



**PRESIDENT'S ADDRESS  
AUSTRALIAN OLYMPIC COMMITTEE  
ANNUAL GENERAL MEETING  
SATURDAY, 10 MAY 2014**

**2014 AUSTRALIAN OLYMPIC TEAM, OLYMPIC WINTER GAMES, SOCHI, RUSSIA**

Last night Prime Minister Tony Abbott joined us in recognising our 2014 Olympic and Paralympic Winter Teams and Craig Phillips has detailed their excellent results in the Annual Report.

In addition to the medals won by Torah Bright, David Morris and Lydia Lassila, what stood out for me were 2 other top 5 and 12 other top 10 results and the fact that 43 of our 60 member team were first-timers, all of which augers well for the next Winter Games in 2018 in PyeongChang, South Korea.

We have already appointed Ian Chesterman as Chef de Mission again in 2018 – his sixth time.

**2016 AUSTRALIAN WINTER YOUTH OLYMPIC TEAM, LILLEHAMMER**

And in the lead-up for the Winter Youth Olympic Games in Lillehammer in 2016 we have appointed Olympic Champion, Alisa Camplin as Chef de Mission of our Team – her second time.

**2014 AUSTRALIAN YOUTH OLYMPIC TEAM, NANJING, CHINA**

Our next team will be the Australian Team for the Youth Olympic Games in Nanjing, China in August of this year.

Olympic Champion, Susie O'Neill is our Chef de Mission of a team of 91 athletes aged 15-19 and competing in 26 sports and disciplines, including two team sports – women's rugby sevens and men's hockey five-a-side.

Susie attended the Chef de Mission Seminar in late March and reports that our Chinese hosts are well organised. The Youth Olympic Village is a new apartment style complex with athletes walking through a corridor of culture and education program activities to access the one entrance to the residential zone. The sports venues are a mix of old and new and all excellent.

London 2012 Olympic Canoe Slalom silver medallist, Jessica Fox who won gold in our 2009 Australian Youth Olympic Festival and in the first Youth Olympic Games, has been appointed by the IOC as one of the Young Ambassadors who will share their experiences and mentor the athletes.

## **2016 AUSTRALIAN OLYMPIC TEAM, RIO DE JANEIRO, BRAZIL**

I spoke with some concern on the topic of “Rio’s readiness” at the second Campaign Rio Forum last week at Sydney Olympic Park. This followed my last visit there as a member of the IOC Rio 2016 Coordination Commission in mid-March and the specific and serious concerns raised by 17 of the International Federations when the IOC Executive Board met with them in Turkey early April.

Since our Forum the feedback from IOC Games Director, Gilbert Felli, who was in Rio at the time as head of the task force the IOC has put in place to work with our partners in Rio, is more positive. Time remains of the essence but Mr Felli reports that things are moving in the right direction.

Mr Felli and the organisers have developed a clear timetable for work to be undertaken between now and the next meeting of the IOC Coordination Commission at the end of September – after the FIFA World Cup. Clearly that meeting will be critical.

For its part, the Organising Committee remains confident that “Rio will host an excellent Games that will be delivered absolutely within the agreed timelines and budgets”.

And as I have been repeating, there is no plan B. We (the IOC, the International Federations and the Organising Committee) have to make this happen by working together over the next two years.

Campaign Rio, a collaborative initiative between the AOC, Australian Paralympic Committee and Australian Institute of Sport (AIS) was launched last year and last week’s was the latest of two very successful High Performance Forums. Over 75 sport leaders attended the 3 days – with 21 Olympic National Federations represented. The focus of the Forum was on Leadership and Culture and Values.

We were honoured that the new Governor General, His Excellency General the Honourable Sir Peter Cosgrove attended and addressed the group on leading in a challenging environment. His words were inspiring to say the least.

We also launched our approach to developing a Culture and Values Road Map – which aims at implementing an 18 month program of education and awareness for our potential athletes.

Our Rio Chef de Mission, Kitty Chiller announced our first 10 sport Team Leaders for the Rio Team. These positions will be responsible for the strategic planning and preparation of their respective sports, not only in respect of performance, but also culture and values and contribution to the broader Australian Team.

The Forum was an enormous success and we have had excellent feedback from the sports in attendance.

As further evidence of the close cooperation enjoyed by our two organisations, the AOC recently renewed its recognition of the AIS as an “Olympic Training Centre” through until 31 December 2020.

## **WORLD ANTI-DOPING CODE, 2015**

In the Annual Report I drew attention to the changes to the World Anti-Doping Code, effective 1 January 2015.

Shortly after its adoption on 15 November 2014, Craig Phillips provided member National Federations with WADA’s summary of the Significant Changes between the 2009 Code and the 2015 Code, principal among which is increasing bans from 2 to 4 years for real cheats.

The 2015 Code amendments support the increasing importance of investigations and use of intelligence in the fight against doping which has received quite some prominence here in Australia over the last eighteen months.

Most pleasingly, amendments to the Code have been included to better reach Athlete Support Personnel who are involved in doping. We know that doping frequently involves coaches, trainers, or other Athlete Support Personnel and in many cases those Athlete Support Personnel were outside the jurisdiction of anti-doping authorities.

Be aware that the new Article 20.3.5 establishes that one of the roles and responsibilities of International Federations is to adopt rules which obligate their National Federations to require Athlete Support Personnel who participate in their activities to agree to be bound by anti-doping rules and the results management authority of applicable Anti-Doping Organizations. Article 20.4.7 imposes this same responsibility on National Olympic Committees in respect of their National Federations.

Also note Article 2.10 which adds a new anti-doping rule violation entitled “Prohibited Association”. This makes it an anti-doping rule violation for an Athlete or other Person (meaning a natural Person or an organisation or other entity) to associate in a professional or sports-related capacity with Athlete Support Personnel who are currently Ineligible (meaning the Athlete or other Person is barred on account of an anti-doping rule violation for a specified period of time from participating in any Competition or other activity or funding as provided in Article 10.12.1), who have been convicted in a criminal, disciplinary, or professional proceeding for conduct that would constitute doping, for the longer of six years from the conviction/decision or the duration of the criminal, disciplinary, or professional sanction imposed; or someone who is serving as a front for such a Person.

Before an Athlete is found to have violated this article, he or she must have received notice of the Athlete Support Personnel’s disqualified status and the Consequence of continued association. The Athlete Support Personnel also has the opportunity to explain that the disqualified status is not applicable to him or her. Finally, this article does not apply in circumstances where the association is unavoidable, such as a child/parent or wife/husband relationship.

The AOC Executive will be updating the AOC Anti-Doping By-Law at its November meeting to conform with the 2015 Code from 1 January 2015.

The AOC will also be drawing specific attention to the operation of the new anti-doping rule violation of Prohibited Association in its Team Membership Agreements for Athletes and Officials and requiring assurances of no such association as a condition for election to, and continuing membership of, the AOC Executive and Athletes' Commission, or appointment to any commissions of, or employment with, the AOC.

Member National Federations should similarly ensure that their Athlete Support Personnel are bound by the anti-doping rules and the new anti-doping rule violation of Prohibited Association is understood by their Athletes, Athlete Support Personnel and administrators.

## **AUSTRALIAN OLYMPIC FOUNDATION**

The Foundation was established in 1996.

The members and Board of the Trustee of the Australian Olympic Foundation - that is, the Australian Olympic Foundation Limited - are the voting members of the Executive of the AOC from time to time. That being the case and being mindful that one of the purposes of establishing the Foundation was to separate it from the day to day activities and control of the AOC, we have continued the practice of reporting separately on the Foundation's activities and results.

To that end, the 2013 Annual Report of the Foundation was circulated with the 2013 Annual Report of the AOC. It contains my Chairman's Review, at pages 97-99 and from which you will note net assets grew from \$115.6 million to \$135.1 million over the calendar year.

A copy of my report to the Board of the Foundation at its meeting yesterday has been distributed today for your information.

Following an interim distribution of \$1.15 million received by the AOC for the first quarter of this year total cash net assets stood at \$134.2 million at 31 March 2014.

Total distributions received by the AOC since 1 January 2001 when the Foundation received its \$88.48 million legacy from Sydney hosting the 2000 Olympic Games now amount to \$86.1 million.

The Foundation's return as at 31 March 2014 on a per annum basis since inception is 8.0% p.a. which is 1.2% above its rolling 4 year return target of 6.8% p.a.

It is the distributions from the Foundation, along with sponsorship and fundraising income, which enables the AOC to fulfil its role as an independent NOC and without the Government funding on which the great majority of NOCs depend.

## **SUBMISSION FOR INCLUSION OF THE AOF IN TABLE IN SECTION 30-90 *INCOME TAX ASSESSMENT ACT 1997* (CTH) (*INCOME TAX ACT*)**

A substantial share of the AOF's assets is held in shares in publicly-listed companies through managed funds. Consequently, much of the income received by the AOC is derived from franked dividends which have been paid to the AOF and subsequently distributed by the AOF to the

AOC. Franked dividends paid to the AOF have already been taxed by the companies issuing those dividends at the corporate tax rate of 30%.

In general, most shareholders are entitled to a tax offset equal to the franking credit allocated to the dividend. Shareholders' "grossed up" dividend, which includes both the dividend paid or credited to the shareholder and the allocated franking credit, is included in the shareholder's assessable income. Where the shareholder's marginal tax rate is less than the corporate tax rate of 30%, the excess franking credits are refundable.

However, the AOF is not presently able to flow through franking credits to the AOC as the AOF is not a "qualified person" under the Income Tax Act in the same way as the Australian Sports Foundation, Girl Guides Australia, State and Territory branches of Girl Guides Australia, the Scout Association of Australia, State and Territory branches of the Scout Association of Australia, the Bradman Memorial Fund and the Amy Gillett Foundation.

To become a "qualified person" and be able to flow through franking credits to the AOC, the AOF needs to be included in the "Table of Recipients for Deductible Gifts" for "Sports and Recreation" under section 30-90 of the Income Tax Act such that it may be recognised as an "exempt institution that is eligible for a refund", in the same way as the seven other funds and institutions mentioned are listed.

Recognition as an "exempt institution that is eligible for a refund" will enable the AOF to seek a refund of franking credits from fully, or partially, franked dividends it receives from shares it holds in publicly-listed companies through managed funds.

The AOC considers there are strong policy grounds for listing the AOF alongside these other funds and institutions and on 30 April 2014 made a submission to this effect to the Treasurer, The Hon Joe Hockey.

The amount of these franking credits since 2001 totals \$7.5 million and they have averaged \$588,342 p.a. over the last 4 years.

If the AOF is successful with its submission to the Treasurer, the AOC will increase its direct Medal Incentive Funding to medallists by the amount of the refunds and look to re-introduce the funding to 4<sup>th</sup> and 5<sup>th</sup> placegetters which was so effective in the lead-up to the Sydney Olympic Games.

## **SPONSORSHIPS 2013-2016**

Our "revenue target" to achieve a balanced budget for the 2013-2016 quadrennium is \$40.2 million, which is a 9% increase on the \$36.6 million of total sponsorship revenue achieved for the 2009-2012 quadrennium.

The value of sponsorships and supplier agreements contracted to date for 2013-2016 is \$24.8 million which compares with \$32.6 million contracted at this time in the last Olympic quadrennium. Clearly we have some considerable way to go.

For the 2017-2020 quadrennium we have sponsors contracted to the value of \$9.6 million.

## **USA BROADCASTING RIGHTS AWARDED TO NBCUNIVERSAL (NBCU) THROUGH TO 2032**

Last Wednesday the IOC awarded NBCU the broadcast rights in the USA for the Olympic Games through to 2032.

NBCU has acquired the broadcast rights across all media platforms, including free-to-air television, subscription television, internet and mobile. The agreement from 2021 to 2032 is valued at USD7.65 billion, plus an additional USD100 million signing bonus to be used for the promotion of Olympism and the Olympic values between 2015 and 2020.

I mention this because this agreement is a major contribution to the long-term financial stability of the entire Olympic Movement. The IOC distributes more than 90 per cent of the revenue it generates to support the International Sports Federations, the 204 National Olympic Committees and their Olympic teams and the Organising Committees of each Olympic Games.

## **OLYMPIC AGENDA 2020**

Following his election as IOC President in September 2013, Dr Thomas Bach has embarked on a major review known as Olympic Agenda 2020 and which is intended to form the strategic roadmap for the future of the Olympic Movement.

First, the President collated his and the ideas of the other Presidential candidates, the IOC departments and Executive Board. The Executive Board spent four days discussing them in December with the debate centring around the three overarching themes of sustainability, credibility and youth and from which the ideas were structured into the following five themes:

1. Uniqueness of the Olympic Games
2. Athletes at the heart of the Olympic Movement
3. Olympism in action: Keeping Olympism alive 365 days a year
4. The IOC's role: unity in diversity
5. IOC structure and organisation

They were presented at the IOC Session in Sochi in February for preliminary discussion, with members making some 220 interventions.

Submissions were then invited from International Federations, National Olympic Committees and members of the public, with some 40,000 received to date.

You will find a copy of the Agenda 2020 discussion points on your tables together with the AOC submission prepared by Craig Phillips following input from our Executive (excluding me) and Athletes' Commission.

Working Groups are currently being set up with responsibility for sifting the suggestions before reaching recommendations to put before the Executive Board. They will then be referred to an Extraordinary Session of the IOC in December. This Session may well be the most significant in the history of the IOC since it constituted itself on 23 June 1894.

**JOHN COATES AC**  
President