

First print



New South Wales

Sydney Organising Committee for the Olympic Games Amendment Bill 1996

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Sydney Organising Committee for the Olympic Games Act 1993 (the Act)*:

- (a) to specify the power of Sydney Organising Committee for the Olympic Games (*SOCOG*) to enter into agreements, and to confer protection on those agreements (and associated matters) from laws relating to certain trade practices, and
 - (b) to provide for additional Vice-Presidents of the Board of Directors of *SOCOG* and to specify the circumstances in which they can preside at a meeting of the Board, and
 - (c) to alter the manner in which the surplus funds of *SOCOG* will be dealt with when *SOCOG* is wound up after the Olympic Games are concluded in the year 2000, and
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- (d) to expand and clarify the protection from personal liability of directors for things done or omitted in good faith by the Board and others, and
- (e) to remove the need for the approval of the President of the Australian Olympic Committee (*AOC*) for certain matters under the Act.

Outline of provisions

Clause 1 specifies the name (also called the short title) of the proposed Act.

Clause 2 provides for the proposed Act to commence on the date of assent, except for the amendments made by Schedule 1 [2]–[12], which are to commence on a proclaimed day or days. The result is that the amendments relating to agreements entered into or to be entered into by SOCOG will commence on assent, and the remaining amendments will commence by proclamation.

Clause 3 is a formal provision giving effect to the Schedule of amendments.

Schedule 1 Amendments

Agreements

Schedule 1 [1] makes it clear that SOCOG has power to enter into agreements for the purposes of its functions. The amendment specifically authorises SOCOG to enter into agreements, on an exclusive basis or otherwise, for the granting of sponsorship or marketing rights. The practice of exclusive dealing is generally dealt with in section 47 of the *Trade Practices Act 1974* (Cth) and of the Competition Code.

Schedule 1 [13] provides that existing and future agreements entered into by SOCOG (including agreements of the kind mentioned above), and things done in connection with them, are authorised for the purposes of section 51 of the *Trade Practices Act 1974* (Cth) and of the Competition Code. Section 51 of that Act and of that Code empowers the making of such authorisations by State legislation, with the result that the authorised matters will be disregarded in deciding whether a person has contravened Part IV of that Act and that Code. Part IV deals with restrictive trade practices.

Schedule 1 [14] lists existing agreements mentioned above.

Vice-Presidents of SOCOG

Schedule 1 [2] increases the number of Vice-Presidents of SOCOG, so as to include members of the Board who are members of the International Olympic Committee representing that Committee in Australia. The amendment also assigns seniority among the Vice-Presidents.

Schedule 1 [4] provides that one of the additional Vice-Presidents of SOCOG is to preside at a meeting of the Board of Directors of SOCOG in the absence of the President and other Vice-Presidents of SOCOG.

Surplus funds at end of Games

Schedule 1 [8]–[10] provide that, instead of 90% of SOCOG's surplus funds being paid to the AOC (including 80% in trust for athletes and officials for future Olympic teams), 90% will be paid to the Consolidated Fund to help defray the cost of building facilities for the long term benefit of sport in Australia. The amendments omit section 54 (3), which provides that the amount of surplus funds is not to be less than that calculated under the Host City Contract.

Liability of directors

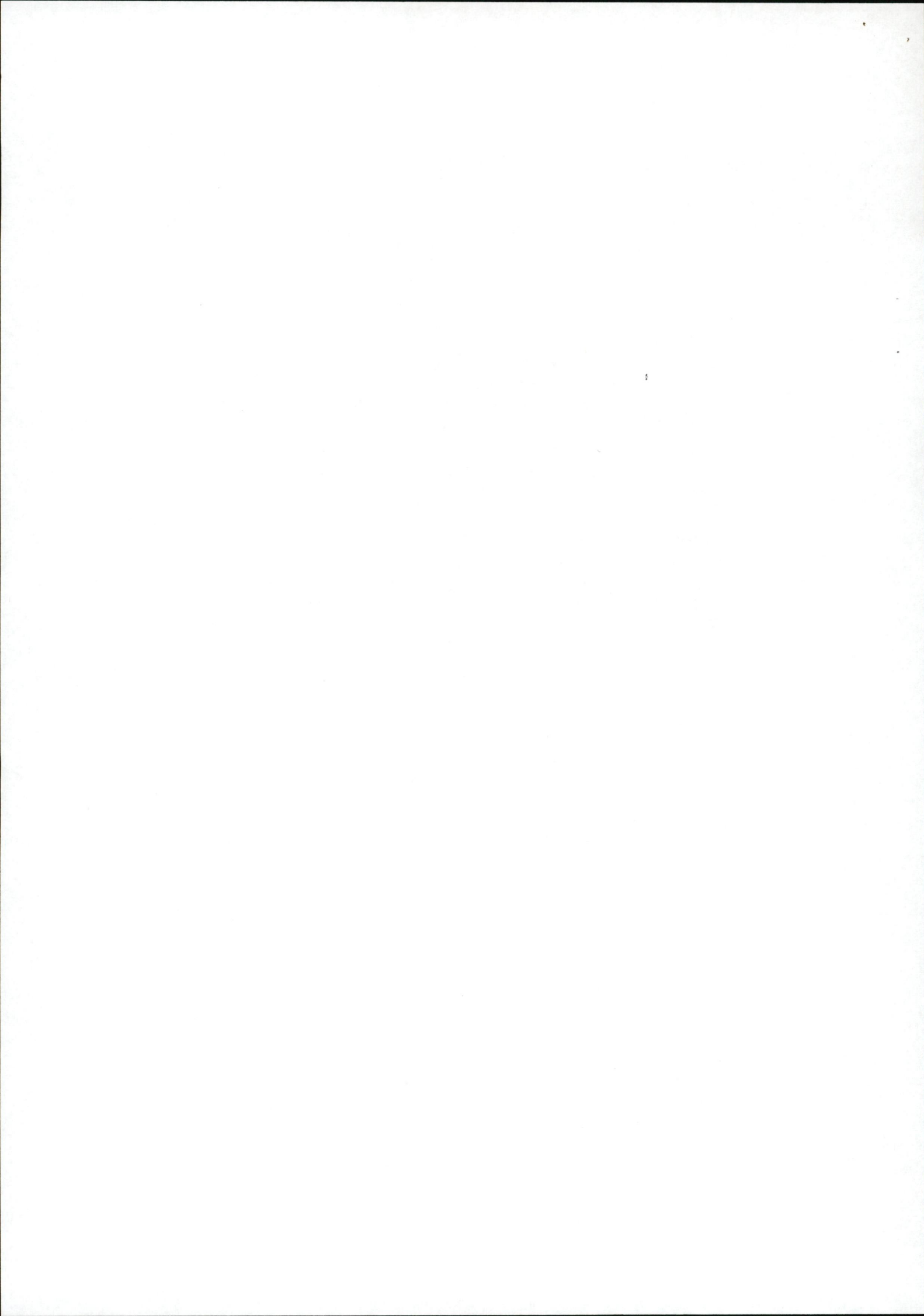
Schedule 1 [12] inserts new subsections into section 60 of the Act. Subsections (3) and (5) provide that directors have no personal liability arising from SOCOG's "special fiduciary obligations". That expression is defined to mean any obligations of SOCOG as agent or fiduciary that might arise because of the Endorsement Contract or Host City Contract. Subsection (4) makes it clear that directors are protected from personal liability as if the amendments made by the proposed Act were in force from the commencement of the original Act.

Schedule 1 [11] makes it clear that a director is protected from personal liability for acts or omissions, in good faith, of the Board and others.

Powers of President of AOC

Schedule 1 [3] omits the requirement for the approval of the President of the AOC for determinations of the remuneration of the Chief Executive Officer of SOCOG.

Schedule 1 [5]–[7] omit the requirement for the approval of the President of the AOC for budgets or amendments to budgets, or for expenditure in excess of the Games budgets.



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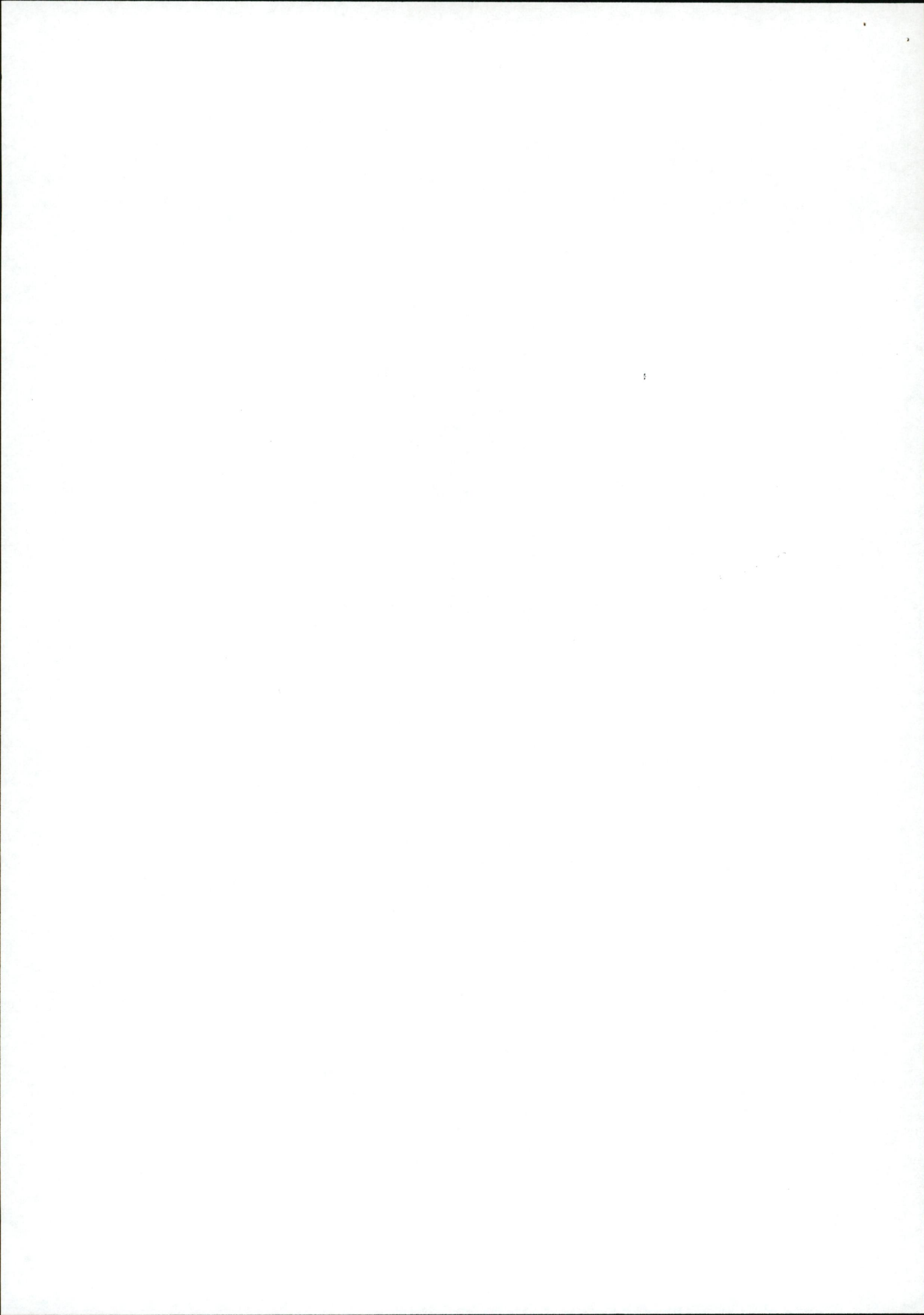


New South Wales

Sydney Organising Committee for the Olympic Games Amendment Bill 1996

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New South Wales

Sydney Organising Committee for the Olympic Games Amendment Bill 1996

No , 1996

A Bill for

An Act to amend the *Sydney Organising Committee for the Olympic Games Act 1993* in relation to the status of agreements entered into by the Sydney Organising Committee for the Olympic Games, the Vice-Presidents of the Committee, the distribution of the surplus funds of the Committee, the personal liability of directors of the Committee, and the powers of the President of the Australian Olympic Committee; and for other purposes.

The Legislature of New South Wales enacts:

1 Name of Act

This Act is the *Sydney Organising Committee for the Olympic Games Amendment Act 1996*.

2 Commencement

5

- (1) This Act commences on the date of assent, except as provided by subsection (2).
- (2) Schedule 1 [2]–[12] commence on a day or days to be appointed by proclamation.

3 Amendment of Sydney Organising Committee for the Olympic Games Act 1993 No 67

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The *Sydney Organising Committee for the Olympic Games Act 1993* is amended as set out in Schedule 1.

Schedule 1 Amendments

(Section 3)

[1] Section 10 Specific functions

Insert after subsection (2):

- (2A) Without limiting other provisions relating to its functions, SOCOG has and always has had power to enter into agreements for or in connection with the exercise of its functions, including but not limited to agreements, whether on an exclusive basis or otherwise, for the granting of sponsorship or licence rights or rights relating to the manufacture, distribution, marketing or sale of goods or services associated with the Games. 5
10

In this subsection, *agreement* includes a contract, arrangement or understanding. 15

[2] Section 16

Omit the section. Insert instead:

16 Vice-Presidents

The following, in descending order of seniority, are Vice-Presidents of SOCOG: 20

- (a) the President of the Australian Olympic Committee,
- (b) the Lord Mayor of the City of Sydney,
- (c) the members of the International Olympic Committee representing the International Olympic Committee in Australia. 25

[3] Section 22 Remuneration

Omit "and the President of the Australian Olympic Committee" from section 22 (3).

[4] Section 29 Presiding director

Omit section 29 (1) (c). Insert instead:

- (c) in the absence of the above—the Lord Mayor of the City of Sydney, or
- (d) in the absence of the above—one of the other Vice-Presidents of SOCOG, being (where there is more than one such member present) such one of them as is agreed between themselves. 5

[5] Section 47 Expenditure

Omit “and the President of the Australian Olympic Committee” wherever occurring in section 47 (2), (5) and (6). 10

[6] Section 47 (3) and (4)

Omit the subsections. Insert instead:

- (3) The Board must not approve any budget or any amendments to any budget without the prior approval of the Minister. 15

[7] Section 47 (5) and (6)

Omit “or (4)” wherever occurring.

[8] Section 54 Distribution of surplus

Omit section 54 (1) (b). 20

[9] Section 54 (1) (c)

Omit the paragraph. Insert instead:

- (c) 90 per cent is payable to the Treasurer for payment into the Consolidated Fund to help defray the cost of building facilities for the long term benefit of sport in Australia. 25

[10] Section 54 (3)

Omit the subsection.

[11] Section 60 Personal liability

Omit "the director" from section 60 (1). Insert instead "a director".

[12] Section 60 (3)–(5)

Insert after section 60 (2):

- (3) Without limiting the generality of subsection (1), a director has no personal liability and incurs no personal obligation for or in respect of, or arising from, any matter or thing done or omitted to be done by SOCOG in breach of SOCOG's special fiduciary obligations (if any). 5
10
- (4) In addition to the operation that subsections (1) and (3) have apart from this subsection, those subsections operate as if the amendments made to this Act by the *Sydney Organising Committee for the Olympic Games Amendment Act 1996* had been in force on and from 12 November 1993 (being the date of commencement of this Act). 15
- (5) In this section:
special fiduciary obligations means obligations of SOCOG arising from its capacity as agent or fiduciary, being a capacity that arose, arises or exists wholly or partly because of provisions of the Endorsement Contract or Host City Contract. 20

[13] Section 70

Insert after section 69: 25

70 Authorisations for section 51 of Trade Practices Act 1974 (Cth) and Competition Code

- (1) The following: 30
- (a) the agreements referred to in Schedule 1, and
- (b) any agreements entered into after the commencement of this section by SOCOG (under section 10 (2A) or otherwise) relating to or in connection with the Games including but not

Schedule 1 Amendments

limited to the granting by SOCOG of sponsorship or licence rights or rights relating to the manufacture, distribution, marketing or sale of goods or services associated with the Games, and

(c) the conduct of the parties in entering into any such agreements, and 5

(d) the conduct of the parties in performing any such agreements and any matter or thing done or omitted to be done by any of the parties in performing any such agreements, 10

are specifically authorised by this Act for the purposes of the *Trade Practices Act 1974* of the Commonwealth and the Competition Code of New South Wales.

(2) In this section:

agreement includes a contract, arrangement or understanding. 15

[14] Schedule 1

Insert at the end of the Act:

Schedule 1 Agreements

(Section 70) 20

Letter Agreement dated 2 April 1996 between SOCOG and The Coca-Cola Company.

Agreement dated 2 April 1996 between SOCOG and The Coca-Cola Company.

Memorandum of Understanding dated 15 November 1995 between SOCOG and Telstra Corporation Limited. 25

Agreement dated 13 July 1995 between the International Olympic Committee, the Atlanta Committee for the Olympic Games, Inc., SOCOG, Seven Network Limited and Seven Television Australia Limited. 30

Agreement dated 13 July 1995 between Atlanta Committee for the Olympic Games, Inc., SOCOG and Seven Network Limited.

Agreement dated as of 4 August 1995 between the International Olympic Committee, SOCOG and National Broadcasting Company, Inc. 5

Agreement dated as of 4 June 1996 between SOCOG and VISA International Service Association.

Deed dated 10 March 1994 between SOCOG, Sydney Olympics 2000 Bid Limited, Australian Hotels Association (NSW) and Motor Inn Motel and Accommodation Association. 10

Agreement made in June 1996 between SOCOG and Westpac Banking Corporation.

Agreement made in June 1996 between SOCOG and The Broken Hill Proprietary Company. 15

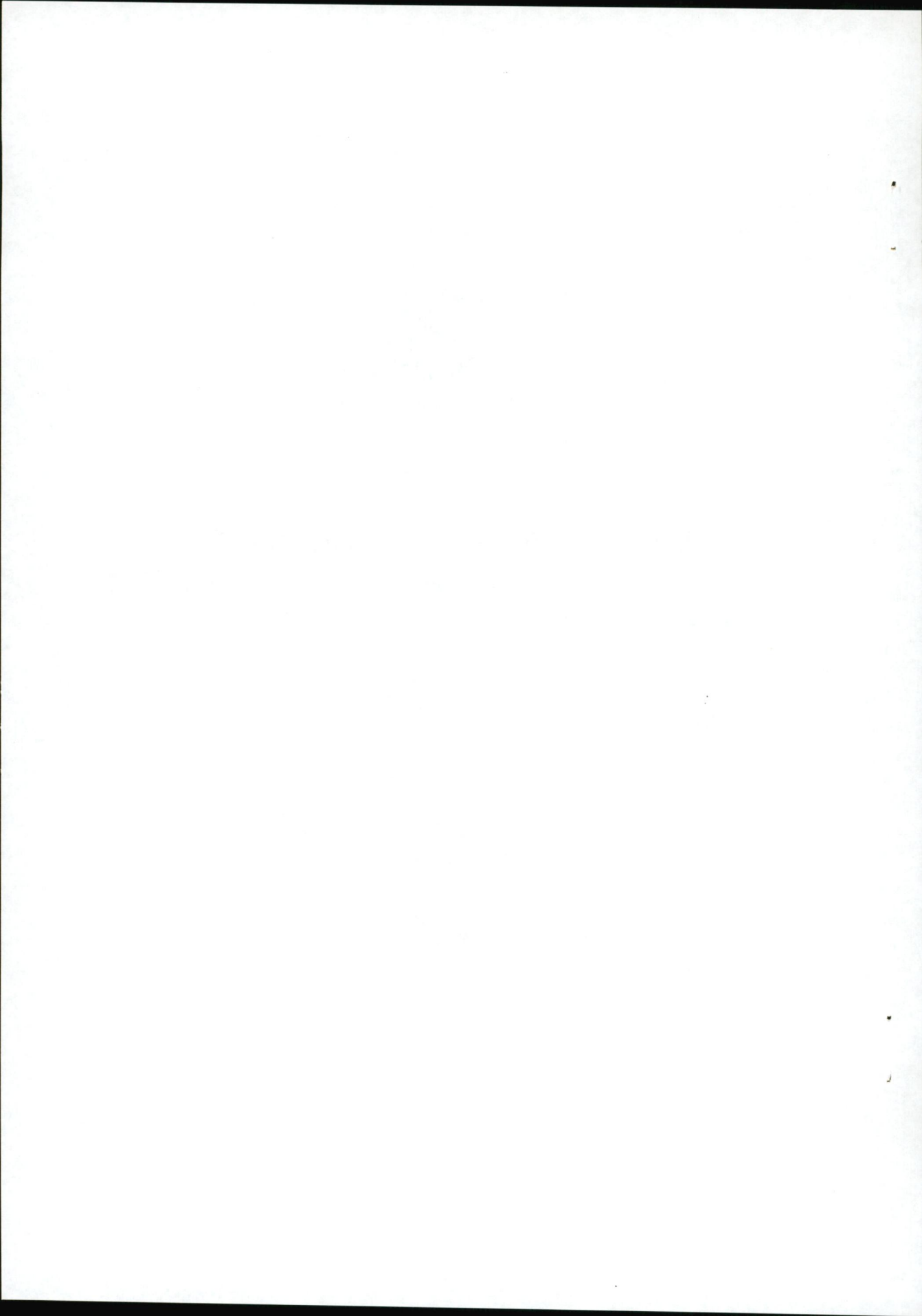


New South Wales

Sydney Organising Committee for the Olympic Games Amendment Act 1996 No 26

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New South Wales

Sydney Organising Committee for the Olympic Games Amendment Act 1996 No 26

Act No 26, 1996

An Act to amend the *Sydney Organising Committee for the Olympic Games Act 1993* in relation to the status of agreements entered into by the Sydney Organising Committee for the Olympic Games, the Vice-Presidents of the Committee, the distribution of the surplus funds of the Committee, the personal liability of directors of the Committee, and the powers of the President of the Australian Olympic Committee; and for other purposes.
[Assented to 21 June 1996]

The Legislature of New South Wales enacts:

1 Name of Act

This Act is the *Sydney Organising Committee for the Olympic Games Amendment Act 1996*.

2 Commencement

- (1) This Act commences on the date of assent, except as provided by subsection (2).
- (2) Schedule 1 [2]–[12] commence on a day or days to be appointed by proclamation.

3 Amendment of Sydney Organising Committee for the Olympic Games Act 1993 No 67

The *Sydney Organising Committee for the Olympic Games Act 1993* is amended as set out in Schedule 1.

Schedule 1 Amendments

(Section 3)

[1] Section 10 Specific functions

Insert after subsection (2):

- (2A) Without limiting other provisions relating to its functions, SOCOG has and always has had power to enter into agreements for or in connection with the exercise of its functions, including but not limited to agreements, whether on an exclusive basis or otherwise, for the granting of sponsorship or licence rights or rights relating to the manufacture, distribution, marketing or sale of goods or services associated with the Games.

In this subsection, *agreement* includes a contract, arrangement or understanding.

[2] Section 16

Omit the section. Insert instead:

16 Vice-Presidents

The following, in descending order of seniority, are Vice-Presidents of SOCOG:

- (a) the President of the Australian Olympic Committee,
- (b) the Lord Mayor of the City of Sydney,
- (c) the members of the International Olympic Committee representing the International Olympic Committee in Australia.

[3] Section 22 Remuneration

Omit "and the President of the Australian Olympic Committee" from section 22 (3).

[4] Section 29 Presiding director

Omit section 29 (1) (c). Insert instead:

- (c) in the absence of the above—the Lord Mayor of the City of Sydney, or
- (d) in the absence of the above—one of the other Vice-Presidents of SOCOG, being (where there is more than one such member present) such one of them as is agreed between themselves.

[5] Section 47 Expenditure

Omit “and the President of the Australian Olympic Committee” wherever occurring in section 47 (2), (5) and (6).

[6] Section 47 (3) and (4)

Omit the subsections. Insert instead:

- (3) The Board must not approve any budget or any amendments to any budget without the prior approval of the Minister.

[7] Section 47 (5) and (6)

Omit “or (4)” wherever occurring.

[8] Section 54 Distribution of surplus

Omit section 54 (1) (b).

[9] Section 54 (1) (c)

Omit the paragraph. Insert instead:

- (c) 90 per cent is payable to the Treasurer for payment into the Consolidated Fund to help defray the cost of building facilities for the long term benefit of sport in Australia.

[10] Section 54 (3)

Omit the subsection.

[11] Section 60 Personal liability

Omit "the director" from section 60 (1). Insert instead "a director".

[12] Section 60 (3)–(5)

Insert after section 60 (2):

(3) Without limiting the generality of subsection (1), a director has no personal liability and incurs no personal obligation for or in respect of, or arising from, any matter or thing done or omitted to be done by SOCOG in breach of SOCOG's special fiduciary obligations (if any).

(4) In addition to the operation that subsections (1) and (3) have apart from this subsection, those subsections operate as if the amendments made to this Act by the *Sydney Organising Committee for the Olympic Games Amendment Act 1996* had been in force on and from 12 November 1993 (being the date of commencement of this Act).

(5) In this section:

special fiduciary obligations means obligations of SOCOG arising from its capacity as agent or fiduciary, being a capacity that arose, arises or exists wholly or partly because of provisions of the Endorsement Contract or Host City Contract.

[13] Section 70

Insert after section 69:

70 Authorisations for section 51 of Trade Practices Act 1974 (Cth) and Competition Code

(1) The following:

- (a) the agreements referred to in Schedule 1, and
- (b) any agreements entered into after the commencement of this section by SOCOG (under section 10 (2A) or otherwise) relating to or in connection with the Games including but not

limited to the granting by SOCOG of sponsorship or licence rights or rights relating to the manufacture, distribution, marketing or sale of goods or services associated with the Games, and

- (c) the conduct of the parties in entering into any such agreements, and
- (d) the conduct of the parties in performing any such agreements and any matter or thing done or omitted to be done by any of the parties in performing any such agreements,

are specifically authorised by this Act for the purposes of the *Trade Practices Act 1974* of the Commonwealth and the Competition Code of New South Wales.

- (2) In this section:

agreement includes a contract, arrangement or understanding.

[14] Schedule 1

Insert at the end of the Act:

Schedule 1 Agreements

(Section 70)

Letter Agreement dated 2 April 1996 between SOCOG and The Coca-Cola Company.

Agreement dated 2 April 1996 between SOCOG and The Coca-Cola Company.

Memorandum of Understanding dated 15 November 1995 between SOCOG and Telstra Corporation Limited.

Agreement dated 13 July 1995 between the International Olympic Committee, the Atlanta Committee for the Olympic Games, Inc., SOCOG, Seven Network Limited and Seven Television Australia Limited.

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Agreement made in June 1996 between SOCOG and Westpac Banking Corporation.

Agreement made in June 1996 between SOCOG and The Broken Hill Proprietary Company.

[Minister's second reading speech made in—
Legislative Assembly on 6 June 1996
Legislative Council on 17 June 1996]

