

British Columbia's Preparations for 2010 Winter Olympics

September 14, 2006

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Introduction

The 2010 Winter Games are a partnership:

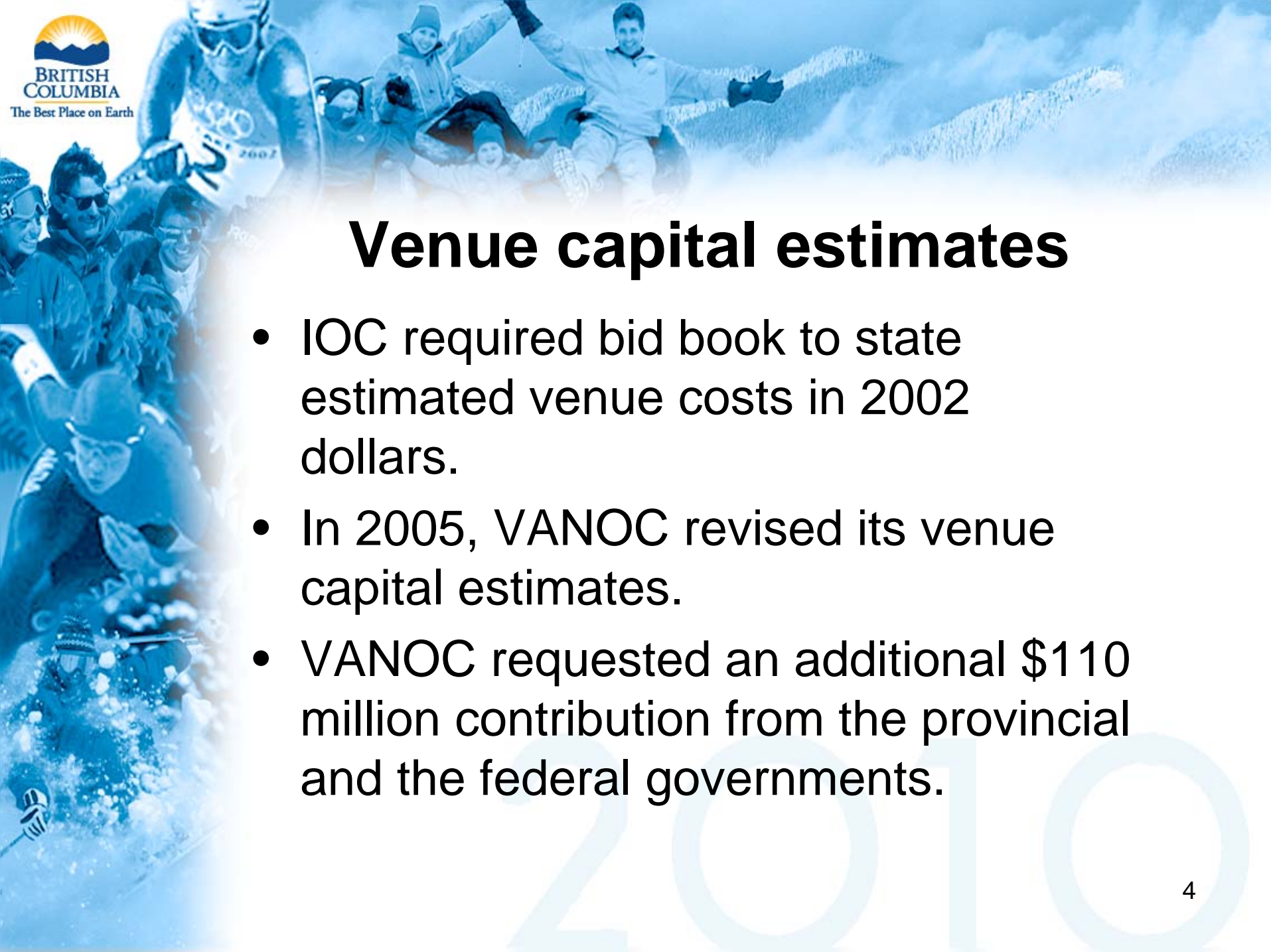
- Federal, provincial and local governments
- Canadian Olympic Committee, and Canadian Paralympic Committee
- First Nations
- Private sector

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Budget and commitments on target

- \$600 million provincial funding envelope confirmed by the Auditor General.
- The Province has taken action to improve oversight and to ensure risks are carefully managed.
- Success, risk and accountability is shared among the partners.



Venue capital estimates

- IOC required bid book to state estimated venue costs in 2002 dollars.
- In 2005, VANOC revised its venue capital estimates.
- VANOC requested an additional \$110 million contribution from the provincial and the federal governments.



Venue capital estimates review

- Both governments reviewed VANOC's revised venue capital estimates.
- B.C. engaged Partnerships BC to conduct a due diligence review.
- The federal government engaged Pacific Liaison to conduct a similar due diligence review.



Due diligence reports

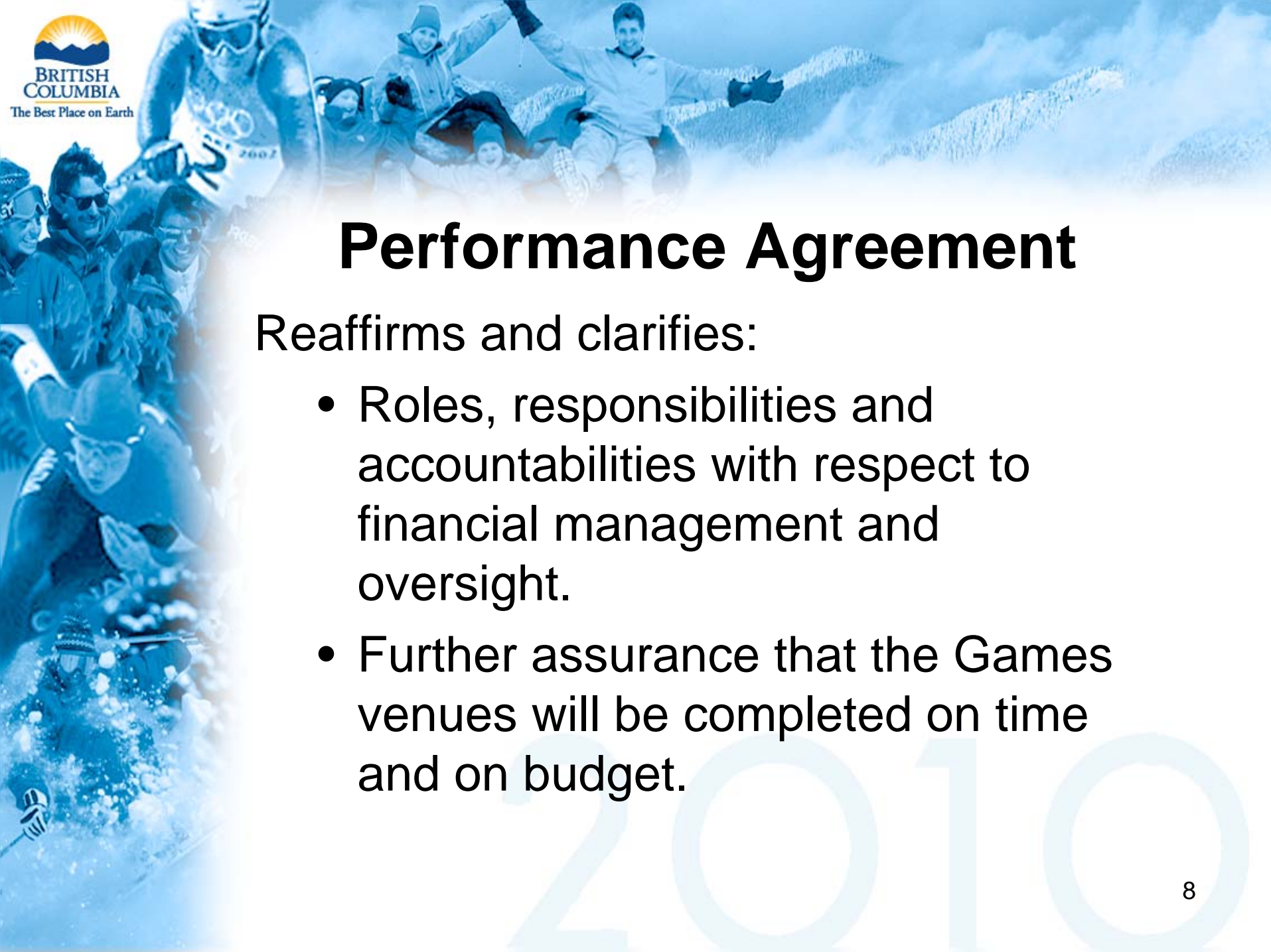
- Both reports supported additional funding request by VANOC.
- Both reports also recommend further diligence with regards to project management and risk management.



Performance Agreement

- As a result of recommendations made...
- The Province and VANOC have agreed to enter into a Performance and Accountability Agreement.

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Performance Agreement

Reaffirms and clarifies:

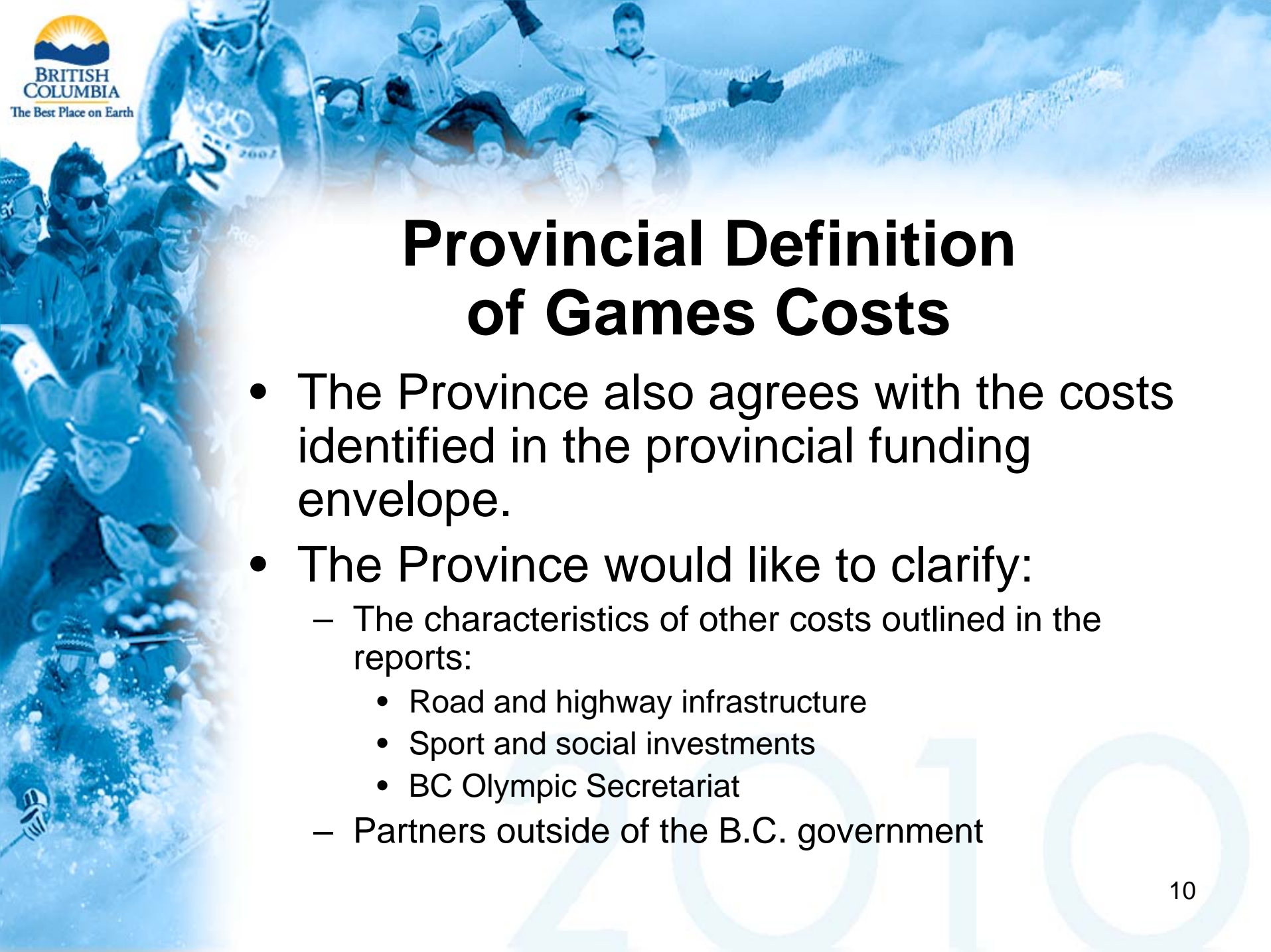
- Roles, responsibilities and accountabilities with respect to financial management and oversight.
- Further assurance that the Games venues will be completed on time and on budget.



Province agrees with recommendations

- All venue agreements need to be in place.
- A thorough due diligence review required.
- Marketing efforts for the Games must be coordinated.

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Provincial Definition of Games Costs

- The Province also agrees with the costs identified in the provincial funding envelope.
- The Province would like to clarify:
 - The characteristics of other costs outlined in the reports:
 - Road and highway infrastructure
 - Sport and social investments
 - BC Olympic Secretariat
 - Partners outside of the B.C. government



Transparency

All provincial costs are managed and accounted for:

- Budget and Estimates
- Public Accounts
- Service Plans and Service Plan Reports
- Public announcements



All partners share funding and delivery

- VANOC
- Province of British Columbia
- Government of Canada
- City of Vancouver
- Resort Municipality of Whistler
- Canadian Olympic Committee
- Canadian Paralympic Committee



Responsibility for the Games

- The Auditor General has also asked the Province to consider:
 - Potential revenue shortfalls for VANOC
- Province's response:
 - Successful negotiations to date between VANOC and sponsors

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Additional considerations

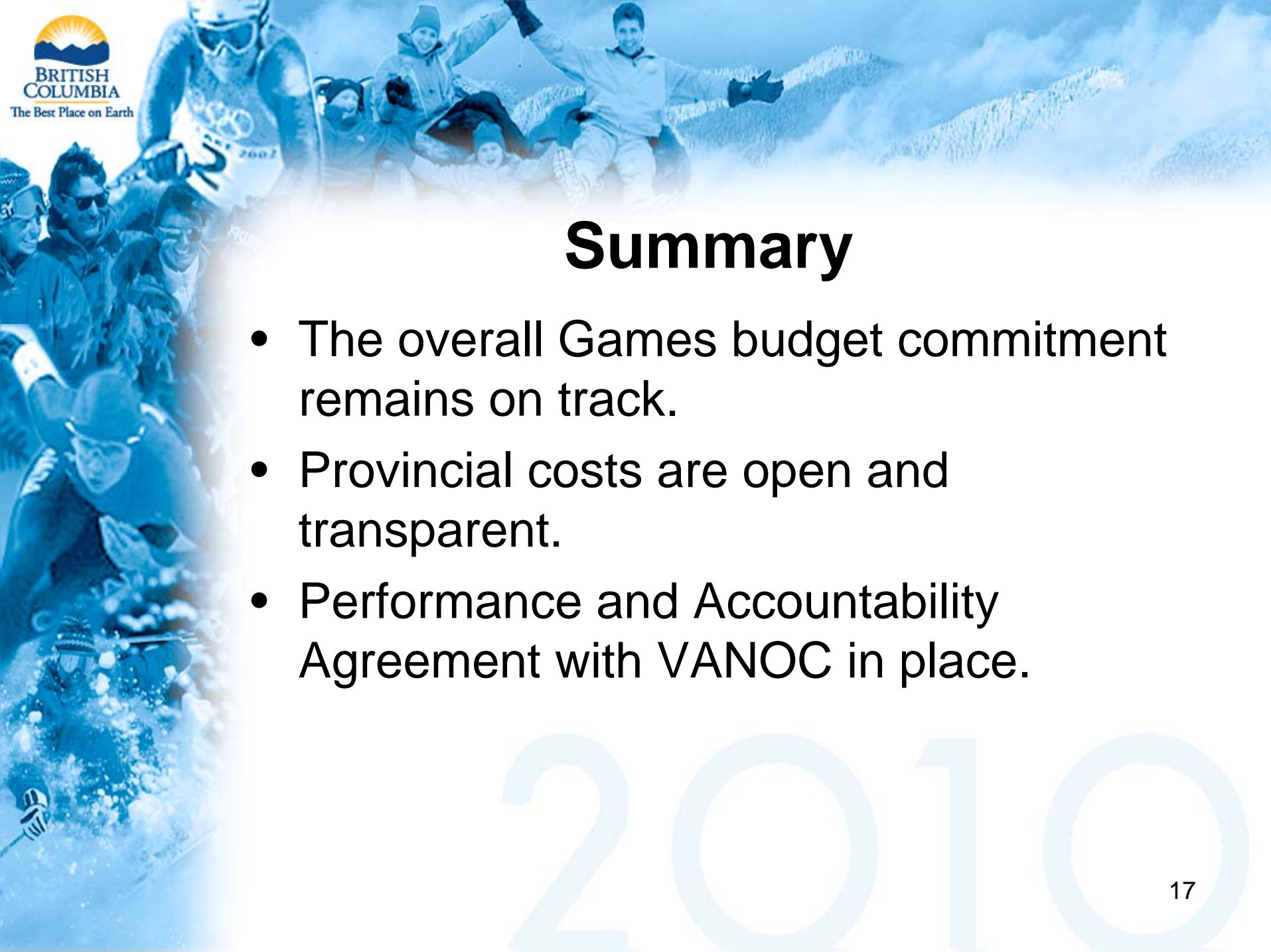
- The Auditor General has asked the Province to consider:
 - An update of the security and medical costs as soon as the information is available from the RCMP
- Province's response:
 - This is ongoing
 - We have been given no reason to believe this cost is inadequate

Economic Benefits

- Incremental impact of the Games:
 - GDP, tax revenues
- \$10B in economic benefits estimated.
- International exposure - \$30M estimated for Torino media coverage.
- Games benefits were factors considered in recent upgrades to the Province's credit rating.

BC Secretariat

- Annual progress report as at March 31, 2006 released today.
- Second report of the BC Secretariat.
- Purpose is to provide update on key areas:
 - Partnerships
 - Commitment to sustainable legacies
 - Province's funding commitments
 - Risk management



Summary

- The overall Games budget commitment remains on track.
- Provincial costs are open and transparent.
- Performance and Accountability Agreement with VANOC in place.