

[Act 1996 No 26]



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.