



**PRESIDENT'S ADDRESS
AUSTRALIAN OLYMPIC COMMITTEE
ANNUAL GENERAL MEETING
SATURDAY, 4 MAY 2013**

ANTI-DOPING

In response to the decision of the United States Anti-Doping Agency in the Lance Armstrong case issued in August last year and the fall-out here in Cycling, in February 2013 the AOC Executive amended our Ethical Behaviour By-Law to require a range of relevant persons, excluding minors, to make a statutory declaration regarding anti-doping matters.

The Statutory Declaration required to be made is drafted in the alternative. You either declare statement 1 that you have not at any time breached an applicable anti-doping rule or policy, or statement 2 that the sanction has been formally eliminated or waived by the organisation having the authority to do so; or, you have completed the sanction.

Since we introduced this requirement, I can report that all current members and the three new candidates for the AOC Executive have made the statutory declaration that they have not at any time breached an applicable anti-doping policy or rule and we are working through our various Commissions and all AOC staff, interns and contractors.

State and Territory Olympic Councils will be required to implement the requirement and last Thursday the first 53 Sochi Shadow Team athletes and 27 officials attending the Team Assembly in Melbourne made the statutory declaration with the remainder to follow.

Any person who does not make the statutory declaration or who, in the AOC's opinion, falsely makes the statutory declaration will be ineligible for membership of our Teams or to receive funding from or to hold any position within the AOC. If they are unable to declare either statement 1 or 2 they are invited to contact the AOC's Senior Legal Counsel and may either be referred or reported to ASADA.

Compliance will be monitored through the regular reports and annual certification that the Secretary-General provides to our Audit Committee. It will be reported to you in our annual Corporate Governance Statement.

I note that the Australian Sports Commission (ASC) has similarly introduced such a requirement within its organisation and commend the ASC's and our requirements to member National Federations (NFs) as good corporate practice, indeed risk mitigation. As Cycling Australia will attest, the last thing you need is for one of your office-bearers or coaches to come forward and admit to having, or be found to have, breached an applicable anti-doping rule or policy some time after you have elected or appointed them to positions of responsibility in your organisation.

More generally the AOC has been pushing since 2000 for first a Sports Doping Ombudsman, then Australia's sports anti-doping authority, to be empowered to require and compel persons to give information, produce documents and answer questions (coercive powers).

We renewed these calls in an open letter to Minister the Hon Kate Lundy following the release of the Armstrong findings. Remember he was tested hundreds of times and never had a meaningful Anti-Doping Rule Violation (ADRV).

A 2010 study by the Association of Summer Olympic International Federations (ASOIF) indicated that its stakeholders, namely the International Federations to which NFs belong, are spending approximately USD1.2 billion every Olympic quadrennium on testing alone and of the thousands of tests annually, only about 0.89% result in a meaningful ADRV. Testing alone is not enough.

An equally compelling example to Lance Armstrong is the Bay Area Laboratory Co-operative (BALCO) cases in which it was documents obtained through raids of the BALCO premises, the evidence of other athletes and the use of subpoenas and other law enforcement mechanisms that ultimately enabled the prosecution of athletes Marion Jones and Tim Montgomery, among others, for ADRVs.

Coercively acquired evidence provided the foundation for the successful outcome in these cases and the AOC welcomes the intelligence and assistance that Australian Customs and the Australian Crimes Commission is providing to ASADA.

We have no problem with ASADA having access to recorded conversations from phone taps, surveillance footage and credit card receipts as evidence in the fight against sports doping.

And while ASADA's focus is currently on the National Rugby League (NRL) and Australian Football League (AFL), it would be naïve to expect that there have not been Australian athletes and officials in Olympic sports who have, so far, fallen through the net because of ineffective testing.

The Hon James Wood AO QC recognised this in his Independent Review into Cycling Australia earlier this year and recommended ASADA be strengthened with coercive powers.

And so, Minister Lundy, the AOC welcomed your introduction of the Australian Sports Anti-Doping Authority Amendment Bill (2013) earlier this year and has supported it in a written submission and in the evidence that our Athletes' Commission Chair, Kim Crow and I provided to the Senate Hearing on the Bill on 1 March.

We have questioned whether the amendments go far enough and in particular whether the proposed civil penalty of up to \$5,100 will be sufficient to compel compliance.

We have argued for a criminal penalty for failure to comply and also in relation to the truthfulness of the information provided.

Such penalties are not new. They exist under the Australian Securities and Investments Commission Act 2001 (Cth) (ASIC) in respect of failure to comply with ASIC's coercive powers.

If it is good enough to support the integrity of our financial markets with criminal penalties, it is equally critical to support and protect the integrity of our sports and health of our athletes in the same way.

We wait to see how the amending legislation ends up.

In the meantime we have been watching with interest the ongoing ASADA investigations involving the NRL and AFL and ASADA's difficulties in interviewing players and officials.

Yesterday, the AOC Executive amended our Anti-Doping By-Law and latest Team Agreements for Olympic athletes and officials to make it clear that those identified by ASADA must co-operate with and assist ASADA, even if to do so might tend to incriminate or expose them to a penalty.

To be clear, failure to co-operate with and assist ASADA, in every way, can result in an athlete or official being ruled out of an Olympic Team.

You will find a copy of the marked-up amendments to our Anti-Doping By-Law and the relevant amended pages of our Team Membership Agreements on your table and they will be posted on our website.

At this stage we have only required compliance for athletes and officials during the period of membership of our Shadow Team, the period of the Games and in respect of matters arising during those periods.

I suggest that member NFs and the Australian and State and Territory Institutes and Academies of Sport look at similarly strengthening their anti-doping policies and rules, if they have not already done so, to cover the times outside these periods when the athletes and officials are more their responsibility.

STILNOX

On 2 July 2012 the AOC banned the use of zolpidem and its various brand names, including stilnox, for the treatment of insomnia by members of our 2012 Olympic Team.

Understand, this measure was taken to protect the health of our athletes. It was taken immediately we were made aware by the *Sunday Telegraph* of the use of stilnox by some of our swimmers at past Olympic Games and the potentially adverse effects of the drug, including sleepwalking, hallucinations and dependence. As Chef de Mission I should have been told.

For the avoidance of any doubt the AOC Executive yesterday confirmed that the ban applies to all future Australian Olympic and Youth Olympic Teams.

Notwithstanding the ban some members of the 2012 Olympic Men's 4 x 100 Freestyle Relay Team have publicly admitted using stilnox and the AOC has appointed Senior Counsel, Mr Bret Walker to investigate these matters and their conduct generally. His investigation is continuing.

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 2012 Annual Report of the Foundation was circulated with the 2012 Annual Report of the AOC. It contains my Chairman's Review, at pages 102-105, which this year includes a comprehensive overview of the Foundation's target composite return and distribution policy which has proven so successful over the 12 years since the Foundation received its (hard fought) \$88.48 million legacy from hosting the 2000 Olympic Games in Sydney.

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 contributions received by the AOC since 1 January 2001 (inception) now amount to \$81.5 million and net assets at 31 March 2013 have increased from \$109 million to \$121.4 million.

You will note from the graph shown that the Foundation's portfolio has returned 7.5% per annum since inception versus the target objective of a rolling 4 year CPI plus ten year bond rate which is currently 7.2%.

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 (\$32.6 million net) of total sponsorship revenue achieved for the 2009-2012 quadrennium.

You will note on page 82 of the Financial Statements that as at 31 December 2012 we had income from sponsorships of \$11,848,996 (after application of a discount factor for accounting purposes) in relation to the 2016 and 2020 quadrenniums deferred to be recognised in the periods to which they relate.

Since then the value of sponsorships and supplier agreements contracted for 2013-2016 has increased from \$10.6 million to \$23.4 million from sponsor partners - Coca-cola, Atos, Dow, GE, McDonalds, Omega, Panasonic, P&G, Samsung, Visa, adidas, CoSport, Qantas, Speedo, Swisse and Karbon; and suppliers - XTM, RogenSi, Getty Images and Blundstone.

And the value of sponsorships contracted for 2017-2020 has increased from \$1.2 million to \$10.3 million.

OLYMPIC WINTER INSTITUTE OF AUSTRALIA (OWIA)

Australia's winter sport athletes recently concluded their World Championship and World Cup competitions for the season with six Gold, ten Silver and nine Bronze medals won by thirteen athletes across eight disciplines.

Alex Pullin became the first Australian to win a second World Championship, when he successfully defended his World title in Snowboard Cross in Quebec during January. Also at the Snowboard World Championships, Holly Crawford claimed the silver medal in Half Pipe and 2012 Olympic Champion Torah Bright returned to competition with a bronze in the Slope style event. Danielle Scott became the fifth Australian Aerial Skier to win a World Championship medal with a Bronze in Norway while David Morris became the first Australian male aerial skier to win a World Cup event.

2012 Olympic Champion Lydia Lassila also made a successful return to competition after the birth of her first child, ranking second for most of the season.

OWIA Chairman Geoffrey Henke continues with his remarkable efforts to provide world class facilities and opportunities for Australia's winter sport athletes. The development of the Half Pipe at Perisher in NSW is under way and will be completed for the 2014 winter season. Disappointingly, the new Queensland Government cancelled its commitment to complete the Water Jump facility in Brisbane notwithstanding that the balance of the funding was fully covered by the ASC and OWIA. Minister Kate Lundy has maintained the Federal Government's support for this badly needed project and recently opened the door through discussions with her NSW counterpart, Minister the Hon Graham Annesley to identify a suitable all year round location in northern NSW.

The OWIA completed its headquarter relocation to the Icehouse in Melbourne's Docklands last August, and this week hosted our first Olympic Shadow Team briefing for Sochi.

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

We are still anticipating that Australia will be represented by its largest ever Australian Team at an Olympic Winter Games with 55 to 60 athletes.

Based on the last season performances that I have just highlighted, we maintain as realistic our objective to improve on our 18th position in Vancouver and finish among the top 15 nations in Sochi.

In February, Ian Chesterman and his Team Executive attended a Chef de Mission Seminar in Sochi and were impressed by progress.

Following this meeting, a workshop will be conducted to discuss key learnings from the recent Test Events and our planning visits.

For Sochi there are some qualification events occurring within 14 days of the time by which entries to the Games must be submitted to the AOC. Accordingly, in March the AOC Executive amended our Olympic Team Selection By-Law to provide a Fast-Track Appeals Process where notification of an athlete's nomination or non-nomination occurs within 14 days of the time by which entries to the Games must be submitted by the AOC. Within this

period appeals at first instance will no longer be to an NF appointed Appeals Tribunal. Instead, if an athlete wishes to appeal a decision it will be exclusively determined by the Appeals Division of the Court of Arbitration for Sport (CAS) by a sole arbitrator and with no subsequent appeal.

While the Fast-Track Appeals Process has been introduced because of the late qualification events for Sochi, we also received feedback from some summer NFs that they would have preferred later nomination dates for London to accommodate qualification events within 14 days of the time by which entries to the Games must be submitted by the AOC.

Accordingly, the amendments to the AOC Olympic Team Selection By-Law to accommodate the Fast-Track Appeals Process apply equally to athletes in summer and winter Olympic sports/disciplines. But think carefully if you are contemplating late nominations within 14 days of the closing date for entries as, instead of a three person Appeals Tribunal appointed by your NF and including “a person with a thorough knowledge of (your) sport and who preferably has had recent international competition experience in (your) sport”, you and your athletes will be bound by the decision of a sole CAS arbitrator.

The amended Olympic Team Selection By-Law is on the AOC website.

2014 AUSTRALIAN YOUTH OLYMPIC TEAM, NANJING, CHINA

Susie O'Neill has been appointed Chef de Mission of the Australian Youth Olympic Team and AOC Director of Sport, Fiona de Jong joins her on the Team Executive.

We anticipate that our team will again reach the maximum permitted quota of 70 individual athletes and two team sports.

Following the strong performances of emerging Australian athletes at the first edition of the YOG in Singapore in 2010 and the Australian Youth Olympic Festival (AYOF) in 2013, we are confident that our team for Nanjing will once again be one of considerable quality.

And to highlight the value of these Youth Games, of the 410 athletes who made up our Olympic Team in London, 108 had participated in an edition of the AYOF or the 2010 YOG and these athletes won 19 of the 35 medals won. They included 3 of our 7 gold medallists, namely Cate Campbell, Anna Meares and Sally Pearson.

JOHN COATES AC
President