



**PRESIDENT'S ADDRESS
AUSTRALIAN OLYMPIC COMMITTEE
ANNUAL GENERAL MEETING
SATURDAY, 28 April 2018**

Good morning friends one and all.

I also acknowledge the Gadigal People of the Eora Nation and pay my respects to the Elders past and present.

It is an honour to address the 2018 Annual General Meeting of the Australian Olympic Committee.

I thank you for it.

There is much to get through. Indeed, this year's Presidential address is the most important I have given.

Because I will announce and explain reforms the Australian Olympic Foundation passed just 25 days ago.

Reforms which protect the character and future of the AOC. More on those in a moment.

Good Sports

I start by recognising the inspiring performances of our athletes. Performances which did something quite profound.

At a time when it was needed, our country was reminded that sport can be a wonderful teacher.

There are many such performances on fields, slopes, track, roads, courts, ice rinks and in pools and waterways each and every day and all over the world.

All speaking to the way Australian's play sport.

But recent times made more recent examples especially welcome:

Rohan Browning competed in the 100 - metre sprint at the Gold Coast Commonwealth Games.

He missed the final by a single thousandth of a second - by the blink of the fastest eye.

Whilst most anticipated, and perhaps Rohan was entitled to exasperation and frustration, he offered this:

I think I am Australia's most pitied man right now... but I don't want to be!!!
Fractions of a second are what separate people in this sport, and that's what makes it beautiful.

Huge thank you to the amazing officials for giving up their time to make these games amazing. GO AUS

Rohan, what magnificent words and deeds both!

Australia commends you! We, at the AOC commend you.

Australians Celia Sullohern, Madeline Hills and Elouise Wellings competed brilliantly in the 10,000 metres. They ran unplaced in this brutal event.

Journalist Michael Gleeson observed in the media:

All three Australian women waited for one another and then for all the runners.

All other athletes who finished wandered off, but the trio waited until the final runner, Lesotho's Lineo Chaka, had completed her last laps to finish the race in last place.

After the race Celia said:

I just love racing with two Aussie girls who are just such classy athletes. And I think that is the strength of Australian distance racing.

We were all out there having a go. It was so lovely to stand there with those girls and show a bit of, I hope, Aussie sportsmanship.

Celia, Maddie and Eloise you sure did. Australia commends you. We, at the AOC commend you.

I also recognise that in its bid to host the most inclusive Commonwealth Games the Gold Coast was a huge success. Or as three-times Paralympic and Games Wheelchair Marathon Champion, Kurt Fearnley said:

"The way the Games have been approached by the fans, the way the Games have been treated by our fellow athletes, we've nailed it."

Kurt went on:

"We're making progress. We need to push this progress, we need to capitalise it, we need to recognise it as well. We need to recognise that crowds have really enjoyed the idea of this inclusive Commonwealth Games, we need to recognise the sponsors have also enjoyed an integrated and inclusive Commonwealth Games and we need to know that we're doing the right thing."

Kurt, you are the champion of champions. Australia commends you. We, at the AOC commend you.

These examples are as numerous as the medals Australia won on the Gold Coast.

And they follow a Winter Olympic effort which also achieved the highest standards of behaviour and performance.

Matt Graham, Jarryd Hughes and Scotty James were our medallists.

They are captured visiting schools on their return from PyeongChang in the Annual Report – just wonderful ambassadors.

This is how journalist Alex Lavelle described our Winter Olympians:

The recent Winter Olympics was an example of the spirit in which sport should be played.

The athletes are super brave and super competitive – but they look like they were having a great time and seemed genuinely happy for each other – win or lose.

And so, what the Australian Commonwealth, Olympic and Paralympic family has demonstrated is sport as its best self.

On behalf of the Australian Olympic Committee I ask you to join me in commending all of the athletes and their support teams by hearty and deserved acclamation.

I also commend all of you for setting the highest standards as good leaders do. Standards which our vigilance must elevate and then meet time and time and time again.

Internationally

On the international stage the IOC made the historic decision in Lima, Peru on 13 September 2017 to simultaneously award the Olympic Games 2024 to Paris and 2028 to Los Angeles.

I chaired the working group that determined the way for this to occur.

I also chair the Olympic Games Delivery Executive Steering Committee whose **New Norm** recommendations to the IOC Session in PyeongChang was approved unanimously. It comprises a set of 118 reforms that reimagine how the Olympic Games are delivered.

We analysed every function of operations, including venues, energy, broadcasting, accommodation, transport and technology, and also looked at the Paralympic Games.

We examined if the right services and products were provided, if timing of delivery was optimal, and where we can provide additional expertise. What resulted is a robust plan that reduces complexity and costs, while maximising flexibility and partnership.

By examining the seven-year journey with former Organising Committees (OCOGs), more than 80 of the 118 solutions that have been adopted will result in cost efficiencies without compromising the Olympic experience for athletes. The plan invites opportunities to reduce venue sizes, rethink transport options, optimise existing infrastructure and reuse the field of play for various sports.

Enhanced integration of Olympic stakeholder expertise, combined with adjusted workflows, will unlock greater value for hosts and partners alike.

For example, a joint coordination process between national and regional government, the IOC and Tokyo 2020 has already assisted in reducing Tokyo's revised venue infrastructure budget by USD2.2 billion. That's measurable progress. Real progress.

The New Norm will lead to savings of hundreds of millions of dollars in the delivery of the Olympic and Paralympic Games. We are targeting USD500 million for the Winter Olympics and USD1.5 million for the Olympic Games.

I labour these reforms because they will impact on the number of cities applying to host the Olympics.

For the 2022 Olympic Winter Games there were just two - Almaty and Beijing - as there were for the 2024 Olympics.

For the 2026 Olympic Winter Games we now have six – Graz (Austria), Calgary, Cortina d'Ampezzo/Milan/Torino, Sapporo, Stockholm, Sion (Switzerland) and Erzurum (in Turkey).

Again, real measurable progress.

Terrific news and the start of a new trend for thriving Olympic Sports sponsored by these New Norms.

AN OLYMPIC GAMES BID FROM SOUTH-EAST QUEENSLAND

At home the savings will have a major bearing on whether a bid for the 2032 Olympic Games from Brisbane and the six surrounding cities in South-East Queensland is feasible.

The AOC Executive consider Brisbane the only major Australian city climatically able to host the Games within the IOC's required July-August window.

But this is down the track. First, the SEQ Council of Mayors, chaired by the Lord Mayor of Brisbane, Councillor Graham Quirk, are undertaking a study to establish a regional transport plan; identifying essential transport priority projects; and, stakeholder alignment.

They will then complete a venue and facilities audit, identifying any required new venues, facilities and major sites as part of a preferred Olympic Games Master Plan.

Without first addressing the region's existing transport infrastructure shortcomings, hosting the 2032 Games is not feasible.

The AOC Executive is encouraged by and supports this approach.

SPONSORSHIP AND LICENSING

I am very pleased to announce and welcome ASICS as our new Olympic Sponsor in the competition, training and Village apparel and footwear category for our teams for the Youth Olympic Games later this year and the 2020 Olympics.

This followed an approach I made while in Tokyo last December and will see the host team, Japan, Australia and Uruguay as the only teams outfitted in this prestigious brand in Tokyo.

I also announce that our Media Intelligence and Insights sponsor, Isentia has renewed.

Contracted sponsorship for the 2017-2020 quadrennium now stands at \$57.53m, up from \$49.28 at end 2017.

Discussions with other potential sponsors continue.

Our current budget requires \$62.5 million.

AUSTRALIAN OLYMPIC FOUNDATION REFORM

Turning now to what I referenced in the introduction.

My report as Chair of the Australian Olympic Foundation to yesterday's Board meeting has been made available to you.

As you know the Foundation was established in 1996 to:

“develop and protect the Olympic Movement in Australia in accordance with the Olympic Charter.”

It must:

- promote the fundamental principles of Olympism;
- encourage high performance sport as well as sport for all;
- ensure the representation of Australia at Olympic and Regional Games;
- fund the costs and expenses of the AOC including the participation of Australian Teams in Olympic Games; and
- generate and provide funds to fulfil these objectives.

Since its establishment the Foundation has grown its corpus from \$109 million at the commencement of 2001 to \$150.5 million at end March 2018. This is down on the \$153.8 million at end 2017 after Australian shares experienced their worst March quarter since the GFC and payment of the March 2018 quarter distribution to the AOC of \$1.562 million.

Total distributions increased from \$114.3 million at end December 2017 to \$115.9 million at end March 2018.

The composite return for the Foundation to end March 2018 since inception is 8% per annum versus the historical target objective of a rolling 4-year CPI plus 10 - year bond rate of 4.5%.

The Foundation's finances are strong and growing.

Over the years Executives Members identified the critical need to maintain the capital of the Foundation and ongoing distributions to the AOC.

Without this the AOC could not preserve its autonomy from outside influences.

I speak of election cycles, of geo-politics, of political promises, the ebb and flow of public funding and of policy.

Any or all of which can compromise compliance with the Olympic Charter.
Compromise which would render our 'absolute values' as 'merely malleable.'

Specifically, I speak of others not wedded to the Olympic Charter who may seek control of the AOC Executive as a means of controlling the Foundation, its capital and distributions. Something we just cannot have.

Because of the risk this poses, action has been taken to protect the corpus of the Fund.

On April 3 this year, the Trust Deed of the Foundation was amended to:

- a) align the objectives of the Foundation with those of the AOC under its Constitution, as amended in 2015;
- b) limit total distributions during any four-year Distribution Period to four per cent per annum of the net asset value of the Foundation calculated as at the first day of each Distribution Period;
- c) require that any decision to distribute more than 4 per cent per annum will be subject to:
 - i) ratification by a Special Majority of the members of the Trustee (75% of those entitled to vote); and
 - ii) prior written consent of “the Required Majority of Guardians”, which I will shortly explain (75% of those entitled to vote);
- d) require that any further amendments to the Trust Deed will require the same 75% percentage ratification by the members of the Trustee and the same 75% percentage consent by the Guardians, again, in each case of those entitled to vote; and
- e) provide that in addition to the concurrence of the President of the IOC, for removal and appointment of a New Trustee:
 - i) the members and directors of the New Trustee must be the same members and directors as of the Resigning Trustee; and
 - ii) the Constitution of the New Trustee must contain the same provisions as the Constitution of the Resigning Trustee.

The Guardians are an addition to the provisions of the Trust Deed.

They are those persons who are Life Members of the AOC. There are currently 12 of them.

Geoffrey Henke AO
 Phillip Coles AM
 Kevan Gosper AO
 John Coates AC
 John Devitt AM
 Sir Donald Trescowthick AC KBE
 Peter Montgomery AM
 Michael Wenden AM MBE
 Helen Brownlee OAM
 Ronald Harvey CVO AM
 Doug Donoghue AM
 Ian Chesterman

The Trust Deed was established with the AOC the Primary (and only) Beneficiary and with Nil General Beneficiaries.

All of the members of the AOC referred to in Clauses 7.1(1) to (8) inclusive of the AOC Constitution, including National Federations, were excluded from the class of potential General Beneficiaries.

Further, on 3 April 2018, pursuant to the terms of the amended Trust Deed, the Trustee of the Foundation **irrevocably declared** a number of additional persons as being excluded.

This included as an example the Australian Sports Commission as well as the Australian and State and Territory institutes and academies of sport and any other sports organisations.

I repeat the Trustee of the Foundation made an irrevocable declaration.

What does all of this mean?

It means the Australian Olympic Foundation's capital and ongoing distributions is secure... in this case... is protected by our finest... our Guardians.

It means the AOC is able to fund its activities independent from Government and free of outside pressures of any kind.

It means our values are preserved – strong and uncompromised.

And it sends a very powerful message:

To those with designs on raiding the Foundation – you are well served to look elsewhere.

Put simply, our Guardians on the wall cannot be defeated by any Barbarians at the gate.

To those who so ably amended the Trust Deed of the Foundation, I thank you.

What you have achieved is lasting. You have ensured this funding will forever serve the noble purpose of abiding and growing the true spirit of the Olympics.

2017 PRESIDENTIAL ELECTION

On the point of values, I now turn to those matters subject of much discussion during last year's Presidential election.

I speak of the allegations made publicly, suggestive of a culture of bullying within the AOC.

I reference these today for three reasons:

First, high performing organisations, just like high performing athletes, must assess complaint and criticism diligently if they are to maintain and improve their performance and reputation.

Second, such a proper and fully independent assessment of these particular allegations has been conducted and yields important findings of truth.

And third, as the President and especially given my leadership was associated with this alleged culture, my responsibility is to fully share with you these findings and recommendations.

You will recall the context of these matters ...

On 24 April 2017, 12 days before the AOC's Annual General Meeting, and four-yearly elections, then AOC Executive members Andrew Plympton, Nicole Livingstone and Danielle Woodward convened a Special Meeting of the AOC Executive.

In requesting the Special Meeting, Andrew, Nicole and Danielle cited various media articles as justification.

The articles referenced complaints by employee Fiona de Jong, against another employee, Mike Tancred as well other alleged complaints against Mike Tancred.

Further, Fiona de Jong on ABC Radio on 26 April 2017 also said that:

“an incident occurred during the month of December and as at today (April 2017) the matter remains unresolved”

On matters pertaining to culture Andrew, Nicole and Danielle also claimed and I quote:

“Given that there now appears to be allegations of systematic bullying it is important that the AOC Executive protect the staff to ensure that any investigation into any complaints is seen as completely impartial, for that reason I add that an independent person(s) be called in to review and give the Executive the findings it requires”.

They went on to say and again I quote:

“We have storm clouds gathering over the conduct of the AOC, we are in grave danger of incurring significant reputational damage, we need to consider the best ways forward and an urgent meeting needs to be called”.

The Independent Assessment

To assess these complaints and allegations including any sanctions, the AOC Executive did appoint an Independent Committee including:

- Former High Court Judge the Honourable Ian Callinan AC;
- Former High Court Judge the Honourable Susan Crennan AC QC; and
- Former Supreme Court Judge the Honourable Greg James AM QC

To be clear, this was a full delegation of the powers of the AOC.

And a process as independent and as expert as could be.

In respect of the Tancred/De Jong matter, the Independent Committee found that:

- (a) the conduct in question did not “rise to the level of bullying” because it was not repetitive conduct against the complainant;

- (b) the conduct amounted to disreputable conduct; and
- (c) the sanction is that the employee be severely reprimanded for his conduct which will form part of his employment record.

This sanction has of course been applied.

The AOC Executive also delegated to the Independent Committee responsibility for determining four other complaints made against the same employee.

Three of those complaints were made by former AOC employees and one complaint was made by a member of the public.

Taking each in turn:

In response to the first complaint, the Independent Committee determined that:

- (a) the assertions were unsupported; and
- (b) the complaint unsubstantiated.

In the second, the committee determined that:

- (a) it is unable to find the conduct inappropriate or requiring sanction;
- (b) there was no basis to conclude there has been a breach of the AOC's Ethical Behaviour By-Laws; and,
- (c) the complaint at the very least verged on vexatious.

The Independent Committee dismissed this complaint with no findings adverse to the employee.

In the third, the Independent Committee determined that:

- (a) the complaint was not made out; and,
- (b) nothing alleged by the complainant, separately or taken cumulatively, amounts to a breach of the By-Laws or policy.

In the fourth, the Independent Committee did not uphold the complaint and determined that:

- (a) the Committee were bound to conclude that objectively the conduct was not conduct in breach of the By Laws; and
- (b) objectively the conduct was not such as to bring or to cause any reasonable observers to think the AOC or any of its employees disreputable.

Regarding Fiona de Jong's claim of unresolved incidents referenced above, I also advise that the AOC Executive meeting of 26 April 2017, after hearing from the AOC's lawyer, Patrick George "expressed confidence that the current AOC processes were followed in respect of the complaint by Ms de Jong."

For completeness I also reference one other formal grievance raised by an employee in 2013 against Mike Tancred. An allegation I referred at the time to Minter Ellison for investigation. They found the allegation:

“to at least amount to inappropriate conduct or poor management, but not bullying or harassment”

Mr Tancred apologised and the employee remained in employment with the AOC for another year, leaving on good terms.

At the request of the employee this grievance was dealt with on a confidential basis.

And so friends these are the facts of these matters:

1. The Independent Committee upheld one complaint.
2. In response to this Mr Tancred has been sanctioned and apologised privately and publicly as was right and necessary;
3. The Independent Committee considered there was no case against him for dismissal;
4. It also found that in some respects Mr Tancred had been subject to political cross – fire;
5. The Independent Committee also noted that the also independent Ethics Centre itself independently found bullying **not** to be a problem at the AOC; and
6. Finally, the Independent Committee also noted that there had been excessive or undue emphasis on these matters by virtue of the contested Presidential election.

Friends, there is no place for bullying in any workplace.

Equally there must always be a place for proper process and for facts.

The facts here, as determined by the Independent Committee, suggest that a specific human resources issue was inflamed into an alleged macro cultural problem.

And that this was done by those seeking to present themselves as the solution. That the AOC was besmirched by exaggerated claims and pejorative hyperbole, expressed for political advantage.

And that those who claimed a motivation to protect the AOC’s reputation more closely resembled both arsonist and firefighter.

Friends the virtue to be found in this is the same reminder our athletes gave the Australian people:

Sport is not about winning at all costs.

We do not chase only Citius, Altius, Fortius.

We also aspire to Honoris et Honestatis.

To compete with honour and integrity.

Thank you.

JOHN COATES AC
President