

Government speaks on Commonwealth Games Bid Withdrawal

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Pretoria - Government on Tuesday expressed disappointment at the announcement by the Commonwealth Games Federation to withdraw South Africa's bid to host a successful Commonwealth Games in Durban 2022.

"The Government of the Republic of South Africa wishes to express its disappointment at the announcement by the Commonwealth Games Federation to withdraw the country's bid to host a successful Commonwealth Games in Durban 2022," Sport and Recreation Minister Fikile Mbalula said.

Addressing a media briefing at Moses Mabhida Stadium in Durban, Minister Mbalula said the withdrawal was made despite all the efforts and the positive responses from the Commonwealth Games Evaluation Commission on the potential capacity of the Host City of Durban.

On Monday, the Commonwealth Games Federation (CGF) released a statement regarding Durban's bid to host the games.

"We wish to state that while we disagree with the contents of the statement, we respect the decision of the CGF as the right holder and wish to retrace our footsteps leading us to this point," said Minister Mbalula.

He said at its General Assembly meeting in October 2016, the federation resolved to support South Africa to achieve a satisfactory resolution of all outstanding matters in order for Durban to continue with the hosting of the Commonwealth Games 2022.

South Africa was therefore required to provide a response by 30 November 2016 on how the outstanding issues will be resolved, failing which the Executive Board was empowered to look at an alternative host city.

"South Africa duly provided feedback on the outstanding matters with supporting documents, timeously and eagerly awaited feedback from the Commonwealth Games Federation," the Minister said.

The Minister set the record straight on milestones regarding all efforts made in hosting a successful bid.

South Africa communicated its expression of interest to host the Commonwealth Games 2022 by 31 March 2014 and the official intention to bid took place on 22 July 2014 in Glasgow. Edmonton and Durban were the only two candidate cities bidding for the Commonwealth Games in 2022.

Cabinet endorsed the intention by the City of Durban to bid to host the Commonwealth Games in 2022 and directed the establishing of a Bid Committee to develop the bid proposals to host the Commonwealth Games.

Cabinet further directed the Department of Sport and Recreation and National Treasury to consider the business plans, the proposed budget and funding model and revert to Cabinet before the announcement of the host cities.

In February 2015, the Canadian city of Edmonton, the only other contender bidding to host the Commonwealth Games in 2022, withdrew its bid to host. This now left South Africa and the City of Durban as the only city bidding to host the Commonwealth Games in 2022.

“It must be emphasised that it was not a fait accompli that South Africa will automatically be awarded the bid. South Africa still had to undergo the arduous process of securing the guarantees, finalise and lodge the bid documents as per the templates provided by the Commonwealth Games Federation.

“[It had to] prepare for the visit and interaction by a high powered Commonwealth Games Federation delegation, as well as events specialists who formed part of the Games Evaluation Commission and the inbound inspection teams of the various Continental Commonwealth Games countries, and still secure the bid through the voting process of the General Assembly, which was held in Auckland in September 2015.

“All this [happened] after securing the Cabinet approval based on a funding guarantee of R4.32 billion,” said Minister Mbalula.

The Minister said that when the Games were awarded to South Africa, South Africa had not signed the host city agreement.

“Clauses in the agreement were seriously going to compromise South Africa and government was not prepared to sign an open ended guarantee.”

The finance guarantee was delayed but was signed in June 2016 and the Minister of Finance signed the guarantee in respect of the operational budget of R2 662 928 000 and a contingency budget, which is capped at 18% (R479 million).

The financial guarantee was also subject to the willingness of the CGF to constructively engage with South Africa and Durban on all possible revenue sharing streams related to the games, including amongst other things, ticketing, merchandising and broadcast rights.

“Having learnt lessons from other events, the South African government had no appetite to issue an open ended guarantee, including having to transfer a large portion of funds to a newly established private entity.

“The expectation that the South African government will have to provide more than what Cabinet had approved could not be sustained in the current economic environment. Our country is regrettably not in a position to make huge financial commitments given the current competing socio-economic needs and global economic down turn,” said the Minister.

Government is of the view that it acted in the best interest of South Africa.

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