empty high rise units long before 2018 if it's to have any hope at all.

...

The games-formerly-known-as-Empire will provide the excuse for some extra government infrastructure spending, but you don't have to be anti-sport to wonder if the Queensland government's immediate pledge for venue and transport improvements is the best possible use of half a billion dollars. Sydney's trains worked nicely during the Olympics — and then returned to normal.

Voices of reason are rare and perhaps brave. Your correspondent is used to brickbats, but I wonder if Michael Matusik of Matusik Property Insights is in need of a false moustache and dark glasses. The Queensland-based property analyst was quoted in the Australian Financial Review as saying the Commonwealth Games win was unlikely to provide a long-term boost to the business community.

'I question the economic significance of an event that in the scheme of things is very small, it's two weeks and has a limited audience,' he said. 'They need to build their industrial base rather than an event for seven years' time.'

Matusik attacked the sometimes-quoted example of Melbourne's growth and that city hosting the 2006 games, saying that city's economic activity was not a consequence of the event.

'There's no real evidence to show where it's had an economic benefit.'

The future of Australian tourism is in China. Somehow it's hard to imagine that market sitting glued to a broadcast of the 2018 Commonwealth Games and booking seats for Coolangatta.

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Source: Adapted without altering intent or meaning from Pascoe, Michael 2011, 'The fairy tale of Olympic gains for cities', *Sydney Morning Herald*, Fairfax Syndication, 17 November, [www.smh.com.au/business/the-fairy-tale-of-olympic-gains-for-cities-20111117-1nk5a.html](http://www.smh.com.au/business/the-fairy-tale-of-olympic-gains-for-cities-20111117-1nk5a.html).

### Source 7: Reconciliation Action Plan for Gold Coast 2018 Commonwealth Games

In a nationwide first for Australian events, a Reconciliation Action Plan (RAP) will be developed for the Gold Coast 2018 Commonwealth Games.

Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships Minister Curtis Pitt made the announcement at the Dreamworld Corroboree to mark the start of National Reconciliation Week (27 May – 3 June).

‘National Reconciliation Week is an important time for all Queenslanders to come together to reflect, commemorate and celebrate the State’s Indigenous culture and heritage,’ he said.

‘This year’s national theme — It’s time to change it up — calls for everyone to take a fresh approach, take action and spark a change in schools, workplaces and in the broader community.

‘The Palaszczuk Government is putting this philosophy into action with the creation of a Reconciliation Action Plan for the Gold Coast 2018 Commonwealth Games.

‘The plan will have a specific focus on enabling Indigenous arts and cultural businesses to benefit from the games, as well as providing employment opportunities.’

Mr Pitt said as winner of the Queensland 2014 Premier’s Award for Reconciliation, Dreamworld Corroboree had a proven track record of success in delivering Indigenous training and employment opportunities in the tourism sector.

‘Since opening in February 2014, Dreamworld Corroboree has created 17 Indigenous jobs, hosted the first Tourism Masterclass on Indigenous employment and is the first theme park in Australia to deliver a Reconciliation Action Plan,’ he said.

‘It epitomises the spirit of National Reconciliation Week, which also includes today’s anniversary of the 1967 referendum which included Indigenous Australians in the census and Mabo Day on 3 June in celebration of the landmark native title decision by the High Court.’

Minister for the Commonwealth Games Kate Jones encouraged Indigenous Queenslanders to get involved in helping to create the GC2018 Reconciliation Action Plan.

‘Queensland is setting the benchmark in Australia by developing the first Reconciliation Action Plan for a major event,’ Ms Jones said.

‘The plan will cover all four Games event sites — the Gold Coast, Brisbane, Townsville and Cairns.’

Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) CEO, Mark Peters said the development of a RAP represented an opportunity for GOLDOC to generate awareness and recognise Indigenous culture and respect for the Traditional Owners of the land.

‘With this RAP we will show leadership by increasing our understanding of Aboriginal and Torres Strait Islander Culture so we can continue to respect the values, cultures and heritage of Australia’s First Peoples,’ Mr Peters said.

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Source: Pitt, C (Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships) & Jones, K (Minister for Education and Minister for Tourism, Major Events, Small Business and the Commonwealth Games) 2015, *Reconciliation Action Plan for Gold Coast 2018 Commonwealth Games*, media statement, Queensland Cabinet and Ministerial Directory, 27 May © State of Queensland (Department of the Premier and Cabinet).

**Source 8: Local business benefits from GC2018 work at Broadbeach Bowls Club**

Local businesses are leading the \$3.5 million upgrade of Broadbeach Bowls Club to transform the site into a world-class venue ahead of the Gold Coast 2018 Commonwealth Games (GC2018).

Commonwealth Games Minister Stirling Hinchliffe said the progress on stage one of the upgrade highlighted how local business[es] were helping to deliver GC2018.

‘Over the past four months, more than 28 local companies have worked on stage one of the upgrade, with more than 250 workers involved in construction,’ Mr Hinchliffe said.

‘This upgrade has also allowed the Broadbeach Bowls Club to expand and hire an additional six staff, including one apprentice kitchen hand and five trainees who will now work in hospitality, management and customer service at the club.’ ...

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Source: Adapted without altering intent or meaning from Hinchliffe, S (Minister for Transport and the Commonwealth Games) 2016, *Local business benefits from GC2018 work at Broadbeach Bowls Club*, media statement, Queensland Cabinet and Ministerial Directory, 23 March © State of Queensland (Department of the Premier and Cabinet).

**Source 9**

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Source: Removed due to copyright restrictions.

**Source 10: Ahead of the Games: Embracing 2018 strategy and action plan**

## Strategy and Action Plan

The Queensland Government in collaboration with the City of Gold Coast has released *Embracing our Games legacy: Queensland's legacy for the Gold Coast 2018 Commonwealth Games™* to realise lasting benefits from hosting GC2018. The Embracing 2018 program is built around three interconnected themes:



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Source: Extract from Queensland Department of Tourism, Major Events, Small Business and the Commonwealth Games 2014, *Ahead of the Games: The inside story on Gold Coast 2018 Commonwealth Games preparations* (2014 report), August, p. 7, <http://aheadofthegames.embracing2018.com/2014/content/gc2018.html>.

### Source 11: Gold Coast 2018 Commonwealth Games: Biggest Australian event next decade

'The Gold Coast 2018 Commonwealth Games will be the biggest event Australia will see in the next decade,' Gold Coast 2018 Commonwealth Games Corporation, Chairman, Nigel Chamier OAM, has told a CEDA audience on the Gold Coast.

The Games will have a positive economic impact worth an estimated \$2 billion, he said.

'The development of the Gold Coast's Health and Knowledge Precinct which will incorporate the Games Village will create hundreds of jobs each year of construction,' he said.

'In the long-term, the Health and Knowledge Precinct will generate thousands of permanent jobs in health, knowledge, innovation and services sectors contributing to the diversification of the region's economy and reducing a reliance on tourism.'

Gold Coast City Council Mayor, Tom Tate, discussed the economic development strategies for the Gold Coast and the legacy that this investment and development would leave.

Mayor Tom Tate said the Games were a great motivation and detailed projects he wanted to see progressed and in place in advance of the Games.

He spoke about the Gold Coast light rail project — Queensland's first light rail project — and the plans for a new casino.

He also said it was 'no longer a discussion about whether we get a cruise ship terminal, but where the cruise terminal will be'.

...

He also emphasised the scope and scale of the event with over 1.5 million tickets to be available, an expected global TV audience of 1.5 billion and more than 3000 journalists and photographers who will deliver close to 100 000 media stories.

'Eighty-seven per cent of the Melbourne 2006 (Commonwealth Games) expenditure went to local firms and four of the major infrastructure projects,' he said.

'The (Melbourne 2006 Commonwealth) Games exceeded the costs to the Victorian community with increased investment in capital works, operational expenditure by all levels of Government and tourist spending contributing to a positive stimulus of the economy.' ...

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Source: Adapted without altering intent or meaning from Committee for Economic Development of Australia (CEDA) 2012, *Gold Coast 2018 Commonwealth Games: Biggest Australian event next decade*, [www.ceda.com.au/news-articles/2012/07/gold-coast-investment-legacy](http://www.ceda.com.au/news-articles/2012/07/gold-coast-investment-legacy).

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