Brisbane Olympic and Paralympic Games Arrangements Amendment Bill 2024

Submission No:	11
Submitted by:	Tony Barry
Publication:	
Attachments: Submitter Comments:	

Letter Submission: Olympics Bill mailto:hbbmc@parliament.qld.gov.au

ill d.gov.au



30 April 2024

Dear Review Committee,

May I provide an initial comment. This is from previous experience many years ago when I assisted with international contracts. Unfortunately, I have only just heard about the notice for public review.

The Brisbane Olympics are a new Paradigm.

I felt I must make the following submission. My views need extensive validation. They have been copied to SC2032, CRA, and OSCAR: in case they can provide comments.

This submission has not been reviewed by Community Groups – who may suggest major changes.

The "Black Swan" Disruptors of the "New Norm" and "Sustainability" requirements of IOC are not clear. It is recommended that the issues and solutions are examined as they are implemented over the next year for the Paris Olympics and Paralympics. The proposed visit of Mayors and Brisbane Olympics Committees should clarify some aspects. However the scenario for Brisbane 2032 will be vastly different.

The contract or legislation for Olympics Site Operational Group should probably be based on International PPP User Pays concepts. A lot of the income is with ticket, travel and media companies and goes direct to IOC – This may be larger than local income. Eg channel 9 has contracted for Paris and LA to pay IOC a very large amount.

Brisbane only gets a proportion of income back in say 2035, If and when Olympics are a success.

Sunshine Coast Council is expecting grants to help with 6 sports and an Olympics athletes village. – who from?? Does the bill provide for such funding? Similar expectations apply to other Council and entities.

IOC diverts a lot of money to sports and low-income countries. Have these financial expectations been reviewed? For the Sunshine Coast, what arrangements will be funded for the local sports for athletes from various sports and countries. These aspects do not seem to be in the draft Bill.

This submission will have some things wrong - as experiences are long time ago and the future is very different.

See below reference to legislation scoping, from World Bank PPP consultancy. There are other references ¹ that can be provided for more commercial arrangem, ents..

International Contracts must refer to the other parties – controlled by IOC under Swiss Law.

Advice from a current specialist International Lawyer may be wise.

There is insufficient information to review this Bill for effectiveness. Qld has to work with the international sport organisations -they will have very differing agreements with IOC. It is probable - They are the ones who takeover rental agreements from local entities for the Olympics.

My initial reactions are:

- The contracts and arrangements for the Paris Olympics should be reviewed as exemplars.
- Similarly other large world-wide events may provide options.
- BNOC won't have direct control of nationals and entities from other Countries like Switzerland.
- IOC will have most of the funds. On some topics 90% of actions may be external to Qld.
- Aims may be too limited.

¹ https://ppp.worldbank.org/public-private-partnership/agreements

- o IOC and International / Global Sports.
- Revised aims of IOC legacy, sustainability.
- Desires of International teams, home country support, training /build up arrangements, prelim events
- Overseas Partners and Sponsors Commercial and Funding
- o Travel and Accommodation aspects by international providers.
- Federal matters, Defence, Police, Security, Customs, Immigration. This is extremely large in Paris and does not seem to be covered in the Olympics Bill.
- o Legacy Community eg Aged, NDIS, ACAD and Paralympics needs.
- Sustainability Get Paris examples.
- o Transport get Paris examples.
- The related Community expectations that may be recommended by SC2032 sub-committees.
- The related Community views for Sunshine Coast represented by CRA and OSCAR.
- It is noted that views by SEQCA, Brisbane United and other community groups by South East Queensland are NOT included.
- The current massive issues with volunteers are not covered as to resources and plan changes for successful events.

Tony Barry



Find it @ PPPLRC PUBLIC-PRIVATE PARTNERSHIP LEGAL RESOURCE CENTER

This is a new section of the PPPLRC website and is currently in draft form. <u>Your feedback is welcome</u>: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at opp@worldbank.org.

1. PPP Contract Types and Terminology

https://ppp.worldbank.org/public-private-partnership/ppp-contract-types-and-terminology

PPP Contract Types and Terminology

Photo deleted

Photo Credit: Image by Pixabay

This section describes in more detail the range of PPP contract types under the definition of PPP used in this *Reference Guide*; and some of the more common terminology used globally to describe PPPs.

Find on this page:

- PPP Contract Types
- PPP Terminology

Most PPP projects present a contractual term between 20 and 30 years; others have shorter terms; and a few last longer than 30 years. The term should always be long enough for the private party to have an incentive to integrate service delivery costs considerations into the design phase of the project. This includes maintenance considerations as well, in order for the trade-offs between initial investment cost and future maintenance and operation costs to be optimized. The "whole-life" approach, considering whole-life costs and whole-life benefits, maximizes the efficiency of service delivery. It is at the core of the rationale for using PPPs for the delivery of public services. The precise length of the contract depends on the type of project and policy considerations. Policy makers need to satisfy themselves that the demand for the services delivered by the project will be sustained over the whole life of the contract; the private party should be able to accept responsibility for service delivery over its term; and the procuring authority should be able to commit to the project for its term. The availability of finance, and its conditions, may also influence the term of the PPP contract.

PPP Contract Types

Throughout the *Reference Guide*, PPPs are described in terms of three broad parameters: first, the type of asset involved; second, what functions the private party is responsible for; and third, how the private party is paid.

Many PPPs involve new **assets**—often called *greenfield* projects. For example, the United Kingdom's PPP program—the Private Finance Initiative (PFI)—involved private companies in financing, building, and managing new public assets, from schools and hospitals to defense facilities. PPPs can also be used to transfer responsibility for upgrading and managing existing assets to a private company—or *brownfield* projects. In either case, a key feature of a PPP is that the assets or services provided are specified in terms of outputs rather than inputs—that is, defining what is required, rather than how it is to be done.

A central characteristic of a PPP contract is that it bundles together multiple project phases or functions. Nonetheless, the **functions** for which the private party is responsible vary and depend on the type of asset and service involved. Typical functions include:

- **Design** (also called *engineering work*)—involves developing the project from initial concept and output requirements to construction-ready design specifications.
- Build, or Rehabilitate—when PPPs are used for new infrastructure assets, they typically require the private
 party to construct the asset and install all equipment. Where PPPs involve existing assets, the private party
 may be responsible for rehabilitating or extending the asset.
- **Finance**—when a PPP includes building or rehabilitating the asset, the private party is typically also required to finance all or part of the necessary capital expenditure, as described further in How PPPs Are Financed.
- Maintain—PPPs assign responsibility to the private party for maintaining an infrastructure asset to a specified standard over the life of the contract. This is a fundamental feature of PPP contracts.
- **Operate**—the operating responsibilities of the private party to a PPP can vary widely, depending on the nature of the underlying asset and associated service. For example, the private party could be responsible for:
 - Technical operation of an asset, and providing a bulk service to a government off-taker—for example, a bulk water treatment plant
 - Technical operation of an asset, and providing services directly to users—for example, a PPP for a water distribution system
 - o Providing support services, with the government agency remaining responsible for delivering the public service to users—for example, a PPP for a school building that includes janitorial service

For the provision of these services, the private party typically creates a PPP company, a **Special Purpose Vehicle (SPV)**. A dedicated SPV allows for the segregation of all assets and liabilities linked to the private provision of services.

The PPP **payment mechanism** is a third defining feature. The private party can be paid by collecting fees from service users, by the government, or by a combination of the two—with the common, defining characteristic that payment is contingent on performance. The options for a payment mechanism can depend on the functions of the private party:

- Under user-pays PPPs, such as toll roads, the private party provides a service to users, and generates revenue by charging users for that service. These fees (or tariffs, or tolls) can be supplemented by government payments—for instance, complementary payments for services provided to low-income users when the tariff is capped; or subsidies to investment at the completion of construction or specific construction milestones. The payments may be conditional on the availability of the service at a defined quality level. The social returns generated by user-pays PPPs may benefit the broader population, not only those who directly use the asset. For example, the value of real estate near the PPP project may rise as economic activity increases in the area. Non-users are then free-riding unless property taxes are adjusted.
- In government-pays PPPs, the government is the sole source of revenue for the private party. Government
 payments can depend on the asset or service being available at a contractually-defined quality (availability
 payments)—for example, a free highway on which the government makes periodic availability payments. They
 can also be volume-based payments for services delivered to users—for example, payment from hospital care
 effectively delivered.

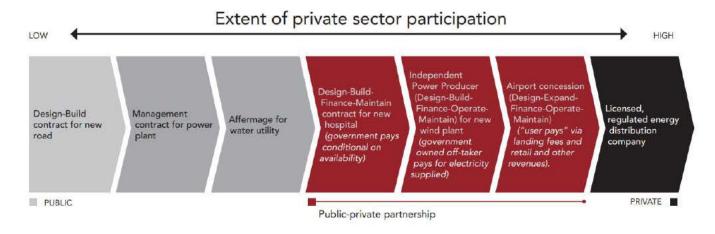
These characteristics can be combined in various ways to create a wide range of PPP contracts. These contracts can be thought of as a continuum between public and private provision of infrastructure—transferring increasing responsibilities and risk to the private sector.

The payment mechanism should be structured in such a way that the **net remuneration of the private party is linked to performance**. For the private party to have the right incentives to deliver services at the performance levels intended by the procuring authority, its remuneration, net of costs, should increase when approaching these levels. Additionally, sustained significant deviations from the intended performance levels should lead to contract cancellation, with termination payments designed so that quitting the project is never an easy solution for the private party.

PPPs are not the only way the private sector can be involved in infrastructure. These adjacent arrangements are described further in What PPP is Not: Other Types of Private Involvement.

Examples of PPP Contract Types

Figure 1.1 Examples of PPP Contract Types



PPP Terminology

This *Reference Guide* uses the term *PPP* to describe the wide range of contract types, regardless of the terminology in any specific country or jurisdiction. While PPP contracts can be categorized using the parameters above, there is no consistent, international standard for naming and describing these different types of contract. This varying terminology can create confusion when comparing international experience.

Some governments define PPP in their PPP policies or laws to mean a specific range of contract types, as described in <u>PPP Policy</u>. Other terms are sometimes used as synonyms for PPP, or refer to particular types of PPP—either in law or in common usage. For example:

- Brazilian law distinguishes between user-pays and government-pays projects—the Concessions Law governs
 PPP projects fully paid for by users; other PPP projects are governed by the PPP Law. Accordingly, only the
 latter are commonly referred to as PPPs. In France, the term PPP is restricted to government-pays contracts
 implemented under the PPP Law; user-pays contracts are referred to as concessions.
- In the United Kingdom, government-pays PPPs for new assets are known as *Private Finance Initiative* or *PFI projects*, while PPPs for existing assets (such as hospitals or railways) are sometimes known as *franchises*.
- In some jurisdictions, the term concession is used to refer to specific types of PPPs. For example, in Brazil, a
 concession is a fully user-pays PPP. In Chile, all PPPs are called concessions and implemented under the
 country's Concessions Law.

• The process of entering into a PPP is sometimes referred to as *privatization*, or for the resulting assets to be termed *private*—although this *Reference Guide* makes a distinction between PPP and privatization, as described further in the following section.

In some cases, PPPs are described by the functions transferred to the private party. For example, a Design-Build-Finance-Operate-Maintain, or DBFOM contract would allocate all those functions to the private party. Other nomenclatures such as Build-Operate-Transfer (BOT) focus instead on the legal ownership and control of the assets.

The asset may be property of the public or private partner—usually decided by the legal constraints in place in any given country. The relevant factor for PPPs is not who the legal owner of an asset is, but who holds the economic rights to exploit that asset. The SPV may use an asset as collateral or simply use the flow of funds generated by the operation of the asset. Therefore, a BOT may not be significantly different from a BTO, in which transfer occurs immediately after construction. For example:

- In France, the roles governing the domanialité (defining the public domain) stipulate that the public domain
 can never be sold, seized by a tribunal, or subject to statutes of limitation. Consequently, the assets built on
 public land belong to the public authority, although the private partner in a PPP can be granted specific
 economic rights to those assets.
- In other countries, public land can be leased to private operators who built and own the asset on that land until
 its ownership is transferred to government at the end of the contract. The ownership is not significant for
 accounting and statistical purposes—IPSAS, the International Public Sector Accounting Standards, focuses on
 who controls the use of the infrastructure instead of who owns it to determine whether the asset should be
 consolidated on the government's balance sheet.
- The 2016 Eurostat Guide to the Statistical Treatment of PPPs (EPEC 2016) states that asset ownership
 does not influence statistical classification—but ownership of the asset following the expiration of the PPP
 contract may.

Infrastructure Contract Nomenclature explains common PPP terminology, and how each relates to the description by asset type, functions, and payment mechanisms described above.

The following resources provide more information on PPP contract types and nomenclature:

- **Delmon's paper on understanding options for PPPs in infrastructure** (<u>Delmon 2010</u>) provides the most detailed discussion. Delmon classifies PPPs by five factors similar to the characteristics described above: (1) whether the PPP is a new or existing business or asset; (2) the responsibility of the private party for construction; (3) the level of private finance involved; (4) the nature of the project company's service delivery obligations (bulk supply or retail level); and (5) the source of revenue stream.
- Yescombe chapter "What are Public-Private Partnerships" (Yescombe 2007) also describes the range of PPP structures and how these are classified.
- Farquharson et al chapter "Defining Public-Private Partnerships" (Farquharson et al. 2011, 9–14) focuses on how PPPs differ from privatization and management contracts; and describes user-fee and availability-based PPPs.
- The World Bank explanatory notes on key topics in water sector regulation (<u>Groom et al. 2006</u>, Note
 4) describe common contract types for managing existing assets in the water sector: concession, lease or
 affermage, and management contracts.
- The World Bank's PPP in Legal Resource Center website (PPPLRC) describes a spectrum of PPP types based on the extent of private sector's participation.

<u>Structuring PPP Projects</u> provides guidance and hyperlinks on PPP contract structures, and how governments can decide which to use for a particular project.

Infrastructure Contract Nomenclature

Contract Nomenclature	Overview Description and Reference	Type of Asset	Functions Transferred	Payment Source
Design-Build- Finance-Operate- Maintain (DBFOM); Design-Build- Finance-Operate (DBFO); Design- Construct- Manage-Finance (DCMF)	Under this nomenclature, the range of PPP contract types is described by the functions transferred to the private sector. The <i>maintain</i> function may be left out of the description (so instead of DBFOM, a contract transferring all those functions may simply be described as DBFO, with responsibility for maintenance implied as part of operations). An alternative description along similar lines is Design-Construct-Manage-Finance (DCMF), which is equivalent to a DBFOM contract.	New infrastructure	As captured by contract name	Can be either government or user pays
(BOOT), Build-	As Delmon (Delmon 2015, 20–21) describes, ownership rights mainly affect how handover of assets is managed at the end of the contract.		Typically, design, build, finance, maintain, and some or all operations Under some definitions, BOT or BTO may not include private finance, whereas BOOT always includes private finance	government or
Rehabilitate- Operate- Transfer (ROT)	In either of the naming conventions described above, <i>Rehabilitate</i> may take	Existing infrastructure	As above, but <i>rehabilitate</i> instead of <i>build</i>	As above

	the place of <i>Build</i> where the private party is responsible for rehabilitating, upgrading, or extending existing assets.			
Concession	Concession is used for a range of types of contract, as described in Delmon (Delmon 2010, Box 1 on page 9). In some jurisdictions, concession may imply a specific type of contract; while in others it is used more widely. In the PPP context, a concession is mostly used to describe a user-pays PPP. For example, in Brazil, the Concession Law applies only to user-pays contracts; a distinct PPP Law regulates contracts that require some payment from government. On the other hand, concession is sometimes used as a catch-all term to describe a wide range of PPP types—for example, all recent PPPs in Chile have been implemented under the Concession Law, including fully government-pays contracts.	existing	Design, rehabilitate, extend or build, finance, maintain, and operate—typically providing services to users	or might
Private Finance Initiative (PFI)	The United Kingdom was one of the first countries to introduce the PPP concept under the term <i>Private Finance Initiative</i> , or <i>PFI</i> . It is typically used to describe a PPP as a way to finance, build and manage new infrastructure.	New	Design, build, finance, maintain— may include some operations, but often not providing services directly to users	
Operations and Maintenance (O&M)	O&M contracts for existing assets may come under the definition of PPP where these are performance-based, long-term, and involve significant private investment (sometimes		The state of the s	Government pays

	also called performance-based maintenance contracts).			
	An affermage contract is similar to a concession, but with the government typically remaining responsible for capital expenditures. Affermage in particular may have a specific meaning in some jurisdictions. The World Bank's explanatory notes on water regulation (Groom et al. 2006, 36–42) describe lease contracts, as well as concessions. Such contracts may or may not come under			User pays— private party typically remits part of user fees to
Affermage	the definition of PPP, depending on the duration of the contract.	Existing	Maintain and operate, providing services to users	
Management Contract	The state retains asset ownership, and capital expenditure is the responsibility of the public sector, whereas operation and maintenance is the handled by the private sector. These types of contracts are 3-5 years in duration.	Existing	Operations and maintenance	Management fees extended to the contractor
Franchise	Franchise is sometimes used to describe an arrangement similar to either a concession or a lease or affermage contract, as described in Yescombe (Yescombe 2007).	Existing or new		User or government pay

Letter Submission: Olympics Bill mailto:hbbmc@parliament.qld.gov.au

Mailing;
Address

1 May 2024

Dear Review Committee,

May I provide some comment about Sunshine Coast Olympics Requirements. This is a 2nd Personal submission and is based on notes from OSCAR. Copy has been made to Caloundra Residents Association Inc. However, there has been insufficient time for community discussion and executive agreement. This submission is circulated and has advanced support. SC2032 has also been copied.

It is disappointing that Community Groups were not targeted in the Consultation for the Bill.

The planned visit of certain Officials and the Sunshine Coast Mayor to Paris is supported. The review of the community issue in PARIS will elucidate many aspects. Major updates to the planned Olympics Bill should be expected and arrangements made for further revision to the aims. Brisbane will be a major change from Paris. Distributed delivery electronically may mean there will be target audiences overseas larger than planned visitors, covering each sport, So Multimedia studios are essential to every event location.

Clearly some legislation is necessary to unwind the former decision to take the organisation for Games venues and legacy in house by the premier and to meet IOC expectations. This consequential Bill essentially serves that purpose by establishing the Games Venue and Legacy Delivery Authority.

It may be that the Bill is insufficient as it should be expected to cover the "Legacy" benefits and "Sustainability" benefits mandated by the IOC. This Olympics is the first after the New Norm ¹ Legacy and Sustainability ² IOC mandates. The IOC aims at "Build a Better World through Sport" ³.

The Bill does seek to bestow quite extensive over-riding powers on the Games Venue and Legacy Delivery Authority. However the methods to force "Olympics Delivery Partners" to meet such targets are not clear, they may be overseas outside the jurisdiction of Queensland. The date for dissolution should be after 2042 to allow the extensive support funding from IOC that will arrive many years after the completion of the Olympics and Paralympics events. The process for managing funds and grants for both delivery and operation need clarification.

The powers are welcome to direct government agencies and local governments to provide transport infrastructure. Also appreciated - The new S.53AR giving the Authority to extensively over-ride powers to plan matters particularly in relation to the Villages. Bestowing these wide-ranging powers is justified considering the need to 'get the jobs done' within a limited timeframe. These factors need extending for solving delays, massive funding, and cost issues. For example.

- If the rail improvements fail then roads may need to be closed and a large bus fleet hired (even resourced) to transport athletes, officials, volunteers and even spectators to and from events. It may be necessary to close (to the public) both roads and rail lines to meet peak capacity as occurred in London. This may also occur in the near future in Paris as some work is not complete.
- If accommodation is late then other arrangements may be essential such as obtaining alternatives like the housing crisis at Pinkenba and Toowoomba Wellcamp.
- The addition of a mandatory disaster management plan is essential.

¹ https://olympics.com/ioc/fag/corporate-citizenship-good-governance/what-is-the-new-norm

² https://assets.ctfassets.net/cz0vl36hcq0x/1S0iwIQYTGj58qHvwXsZxm/f48f62335f97347a14f87317ae8afae4/IBU Sustainabily Report 2023 final.pdf

³ https://olympics.com/ioc/overview

• The arrangements for security needs adding- this is evaluated an overriding major factor for Paris 2024.

The legislation seems to focus particularly on delivering the Games facilities and directly related infrastructure. There is less on dealing with the broader Olympic related legacy matters and infrastructure which might be of greater interest to the community at large. The management of each event may be under the control of the relevant international sports organisation (again overseas outside jurisdiction). This needs review.

There will be an ongoing concern that the Authority may have a lack of focus on regional venues and legacy concerns because of funding constraints. A specific plan should cover the 6 events and athletes' village on the Sunshine Coast. Please can SC2032 be tasked for this review with consultation with community groups like OSCAR, CRA and SCEC.

Aspects of particular interest are:

- S. 53AI requires the Authority to prepare a Transport and Mobility Strategy within 18 months identifying the transport infrastructure projects critical for successful delivery of the Games. This should cover alternate methods after delays or disasters.
- S. 53AE requires the Authority to seek to maximise the legacies and benefits of the Games having regard to several specific concerns including the 'Elevate 2042 Olympic Legacy Strategy'. This must cover arrangement well past 2042

The Notes on P.12 indicate that the Bill has already been extensively consulted amongst the Games Partners including Sunshine Coast Council. It is a fundamental principle that such submissions should become public. Please publish. There are major omissions for local sports entities and community benefits for Legacy and Sustainability.

One concern is the over-riding powers given to the Minister and the entity. Such powers cannot bind the Commonwealth and their financial influence may be a determining factor. The arrangements to enable facilities, management and operation by IOC, overseas sports entities and even the IOC sponsors and partners need adding to the Bill.

The Authority is to have 7 directors nominated by a Selection Panel of senior bureaucrats. The SCC CEO is on the Selection Panel for the 7-member board of the Authority.

To mitigate against the potential bias for Brisbane please add a S.53BF(1) a requirement that at least one of the directors must be a person who is a permanent resident of Sunshine Coast and who is charged with taking a particular interest in seeing that Sunshine Coast venues and legacies are properly resourced and pursued and adequate consultation processes followed.

Sunshine Coast community and sports entities should continue to be active in the deliberations about the identification and progressing of Games Legacy projects.

Whilst big ticket items like the Rail Connection and Stadium have attracted attention to date, there seems to have been limited if any discussion about the other potential 'Legacies'. Although Elevate 2042 does make specific reference to advancement of the Blue Heart project at P.43. Please evaluate a more comprehensive set of criteria for Sunshine Coast.

Other legacy projects include:

- Housing benefits from the prior and consequential deployment of the Games Village in Maroochydore for later social and affordable housing; This needs good plans with long term housing targets. The relationship to EDQ Bill and to Commonwealth Housing initiatives also need inclusion. It may be that housing around Kawana and Noosa/ Parklands can provide alternate accommodation.
- Transport legacies like:
 - Vastly improved bus services including significant bus priority facilities and particularly in relation to adequate and efficient bus access and terminus facilities at the Kawana Stadium. Movement to and from Brisbane and Moreton events need clarification for essential capacity.
 - The expected overload gap between the proposed rail Caloundra Station and Roundabout to Nicklin way urgently needs resolution.
 - Urgent completion of the rail duplication and track straightening to Nambour (or even Yandina) to provide adequate access to the mountain biking at Parklands.

- Many new and safe reserved ways /cycle ways of proper standard including particularly to and from Kawana Stadium, Merdian Plains and Honey Farm. The plans for training and preliminary activities need evolution. This is critical for both temporary and permanent facilities whilst the existing Kawana stadium is rebuilt.
- Upgrades to local roads leading to and adjacent to Games facilities including Aura Bells Creek, Kawana, Nicklin Way, the Bruce Highway Motorway, Coolum Yandina Rd, Yandina Bli Bli Rd, etc
- Environmental legacy enhancements like:
- The provision or hotel and residential rental facilities for spectators and the expected large number of visitors from Australia and oversees.
 - Review and enhancement of fauna, flora and other aspect for the climate change and the environment aspects as mandated by IOC.
 - o Integration of the Parklands facility with the adjacent Blue Heart environmental improvement and decarbonisation initiatives (See Elevate 2042 P.43.)
 - Measures to reduce the propensity for waste dumping in bushland and creeks as contribution to improving our circular waste cycle. The complete aspects for environment improvements need adding.
 - Cleaning up our waterways with particular focus on the Maroochy and Noosa Rivers and estuaries. Aany new facilities must cover sea level rise. The areas around Kawan are subject to flooding. Also -Golden Beach, Pumicestone Passage, Dickey Beach, and the coast from Caloundra to Birtinya and Kawana. The Biosphere, Maybe Kawana and Dickey?
- Economic legacy improvements by focussing on key projects to improve the Coast's tourist appeal both during the Games and for the longer term.
- Indigenous legacy like pursuing wider appreciation of local cultural places of significance including Pumicestone Passage, Pelican Waters, and the Mooloolah River.

The letter is very rushed as have only had half a day to prepare. I would be happy to review more aspects if submission can be accepted after 9am on 1st May.

Tony Barry

Copy CRA, OSCAR, SC2032