

September 15, 2006

Auditor General's Report on the 2010 Olympic and Paralympic Winter Games

Our province has an incredible opportunity in 2010 as we host the Olympic and Paralympic Winter Games. The eyes of billions of people from around the world will be on us during this event – and we will be ready. The Province, VANOC and all of the Olympic partners are working hard to ensure we showcase the very best of BC during these Games. People from all areas of the province are already feeling the benefits of what hosting the Olympic Games can bring and those benefits are only going to increase as we get closer to the start of 2010. And while most of you are aware of all of these enormous benefits, I also wanted to ensure you have the real facts on our Province's commitment to the Winter Games.

Yesterday the Office of the Auditor General released its second report on cost of the Olympics. While the Auditor General makes constructive comments with regards to the public management and oversight of the Games, I feel it's important to share with you my thoughts on this matter.

The Auditor General's report confirms that our government's commitment to the Games remains on track. We have been consistent from the beginning that we had a **\$600 million budget to cover the direct costs of staging** the 2010 Olympic and Paralympic Winter Games. This report, along with his 2003 report, supports items funded from our \$600 million commitment. The report also does not identify any additional costs which have not been previously disclosed.

The Province does however have a different definition as to what should be considered an 'Olympic related' cost. Our position is the same with this report as it was for the Auditor General's first report in 2003, we continue to believe **projects that are not directly related to the staging of Games** should not be counted as Olympic costs.

For example, the Auditor General includes the Sea-to-Sky Highway in his estimate of Olympic costs. The provincial government announced plans to upgrade the Sea-to-Sky Highway months before the province won the Bid. Those upgrades would have happened regardless of whether or not the province hosted the Olympics. In September 2002 the Premier stated, *"That's an area where we're going to have to be investing whether there's an Olympics or not."* The bottom line is whatever definition you use as an 'Olympic related' cost, the benefits British Columbians will see as a result of hosting the Games will far outweigh the costs.

Our government always has been, and will continue to be, open and transparent with all government spending, including Olympic costs. The Province discloses all of its funding commitments through the Budget and Public Accounts – the Auditor General confirms this.

One item that has been lost in the media coverage is the new Performance and Accountability Agreement we signed with VANOC. This agreement puts in place further measures to improve oversight, reporting and contingency management. It is one more way to ensure all British Columbians are getting the best value for their tax dollars on our Olympic investment.

Intervistas Consulting has estimated that up to **\$10 billion in economic benefits** can be realized as a result of the Games. More than 90 projects across our province have benefited in more than \$14 million from our Olympic / Paralympic Live Sites Program. Businesses from all corners of BC are logging onto the 2010 Commerce Centre and receiving updated information on how they can bid on Olympic related projects.

Our province has an incredible opportunity as host of the 2010 Games. Our children and grandchildren will benefit from the many legacies it will leave behind. And our spending for the 2010 Games is on track.

More information on the Province's commitment to the Games and links to our due diligence reports can be found on my ministry web site or on VANOC's web site at Vancouver2010.com.

Colin Hansen
Minister of Economic Development
and Minister Responsible for the Asia-Pacific Initiative and the Olympics