

# Sydney Olympics ticketing fiasco: premium seats reserved for the rich

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5 November 1999

A considerable amount of time and effort has gone into cultivating the myth that Australia is the home of egalitarianism where the class divisions have been all but abolished, millionaires are just ordinary “blokes” made good and everyone gets “a fair go”.

So crucial to the official national ethos are these conceptions that Prime Minister John Howard attempted to have the term “mateship” inserted in the preamble to the Australian constitution as part of the referenda to be voted on tomorrow.

Every now and then, however, the mask is torn aside and one gets a glimpse of the gaping social divide that really exists. The scandal that has erupted over the ticketing arrangements for next September's Sydney Olympic Games is one such example.

The 2000 Olympic Games have been packaged as the “People's Games”. An elaborate method of ticketing was put in place, supposedly to ensure that everyone would get an equal chance for the best seats at the most popular events. A network of booths in shopping malls and computerised phone-in centres was established to distribute hundreds of thousands of complex forms to allow people to pick first, second and third choices and enter them in a lottery draw.

What could be fairer! The Sydney Organising Committee of the Olympic Games (SOCOG) insisted that over half of the 9.6 million tickets were up for general sale in the lottery. It even employed the services of Mark Taylor, former Australian cricket captain, 1998 Australian of the Year, and now ambassador for the Olympics, for a series of television commercials to promote the tickets. “Every Australian has an equal chance of getting the tickets they want,” he told his viewers, “It doesn't get any fairer than that.”

Suspicious first emerged when the tickets were allotted. Complaints started to pour into SOCOG and the media about the lack of decent seats. As it turned out, thousands only got their third preference and around 80,000 missed out altogether. Some complained they had not even been notified by SOCOG of the outcome of the draw.

The anger was justifiable. Many had only indicated a third choice because the form made it obligatory to fill one out. As a result, people from other states had paid hundreds, if not thousands of dollars, for tickets that committed them to the expense of coming to Sydney for events they did not really want to see. The conditions of purchase stipulated that money had to be paid upfront and there would be no refunds.

Then the real truth began to emerge. It was revealed that

SOCOG had done a deal with the Tattersalls Club—a private club for wealthy businessmen. Its members had bought around \$500,000 worth of tickets for the Olympic Games without having to risk their chances in a lottery along with the hoi polloi. The going price (via the Club) for the best seats at the opening ceremony and swimming finals was around \$5,000.

As it turned out, this was just the tip of the iceberg. When the average person put down his or her first, second and third choices, no-one bothered to explain that the chance of getting a seat for some events was virtually nil. For the most prestigious events, well over 90 percent of the seats had already been allocated for private sale to the rich and famous.

A public outcry forced SOCOG to release a complete breakdown of ticket allocations. Only one third of the tickets were ever made available—mostly for the less popular sports or for the heats, quarter- and semi-finals. A total of 840,000 premium tickets had been held back from sale to the general public and were to be offered to various corporate customers.

The breakdown is revealing. For the lottery, only 16 of the best seats at the diving finals were available out of 9,600. Of the total seating capacity at the opening ceremony, 20 percent were allocated to the public. For the closing ceremony it was 15 percent, the swimming finals 27 percent, the men's basketball final 8 percent.

If one wanted A reserve tickets, which in most cases constituted the overwhelming majority of seats, then the share was even less—opening ceremony 9 percent, closing ceremony 5 percent, swimming finals 19 percent and men's basketball final 4 percent. All of these seats cost hundreds of dollars.

SOCOG had hoped to make a killing on the rest. It planned to raise \$100 million through the sale of the best tickets to businesses, exclusive clubs, individuals and international ticketing brokers. As SOCOG commercial and marketing manager Paul Reading so crudely put it, anyone can buy tickets “provided the price is right”. To date \$35.1 million has been paid for 54,803 premium package tickets, an average of \$640 per ticket or nearly 10 times the average face value cost.

In one case, \$17 million worth of the best seats was sold to a US travel company, Jet Set Sports—the official ticket supplier to the US Olympic Committee. The allocation, however, was over and above their normal issue and Jet Set Sports was able to offer 18-night holiday packages, including 33 high-demand tickets, at \$US96,183, exclusive of airfares.

SOCOG has come under fire from all sides—ticket (and non-ticket) holders, the media, sponsors and athletes themselves. Ian Thorpe, the Australian world record holder for the 400m freestyle swim, attacked SOCOG and then refused its “offer” to make a joint statement “clarifying” the issues. So widespread has been the anger and resentment that Prime Minister Howard and NSW State Premier Bob Carr, whose Labor Party government is in charge of organising the event, have been compelled to make expressions of outrage.

A cartoon in Rupert Murdoch's Australian newspaper captured the public mood. It showed former federal Labor minister, Graham Richardson, who is Olympic Village Mayor and a SOCOG board member, at an extravagant social event for the rich, scraping the leftovers of his dinner plate over the balcony to the crowd of ordinary citizens gathered below.

The attitude of top SOCOG officials, initially at least, was one of mild embarrassment and even bemusement. Of course, they had not told the public. Everyone should have been aware that such practices were simply essential to meeting the huge budget for the Olympics Games. That was just the law of the market.

Michael Knight, Carr's Minister for the Olympics and SOCOG chairman, insisted that the premium ticket program would have to continue “for the very simple reason that the consequences of not doing so would be that we would not make our budget, we would not make our revenue targets.” Richardson, who is also SOCOG's ticketing committee chairman, baldly declared last week: “I don't think we have been dishonest. We said there was a ballot and you take your chances. If you look, a quarter of them got the lot.”

But the prize for arrogance had to go to SOCOG's Paul Reading who commented with a touch of pride: “I'm the ugly face of capitalism. I'm not employed to give advice on equity; this is about raising money...and I make no apologies for that.” Reading is a millionaire in his own right, and like Richardson, has been on the payroll of the richest man in Australia—the media magnate Kerry Packer, whose wealth is measured in the billions.

But the actions of the SOCOG club had obviously rubbed a few of Australia's more influential people up the wrong way. No doubt there was a feeling that Knight, Richardson, Reading and Co had gone a little too far. SOCOG suddenly found itself the subject of possible legal action by the Australian Competition and Consumer Commission (ACCC). The case was clear enough: SOCOG had misled the public into paying out hundreds if not thousands of dollars, believing that they had an equal chance at the best seats.

An abrupt about face occurred last Friday. Knight made an extraordinary speech in which he apologised profusely—16 times in 40 minutes, according to the *Australian* report. But at the end of the day, little had changed. None of the public will get any more of the better seats, although those who are aggrieved will at least have the chance of a refund. At least part of the motivation, as well as the threat of expensive legal action, was that, as Knight so elegantly put it, SOCOG would fail to meet its \$600.9 million ticket target “unless we clean up our act”.

Not one but two public inquiries have been announced to try to bury the fiasco—one by the NSW Upper House headed by the Christian fundamentalist Fred Nile, and a second announced out of the blue by Knight on Wednesday. The outcome is a virtually

foregone conclusion. In a letter to Nile, Knight identified the two scapegoats, explaining that SOCOG chief executive Sandy Hollway was “directly responsible” for ticketing “though the group general manager, commercial and marketing Mr Paul Reading”.

SOCOG is facing a \$140 million budget shortfall. Sponsorship targets have not been met, and those companies that have signed up have become increasingly nervous that the image of the Olympics—and by association theirs—is being discredited. Not for the first time this year, some sponsors have threatened to pull their money out if SOCOG does not improve its public standing.

One told the *Sydney Morning Herald*: “Every sponsor has gone into this game for commercial advantage, but every time there is one of these flare-ups, like the marching bands, it leaves you in the position of a devalued sponsorship.”

The Sydney Olympics have been embroiled in one scandal after another. Throughout last year as the International Olympics Committee (IOC) was besieged with allegations over bribes and vote buying by those involved in the US and Japanese bids for the Winter Olympics, SOCOG officials desperately tried to maintain that the Sydney Olympics was “corruption free”.

In January, however, Australian Olympic Committee (AOC) president John Coates was forced to release documents showing that extensive vote buying had been involved in Sydney's bid to secure the right to stage the Games. A budget of some \$28 million had been used to hire specialised “consultants” to contact IOC delegates from Africa, the Middle East and South America, and to provide expensive gifts and other financial incentives.

As the broader scandal of the IOC unfolded and a few of its delegates were forced to resign, it soon became clear that expensive hotel accommodation, money and other benefits were routinely made to secure votes. The scandal over bribes and payoffs threatened to undermine the staging of the Sydney Olympic Games, and only abated when IOC member Phil Coles, accused of receiving gifts, was singled out as the fall guy and forced to resign his posts.

In June came the so-called marching bands affair. SOCOG responded in knee jerk fashion to objections by right-wing radio talkback hosts that US and Japanese marching bands would perform in the opening ceremony at the expense of further Australian bands. Fearing adverse publicity at home, SOCOG officials cancelled contracts with overseas marching bands, triggering an international row and legal action costing millions of dollars. It eventually had to back down or incur huge penalties for breach of contract.

The latest ticketing fiasco has exposed once again what the Sydney Olympics is really all about—money, and lots of it.



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