



PRESIDENT'S ADDRESS
AUSTRALIAN OLYMPIC COMMITTEE
ANNUAL GENERAL MEETING
SATURDAY, 14 MAY 2011

“THE BATTLE OF LONDON”

I commenced last year’s address by acknowledging the efforts of then Minister for Sport, Kate Ellis in securing the support of the Prime Minister and Treasurer for the injection of \$195.2 million in new funding to sport over four years and of which \$120 million was earmarked for high performance sport, and the balance participation. (You cannot have one without the other.)

And I quoted from a piece AOC Historian, Harry Gordon had written for me to send to the Prime Minister, Cabinet and other key politicians.

Harry wrote:

The Crawford Report “fails to comprehend a simple truth: that Australians, both the elite athletes and the passionate supporters of sport, love the process of winning. Coming second does not entice them.”

The Prime Minister and Treasurer got it, displaying through the Government’s funding boost that they were not prepared “*to scale back Australia’s Olympic opportunities and expectations*”.

They rejected the Crawford Panel’s assertions that a Top 5 finish in the overall medal count is non-realistic for a country with our population and “*the bias towards funding Olympic sports leads to outcomes that make little strategic sense to Australia*”.

In November 2010, \$23.2 million was allocated to high performance sport for the 2010/11 year with a clear weighting to the Olympic sports most likely to deliver medals in London in 2012, and Sochi in 2014.

It didn’t end there.

Senator Mark Arbib became Sports Minister following the 2010 Federal election and, by late January 2011, he and the new Australian Sports Commission (ASC) Chairman, The Hon Warwick Smith had shifted responsibility for the strategic direction of high performance sport in Australia from the ASC to the Australian Institute of Sport (AIS). A good move.

Senator Arbib also initiated the “Green and Gold project” with a \$2.5 million investment from savings in 10 key Olympic sports which will be critical to our outcome in London. The ASC has since found a further \$1.05 million from savings for this imperative.

Government funding is now settled and, while I know national federations can always do with more, I am confident that the ASC and AOC funding for the preparation and participation of the athletes and Team will be sufficient for them to now match it with the best in London.

With the worry of funding now behind us, I will give you my assessment of where the “battle” will need to be won if we are to reclaim our Top 5 position in London.

Most of you will be aware of the AOC’s annual benchmark studies in the non-Olympic years by which we compare the international results in each of your sports, with those of our rival NOCs, based on World Championships or best other comparisons.

Historically, our benchmark studies have shown a close correlation between pre-Olympic and Olympic year results for Australia (1999 – 60, 2000 – 58, 2003 – 50, 2004 – 49, 2007 – 44, 2008 – 46).

We can expect that the “home” games will see Great Britain medalling in more sports. We medalled in 16 in 1999 and 20 in 2000, but have settled back to 11 in 2010.

Great Britain may also produce a significant improvement between 2010 and 2011 (we improved from 52 medals in 1998 to 60 in 1999).

Clearly the super sports powers – the more populous China, USA and Russia, will again finish in the top 3 places.

And while there is a group of 5 NOCs – namely Great Britain, France, Germany, Japan and Australia which have been competing for 4th and 5th since 1996, I think it a near certainty that if any of the group finish ahead of Great Britain, they will finish in the Top 5 on the overall medal tally.

So how have we been tracking against Great Britain since the Beijing Olympics and what are the sports that will determine the medal outcome between us in London?

On the screen is our latest scoreboard and which will be attached to this Address for you to take away and share with your high performance directors and coaches.

There are 10 multi-event or medal sports which, based on recent performances, seem likely to determine the outcome and they are Athletics, Canoeing, Cycling, Diving, Equestrian, Gymnastics, Rowing, Sailing, Shooting and Swimming. In addition we are both strong in Triathlon, we have medalled in tennis at all but the last Olympics since the sport was reintroduced in 1988, and have strong medal chances in the team sports of Women’s Basketball, Men’s Hockey and Water Polo.

In 2010 Australia dropped to 8th on the overall medal tally, with 42 medals compared to Great Britain which was 4th with 48.

After Cycling Australia's best ever World Track Championships in Holland in March this year, at which the Australian and British teams each won 7 medals from the 10 on offer in the Olympic class events (encouragingly 6 Gold to Australia v 1 Gold to Great Britain) we have narrowed the margin in that sport discipline by 3.

However, Great Britain won 3 medals in the Taekwondo World Championships in April and their individual eventing riders improved on their 2011 results to win 2 medals at the recent benchmark event at Badminton, where our best Australian horse and rider finished 4th.

Of the remaining sports and disciplines, the biggest head to head challenges for Australia in the sports we finished down against Great Britain in 2010 will be Canoeing (in 2010 we finished 5 medals behind Great Britain), Gymnastics (-1) and Rowing (-5), while not underestimating the pressure on Athletics, Diving, Sailing and Triathlon to maintain last year's ascendancy.

As reflected in the weighting provided to Swimming in the Green and Gold funding, that sport more than any other is again likely to be the key for Australia. In 2008 our swimmers won a record 20 medals to Great Britain's 6 – a margin of +14. There were no World Championships last year, but on world's best times the margin in our favour was down to +9. This year's World Championships in Shanghai will provide a good guide.

The Crawford Panel suggested a preparedness to settle for less. As Harry Gordon concluded "*... such an approach means running down the system. That is the path to mediocrity... and we've been there. In 1976, thanks largely to an unsympathetic Government, Australia came home from the Montreal Olympics without a single gold medal.*"

Montreal was my first Olympics. I was the raw manager of an under-resourced rowing section and to this day am apologetic to the rowers for the "system" letting them down. It was that experience which largely motivated me to change the approach of my sport and, when the opportunity came, the AOC, so that both became result-focussed and unwavering in their determination to provide the necessary resources and support for our athletes to succeed.

I hope you and your sports are all similarly focussed, as it will take a massive and combined effort if we are to succeed in beating the British, at home.

IRREGULAR AND ILLEGAL BETTING IN SPORT

The President of the International Olympic Committee (IOC), Jacques Rogge has been warning over the last year of the serious threat that irregular and illegal betting poses to sport and society.

He has made the position of the IOC clear:-

"We have no issue with legal betting. Betting on sporting events is as old as sport itself. Reputable betting firms are our allies in this effort. The legitimate sports gambling industry is built on a foundation of confidence in the integrity of sport. If that confidence is shaken, the entire industry is threatened.

We also fully appreciate the fact that the legal structures governing sports betting vary widely from country to country. Some countries prohibit all forms of sports betting. Others sponsor national lotteries that help pay for sport programmes and other worthy causes.

We respect the right of sovereign nations to deal with sports betting as they deem appropriate. We have no desire to interfere with that right.”

In March of this year the IOC brought together representatives of the sports movement, governments, international organisations and betting operators in Lausanne to find ways we can work together to prevent irregular and illegal betting on sporting events and thereby protect the integrity of sport.

Senator Arbib was one of five key Government and European Union Ministers invited to participate along with Interpol, the United Nations Office on Drugs and Crime, the (US) FBI and various gambling organisations. I participated as one of the IOC Executive Board representatives.

We identified the various existing systems, national laws and self-regulating systems currently in force to confront this problem and agreed to examine:-

- the necessity and possibilities for governments, international organisations and sports betting operators to support the sports world;
- the various means to strengthen international cooperation;
- means to identify effective methods for cross-border cooperation;
- the various existing systems of enforcement, punishment and education;
- the provision of funding to support the efforts of the sports movement to protect the integrity of competitions.

The first meeting of a “Working Group” to consider these matters will be held in Lausanne next month and again a representative of the Australian Government and I will be participating.

I will leave Senator Arbib to inform you on the work of the NSW Law Reform Commission under former Justice James Wood in respect of changes to the NSW criminal law to capture new forms of “cheating at gambling”, Victorian legislation and the likelihood of achieving a uniform approach among State Ministers for Sport.

So that you are clear on the consistent position I have been taking at a national level on behalf of the AOC (and can individually inform Senator Arbib if you disagree on any aspect as autonomous national (Olympic) federations), I have not stepped back from the very public position I took in early September 2010 when I called on Prime Minister Julia Gillard to set up a national sports betting authority, in a similar way to the establishment of the Australian Sports Anti-Doping Authority.

Subject to a carve-out for the racing industry (which no one seems to be suggesting has an integrity problem or is lacking the financial capacity to protect its integrity) and recognising the existing casino, gaming machine, lotteries and art unions and Keno legislation, I am of the view that Australian sport would be best served by a **national sports betting authority** that is independent of our individual sports controlling and umbrella bodies and provided by Federal legislation with the powers and resources to:-

- (a) investigate cheating and fraudulent conduct (with necessary powers to phone tap, subpoena and seize information and exemption from privacy legislation etc.);
- (b) undertake effective national liaison and information sharing with the Australian Federal Police, Australian Tax Office, other federal agencies, and State and Territory police;
- (c) undertake effective international liaison and information sharing with other Governments, international sports bodies and agencies (e.g. IOC, IFs, the United Nations Office on Drugs and Crime, Interpol, the Financial Action Task Force, European Union, FBI, etc);
- (d) establish a comprehensive code of conduct for all Australian sporting bodies;
- (e) establish guidelines for minimum and consistent penalties across sports at all levels (including club) and the means of ensuring they are applied and not covered- up (including suspension or disaffiliation of clubs and ceasing Australian Sports Commission funding to national bodies that do not);
- (f) record the names of offending athletes, officials, clubs and third parties of ill-repute on a public register (name and shame the individuals, clubs and their sports); and
- (g) undertake education of coaches and officials.

Only when such a national Sports Betting Authority has been established to protect the integrity of sport should legislation be contemplated to ensure Australian sports bodies receive an appropriate share of the gross turnover of betting companies on their sports events, perhaps along the lines of the French Government's model.

Concern to protect the integrity and values of our Olympic Teams is nothing new - the AOC has prohibited betting activities associated with the staging of the Olympic Games or any performances at the Games by members of our Teams since prior to the Sydney Olympics.

However, when you shortly receive the final version of our **2012 Team Membership Agreements** for Athletes and Officials you will find that we:-

- 1) have expanded the obligation of team members to **“not use any confidential information of the AOC or any Team member or official for my own personal gain or disclose it to any third party including related to any betting or gambling on sports”** (inside information); and
- 2) are now requiring team members to agree that the AOC **“may collect... information relating to any betting or gambling activities in relation to the Games** from (them) or about (them) from third parties..., CrimTrac **or other law enforcement agency, any betting or gambling agency or operator, national or international integrity organisations...**” **“... or information relating to any betting or gambling activities by (them) in relation to the Games...**”.

We will also amend the **AOC Ethical Behaviour By-Law** to include among the conduct specifically prohibited that of being **“convicted or charged with... any offence relating to**

any betting or gambling activities on sport” and the provision of inside information “related to any betting or gambling on sport.

Nick D’Arcy’s appeals to the Court of Arbitration for Sport in 2008 are authority:-

- 1) for the power of the AOC at all times to deal with any “Athletes” (meaning an Athlete that:
 - “(a) receives financial or other assistance from the AOC;
 - (b) is a member of a Shadow Team; or
 - (c) has been nominated for selection to, or selected as a member of, any Team)”

and (it follows) “Officials” (meaning those who:

- “(a) administer, manage, coach, assist or are otherwise involved in sport and receive assistance from the AOC (other than as an Athlete); or
- (b) are selected by the AOC as a member of any Team)”

who breach the AOC Ethical Behaviour By-Law; and

- 2) for the power of the Chef de Mission, during the Games period, to terminate the team membership of any person found to have engaged in conduct which brings or would have the tendency to bring himself or herself or his or her sport into disrepute or censure.

If the AOC Team Membership Agreements do not already make it clear that being involved in betting or gambling on the Games or themselves or providing inside information for such activities is conduct we will not tolerate, they will now.

I suggest that, if you have not already, you should consider similar provisions in your national federation rules so you can give a strong and clear message, in advance, to your athletes and officials that betting or gambling will not be tolerated and ensure you have the power to promptly and effectively deal with any problem which may occur.

GENDER DIVERSITY

The AOC places a high emphasis on best practice corporate governance.

While not required of an incorporated association like the AOC, we follow the Australian Stock Exchange Limited’s (ASX) Listing Rules by disclosing the extent to which we have followed the ASX’s Best Practice Recommendations, identifying any recommendations not followed and providing an explanation of why not.

The Listing Rules now require companies to report on gender diversity, including on their Boards. This has become a major issue in corporate Australia and for sporting bodies in recent times, with the Prime Minister, Minister for Women’s Affairs and Minister for Sport weighing in.

It was also a key recommendation of the 13th Olympic Congress in Copenhagen in 2009 that:-

“18. High priority should be given to the advancement of women both in sport and through sport. The Olympic Movement should at all times seek to promote equal opportunities for women, both in their participation in sports competition and in administration and coaching. Wherever necessary, the Olympic Movement should identify and implement changes to achieve gender equality...”.

As the gender balance of the AOC Executive is a long way short of ideal, I will read our disclosure on this subject at page 58 of the Annual Report to emphasise our shortcoming and remind you that the remedy will be squarely in your hands when you vote for the next AOC Executive at our 2013 AGM.

“Gender Diversity (extract from AOC 2010 Annual Report)

The AOC is committed to a culture of gender diversity and is proud of its record in senior management and other employed positions.

In particular, the AOC employs 29 staff of whom 20 (69%) are females. Of the five senior management positions making up 17% of the workforce, 2 (40%) are held by females.

The size and composition of the Executive is prescribed in the Constitution and must be in compliance with the Olympic Charter. All AOC Executive members are elected with the exception of two of the three IOC members.

There can be no “appointed” members of the Executive other than to fill a casual vacancy.

The current AOC Executive of 15 includes 2 females (13%) which is in line with the average representation of women on boards of top 50 ASX companies (12.85%).

However and of relevance is that 46% of the athletes in the 2008 Australian Olympic Team were females and they won 56% of medals won by Australia. And 50% of the athletes in the 2010 Australian Olympic Winter Team were females and they won 66.6% of medals won by Australia.

Accordingly, member national federations are encouraged to include gender diversity among their considerations when submitting nominations for the election of the next AOC Executive in 2013.

The AOC notes that of the 32 National Federations which are voting Members of the AOC and from which the Executive is nominated, six Presidents (19%) and seven Chief Executives (22%) are female.

The 10 member Athletes’ Commission comprises five male and five female (50%) members. Election to the Athletes’ Commission is governed by the AOC Constitution which requires that its membership include at least four Commission members of each gender.”

2012 AUSTRALIAN OLYMPIC TEAM, LONDON

I suspect most of us watched last month as a young British couple celebrated their union in “a small family affair”. The pomp and ceremony of the Royal Wedding served as an invigorating insight into what the British can do when they put their mind to it. The nation’s love of their monarchy is perhaps only matched by their love of sport and from what I am aware, as a member of the IOC Coordination Commission for London, what you saw on television was but a fraction of the spectacle you can expect when the Games come round next year.

For the London Organising Committee for the Olympic Games (LOCOG), 2010 was a year of significant progress as they completed the first of the 13 new competition venues and construction of the London and Weymouth Olympic Villages nears completion. They are on track and on budget and I am confident the Games will be an outstanding success.

However, London does have three main challenges - security, transport and ticketing.

Transport across a city London’s size was always going to present challenges. For spectators, public transport will be a must.

Security has been the number one priority at all Olympics since 1972 when terrorists attacked the Munich Games.

AUD1.15 billion has been budgeted for security during the London Olympics, with an estimated 9,000 police on duty each day.

We must rely on the security measures put in place by LOCOG, the Metropolitan Police and British agencies. They are most experienced and through the Australian High Commission and Department of Foreign Affairs and Trade, we are in close liaison with them.

As you will be aware, the ticketing process for the 2012 Games has commenced. Across the 647 ticketed sports sessions and ceremonies, Australia received a total of 30,059 tickets.

As member national federations you were provided with an advance opportunity to secure tickets in November last year. In addition to this, through the LOCOG athlete family and friends program, two tickets will be made available to competing athletes for each session in which they compete, with the exception of swimming (one ticket) due to venue size and the high number of participating swimmers. In saying that, through our official ticket agent, CoSport, we are working to secure a second ticket to give our swimmers access to two tickets for their events.

Ticket sales to the public opened in March and fans interested in attending the London Games were able to submit a ticket request on the CoSport website. CoSport will confirm requests by the end of this month. The interest from the general public in Australia was exceptionally high with many events oversubscribed. There was a total of 3,659 individual ticket requests, which totalled 49, 285 tickets and 9,658 expected guests.

Again through CoSport, we are trying to secure further tickets from LOCOG if they become available in the sports in which there were shortfalls on the allocations for Australia, especially in swimming and track cycling events.

If you have not already done so, I encourage you to secure what tickets you can through CoSport without delay. The next ticket phase is the public live sales which opens on 28 June 2011 and when all unsold tickets will go online for sale.

The preparations for the participation of our Team under Chef de Mission, Nick Green is on track.

In 2010 the AOC undertook a further two planning visits to London and we were pleased that many national federation representatives took the opportunity to join us. These visits provide the opportunity to inspect the Olympic Village and competition venues and importantly build relationships with competition managers, venue managers and other key LOCOG personnel.

2011 is an important year for LOCOG with many test events being held and to which, if Australia is not participating, we can organise invitations for you to attend and observe.

We are anticipating an Australian Olympic Team similar in size to Beijing. That is, approximately 420 athletes and 250 coaches, medical and other support personnel.

Yesterday the AOC Executive updated the Program and Funding Guidelines for Sports on the Program for London and you will note that the cost of the London Team has been increased to \$15m. Copies of the Guidelines have been circulated today and posted on the AOC website.

2011 is also an important year for national federations with qualifications continuing and nomination & selection events commencing.

All qualification systems for London have now been released by the respective International Federations and the IOC and are available on the AOC website. Six sports disciplines have had their Nomination Criteria approved by the AOC and we are at various stages of review with the remaining 22. We really need to finalise them all in the near future and seek your co-operation in that regard. To that end, a detailed briefing of the nomination and selection process will occur following this meeting.

The AOC has again appointed Mr Brian Collis QC of Melbourne and Mr Bruce Collins QC of Sydney as our Olympic Appeal Consultants for the 2012 Australian Olympic Team. Their role is to primarily discuss with athletes contemplating an appeal the reasons for their non-nomination by their national federation to the AOC or non-selection by the AOC. They are experienced and I ask that you co-operate with them.

We have finalised the appointments of our senior management team with the appointment of Directors of Administration, Athlete Services, Operations and Security Liaison. We recently added to the earlier appointments of John Eales and Steve Waugh as Athlete Liaison Officers with Layne Beachley and Kieren Perkins and they have all been extremely well received by the athletes.

Yesterday the AOC Executive appointed the Australian High Commissioner to the United Kingdom, Mr John Dauth AO, LVO as Team Attaché. Mr Dauth has already been of tremendous help to Nick and his Team and to me, with my IOC responsibilities, in London.

Thirty-six Section and Assistant Section Managers were appointed last year. They have been integral to our Team Processing sessions which commenced in March this year, with 14 of

the 21 scheduled sessions held to date and almost 750 of an anticipated 1200 prospective or shadow team members processed. This is an enormous task, but an important one and I join Nick Green in thanking you for your assistance to make this happen.

The 2012 Team Executive have now met on 6 occasions to advance all aspects of planning with a further 2 meetings scheduled this year.

With the assistance of the ASC and AIS, the AOC recently held two forums for our Medical staff and Head Coaches – both firmly aimed at identifying ways to elevate more athletes to the podium in 2012. We look forward to continuing to work collaboratively with the ASC, AIS and the network of State and Territory Olympic Training Centres involved in preparing your athletes for selection and success over the coming fourteen months.

2012 AUSTRALIAN WINTER YOUTH OLYMPIC GAMES (WINTER YOG) TEAM, INNSBRUCK

In January 2012 the best young Australian winter athletes between 14 and 18 years will compete in the first-ever Winter YOG in Innsbruck – a city with a strong Olympic Winter Games history.

With 7 sports on the program - biathlon, bobsleigh, curling, ice hockey, luge, skating and skiing, the Winter YOG will also see the introduction of some new Olympic events including an ice hockey individual skills test, freestyle ski halfpipe, women's ski jumping, snowboard slopestyle, and mixed gender and mixed nations relays in some sports.

Based on preliminary qualifications, we are hopeful the Australian Team will comprise 15-20 young athletes across 11 sport disciplines. Nomination and selection events will continue throughout our winter season with the Team to be announced on 20 December this year.

Like the summer edition held in Singapore last year, Innsbruck 2012 will include a comprehensive cultural & education program designed to encourage cross-cultural collaboration on Olympic values and using new media platforms.

A more detailed briefing of our plans for Innsbruck was presented to winter national federations this morning.

The AOC has appointed Olympic Champion, Alisa Camplin as Chef de Mission. The first ever Winter YOG will provide a wonderful opportunity for national federations to generate enthusiasm for the Olympics among their young and developing athletes.

OLYMPIC WINTER INSTITUTE OF AUSTRALIA (OWIA)

Having secured the Victorian Government and other funding for construction of the Ice House in Melbourne last year, OWIA Chairman Geoffrey Henke, has now also led a successful campaign for funds to build a National Water Jump training centre for aerial and mogul skiing in Brisbane, as a part of a Queensland Government development at the Sleeman Sports Centre at Chandler, including a 50m outdoor pool and a purpose built BMX track.

In December last year the Jump project was announced by the Queensland Government, with the support of the Federal Government finally secured after Senator Arbib's intervention and

following intense lobbying by Geoffrey and Olympic Champion, Lydia Lassila. The project includes what will be the world's best water jump facility, making it possible for our elite and up and coming aerial skiers to train in Australia all year round, after 20 years of living overseas.

The BMX track has already been completed, the pool is now under construction, and the Jumps will be completed by March 2012.

The OWIA and Ski and Snowboard Australia are already benefiting from the \$1 million allocation of additional high performance funds from the ASC.

Australia completed the 2011 Snowboard World Championships in Spain during January, as the most successful nation in the World, with 3 individual World Champions.

In a remarkable performance, the AIS program sent a team of only three athletes and each won: Alex Pullin in Snowboard Cross, Holly Crawford in Women's and Nathan Johnston in Men's Half Pipe. Alex and Nathan both went on to win the World Cup trophies for the season, while Holly was runner up.

With Olympic Snowboard champion Torah Bright due to return to competition over the next twelve months, our snowboard athletes are on top of the world in every sense.

Scott Kneller became the first Australian to win a Ski Cross World Cup event with a win in Italy in December while Jenny Owens made a strong return to competition with a World Cup medal and a 5th place at the World Championships.

Encouragingly for the future, Vancouver Olympian, Mogul Skier Brittney Cox, who is still only 16, qualified for the World Championship final in January, while rookie Aerial Skier Laura Peel, recorded a personal best of 6th place at the World Cup final in Minsk in February in only the fourth World Cup of her career.

Australian Winter Sport athletes achieved a staggering 17 World Championship and World Cup medals during the 2011/12 season, 9 gold, 5 silver and 3 bronze. We are on track to achieve the AOC's top 15 medal target for our Team in Sochi 2014, set following our Vancouver "best ever" result, which saw the Australian Olympic Team finish 18th with 2 gold and 1 silver medal.

2014 AUSTRALIAN OLYMPIC WINTER TEAM, SOCHI

While our key focus for the remainder of 2011 and for 2012 is on our London and Innsbruck Teams, we have also commenced work on our campaign for the 2014 Olympic Winter Games in Sochi.

Last year, I reported to you that the AOC had appointed Ian Chesterman to the role of Chef de Mission of the Australian Team. This is Ian's fifth such appointment.

Next month, Ian will be accompanied by AOC Secretary General, Craig Phillips and OWIA CEO, Geoff Lipshut on the first Planning Visit to Sochi. The purpose of the visit is to meet and establish a strong working relationship with the Sochi OCOG and to gain a better

understanding of the overall Games plan. This will greatly assist in the development of the Strategic Plan for our 2014 Team which will be undertaken later this year.

The IOC's Sochi 2014 Coordination Commission, led by Chairman Jean-Claude Killy, are regular visitors to Sochi. They consistently report the significant progress being made by the Sochi OCOG and its Government partners in the preparation for the Games. Russian Prime Minister Vladimir Putin is personally involving in the oversight of the major infrastructure developments taking place in Sochi and the adjoining mountain region of Krasnodar.

In April this year, the IOC confirmed the inclusion of six new events on the 2014 Sports Program. They are ski half pipe (men and women), women's ski jumping, biathlon mixed relay, figure skating team event and luge team relay. Five other events – ski slopestyle (men and women), snowboard slopestyle (men and women) and alpine team parallel competition – are subject to a further feasibility study. A decision on the inclusion of these five events will be made within the next few months.

On your tables, you will find copies of the Programs and Funding Guidelines for Sports on the Program for the 2014 Olympic Winter Games in Sochi for the period 1 April 2010 to 31 March 2014. These Guidelines were adopted by the AOC Executive last year, however, I anticipate some changes will be made in the coming months to reflect the IOC's final position on the new events to be included on the Sports Program in 2014.

One thing which will not change in the Guidelines is the performance objective that the AOC has set for the Sochi Team, which is:

'To place within the top 15 nations on the total medal standings (for which it is anticipated 4 or more medals will be required); and win medals in more than the 2 sports disciplines in which the Australian Olympic Winter Team won medals in 2010.'

Remember, for the AOC it's all about winning.

OLYMPIC EDUCATION

The Olympic education program continues to develop and reach young Australians, highlighting the Olympic values and traditions to teach life values and life skills. Over 30 Olympians from across the country are now proud Ambassadors and actively involved in promoting a healthy and active lifestyle.

The successful Chat to a Champ program continues to allow primary school students to talk with their Olympian heroes online, using web video conferencing. I would like to thank our partners Telstra and Acer as well as Olympians Craig Mottram, Lisa Russ, Benn Harradine, Adam Pine and Kim Crow for their support of the program.

Our 'Champ' series is growing and now includes Learn from a Champ, Talk to a Champ and Eat like a Champ.

Learn from a Champ is an online collection of over 100 short video clips featuring members of the AOC Athletes' Commission talking about the highs and lows of their involvement in sport. We were delighted to receive a request from the IOC to feature the collection on their website and inside the Olympic Museum in Lausanne.

In a live studio audience with secondary school students, two Olympians discuss the positive impact sport has had on their lives in the new program Talk to a Champ. The program is being delivered across the country and most recently was broadcast live to the AOC website for all to see. [Thank you Scott Brennan, David Crawshay, Kerry Hore, Marieke Guehrer, Hannah Davis, Travis Moran and Wendy Schaeffer for your participation.]

In development is Eat like a Champ which will promote healthy eating.

Prior to Beijing, schools throughout Australia took advantage of Olympic themed lessons we offered via our website. They did it in droves. In fact the ASPIRE Schools Network now boasts a membership of 15,000 teachers.

We have recently produced over 60 new cross curriculum lessons for primary school students. The lessons are themed on London 2012 and available to download from the website.

For secondary students we have developed 7 history lessons linked to the new national curriculum. There are references to Harry Gordon's book and video. The lessons will be available as a download from Olympics.com.au but also, in a new development and keeping up with the new technology in our schools, they will also be available as interactive whiteboard lessons. These lessons will be in our schools by November.

We are also working on a Village Art program for London and a Cheer for a Champ competition. The village art is always extremely popular with the athletes who decorate their rooms and the entertainment areas with the children's paintings.

Next month we celebrate Olympic Day in schools across Australia and I would like to thank the AOC Athletes' Commission for encouraging fellow Olympians to return to their primary school and inspire young Australians to participate in sport.

On the same day, some of the 1000 Australian secondary school students who have participated in the prestigious Pierre de Coubertin award program will receive their award at special Olympic Academies being conducted throughout Australia.

I would like to thank Helen Brownlee for continuing to manage the award program and the State Olympic Councils for organising the Olympic Academies in their respective states and supporting Olympic education in general.

AUSTRALIAN OLYMPIC FOUNDATION

The stated investment objectives of the Foundation are to protect and grow the capital base whilst providing sufficient income and liquidity to provide a base distribution to the AOC toward its known commitments.

Since receiving the Sydney Olympic Games legacy of \$88.48 million (the legacy) in 2000, the AOF has now made cash distributions to the AOC of:-

- \$26.7 million for the 2001-2004 quadrennium; and
- \$28.4 million for the 2005-2008 quadrennium.

- \$12.6 million in 2009-10
- \$ 1.57 million for the 1st quarter of this year

Total \$69.3 million

A further \$12.6 million and total of \$25.2 million is budgeted to be received by the AOC from the Foundation over the 2009-2012 quadrennium and it is these quarterly distributions which underpin the AOC's financial independence and thus independence from Government.

I repeat my advice each year since 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 2010 Annual Report of the Foundation was circulated with the 2010 Annual Report of the AOC. It contains my Chairman's Review. A copy of my report to the Board of the Foundation at its meeting yesterday has been posted on our website and distributed today for your information.

MARKETING AND LICENSING 2009-2012

In the 2010 Annual Report, I reported that despite being tough times the Olympic brand has not lost its shine. Our exclusive marketing agent, Sports Marketing and Management (SMAM) has ensured we are on track to achieve our latest 2012 sponsorship target of \$37.2 million, with \$34.6 million contracted to 31 December 2012.

However the strong Australian/US dollar exchange rate has negatively impacted on our likely income from the IOC worldwide marketing program (TOP) which is written in US dollars. As reported earlier, the budget for our Olympic Team for London has increased by \$800,000; the budget for a larger Winter YOG Team has increased by \$100,000 and, pleasingly, so has the budget for likely future grants to athletes under our adidas Medal Incentive Funding program following the recent performances of our cyclists.

The AOC also made a donation to the Queensland Flood Appeal of \$100,000 (as we did to the Victorian Bush Fire Appeal in 2009).

Welcome Home Parades for the 2012 Olympic Team cannot be contemplated until there is sponsor income to cover them (\$523,000 in 2008).

These increases and the desire to again honour our athletes with Welcome Home Parades have recently led us to set a "stretch" target of \$39 million from sponsor income. Recent sponsorship signings with Rio Tinto (cash), Pacific Brands Sport and Leisure (for its "Volley" brand) (cash and budget relieving VIK) and Media Monitors (VIK) leaves us with \$4.4 million to achieve this target.

Negotiations with potential sponsors in the remaining product categories continue and we are confident of further sponsor signings in the very near future.

We have budgeted to raise \$1.1 million from licensing for the quadrennium and based on licence fees received and minimum guarantees signed to date, should achieve and may slightly exceed that target notwithstanding the current fickle retail environment for licensed sports product.

We have recently received a donation of \$200,000 with the prospect of a similar donation next year. And we have also just sold our first website advertising package. While not sponsor income, these amounts will help if the stretch target is not achieved.

For the 2013-2016 quadrennium, we have contracted national sponsorships of \$9.24 million after discounting to their present value.

TEAM FUNDRAISING 2009-2012

The State Olympic Councils (SOCs) have a fundraising target of \$6 million for the 2012 Australian Olympic Team Fund. \$1.2 million has been raised to date, with a further \$560,000 committed by State Governments in their 2011-12 financial year. All of the net proceeds from fundraising goes directly to the 2012 Team Fund.

The AOC is extremely grateful for the significant contribution to the Team Fund by State Governments and their continuing support of your sports, through their State Institutes and Academies of Sport and otherwise.

Our SOCs enjoy the quite amazing support of a great many of Australia's corporate leaders on their respective Olympic Appeal Committees. Together, the SOCs and their Appeal Committees are planning a series of major events in the countdown to London. Some events have already been held, with many more planned for 2011 and the Olympic Year of 2012. Indeed, many events are about to be staged around the 27 July 'One Year to Go' milestone before the Opening Ceremony in London.

We wish the SOCs and their Appeal Committees all the very best for their efforts in the coming critical year.

JOHN D COATES AC
President