



Australian Government
Australian Sports Commission



TOO FEW; TOO MUCH

A REPORT INTO THE DELIVERY OF AUSTRALIAN SOFTBALL

Reviewed by
Innovation and Best Practice Unit
Australian Sports Commission
April 2008



Australian Government
Australian Sports Commission

TOO FEW; TOO MUCH

A REPORT INTO THE DELIVERY OF AUSTRALIAN SOFTBALL

Reviewed by

Innovation and Best Practice Section

Australian Sports Commission

April 2008

The Australian Sports Commission is the Australian Government body responsible for developing and funding Australian sport through the implementation of the Government's sport policy, Building Australian Communities through Sport. It was established in 1985 and operates under the *Australian Sports Commission Act 1989*. The Commission's national leadership role is achieved through seven operational areas: Australian Institute of Sport, Sport Performance and Development, National Sports Programs, Community Sport, Corporate Services, Commercial and Facilities, and Finance. The Australian Sports Commission forms part of the Health and Ageing portfolio.

For general enquiries:

Tel: (02) 6214 1111

Fax: (02) 6251 2680

Email: asc@ausport.gov.au

Website: ausport.gov.au

© Australian Sports Commission 2008

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Australian Sports Commission. Requests and enquiries concerning reproduction should be addressed to copyright@ausport.gov.au

Printed by Union Offset Printers

Table of contents

1. Background and introduction.....	4
1.1 Review terms of reference	4
1.2 Review methodology	4
1.3 Australian Sports Commission governance principles	5
1.4 Organisational capacity and capability (ability to deliver products and services)	5
2. Executive summary.....	6
2.1 Governance and management reform	6
2.2 Integration within the high performance system	6
2.3 Building the capacity and capability of softball's infrastructure	6
2.4 The business of softball	7
2.5 Implementation	7
3. Situational Analysis	8
3.1 Current governance and management structures in softball	8
3.2 Softball Australia high-performance programs	11
3.3 State/territory associations governance and management	13
3.4 Relationships with other organisations/sports	14
3.5 Softball Australia – scoring the strategic plan	15
3.6 Review focus - service delivery (how well is the sport being delivered)	15
4. Diagnosis and recommendations	19
4.1 Roles, responsibilities and interdependence of Softball Australia and its member state and territory associations	19
<i>Recommendation 1 – Constitutional Reform</i>	22
<i>Recommendation 2 – Best Practice Governance</i>	22
<i>Recommendation 3 – Governance Training</i>	22
<i>Recommendation 4 – Planning and Reporting</i>	22
<i>Recommendation 5 – Policy Alignment</i>	23
<i>Recommendation 6 – State Management Outsourcing</i>	23
<i>Recommendation 7 – National Alignment of Systems</i>	23
<i>Recommendation 8 – Commercial Reform</i>	23
4.2 Post-Beijing national high-performance framework for softball	24
<i>Recommendation 9 – High-performance National Leadership</i>	25
<i>Recommendation 10 – High-performance state and territory Leadership</i>	25
<i>Recommendation 11 – High-performance Women's National League</i>	25
<i>Recommendation 12 – High-performance Pathway Review</i>	26
<i>Recommendation 13 – High-performance International Opportunities</i>	26
<i>Recommendation 14 – High-performance Combined Program</i>	26
4.3 Game development (community participation and growth)	26
<i>Recommendation 15 – Club and Association Analysis</i>	28
<i>Recommendation 16 – National Junior Development Pathway</i>	28
<i>Recommendation 17 – Training of Educators</i>	28
<i>Recommendation 18 – Resources for the Grass Roots</i>	28
<i>Recommendation 19 – Volunteer Job Descriptions</i>	29
<i>Recommendation 20 – Volunteer Recruitment</i>	29
<i>Recommendation 21 – Softball collaborating with Baseball</i>	29

<i>Recommendation 22 – Repackaging the game</i>	29
<i>Recommendation 23 - Building Capacity and Capability</i>	29
4.4 Competitions and events (quality, control and viability)	29
<i>Recommendation 24 – Case Studies into Softball’s Value Proposition</i>	30
<i>Recommendation 25 – Slow-pitch Licensing</i>	30
<i>Recommendation 26 – Competition Business Planning</i>	30
4.5 Membership and Member benefits (national and state)	31
<i>Recommendation 27 – Financial Recovery Plan</i>	32
<i>Recommendation 28 – Communications strategy</i>	32
<i>Recommendation 29 – Using the profile of elite players</i>	32
<i>Recommendation 30 – Communicating member benefits</i>	33
<i>Recommendation 31 – Case studies of local promotions</i>	33
<i>Recommendation 32 – Build the national database</i>	33
4.6 Facilities (standards and access)	33
<i>Recommendation 33 – Off-peak use of facilities</i>	33
<i>Recommendation 34 – Joint facilities with baseball</i>	33
<i>Recommendation 35 – Venues for elite competitions</i>	34
<i>Recommendation 36 – Business cases to upgrade venues</i>	34
4.7 Key partnerships and relationship (governments, baseball, tee-ball, education sector, non-affiliated bodies, sponsors)	34
<i>Recommendation 37 - Softball and schools</i>	34
<i>Recommendation 38 – Softball and Baseball partnership</i>	35
4.8 Implementation	35
<i>Recommendation 39 – Implementation plan</i>	35
<i>Recommendation 40 – Reorganise the staff structure</i>	36
<i>Recommendation 41 – Championing change</i>	36
<i>Recommendation 42 – Monitoring and reporting on the implementation</i>	36
<i>Recommendation 43 – Implementation schedule for 2008-09</i>	36
<i>Recommendation 44 – Implementation schedule for 2009-10</i>	36
5. Conclusion	37
6. Report Attachments	38
<i>Attachment A – Terms of Reference</i>	38
<i>Attachment B – Stakeholder Feedback</i>	41
<i>Attachment C – Governance Principles of Best Practice</i>	44
<i>Attachment D – Softball Australian Organisation Chart</i>	70
<i>Attachment E – Softball High Performance Program ‘SWOT’</i>	71
<i>Attachment F – Australian Softball Financial Snapshot</i>	72
<i>Attachment G – Registered Membership Data</i>	73
<i>Attachment H – Strategic Plan Scorecard</i>	74
<i>Attachment I – What is a Company Limited by Guarantee</i>	76
<i>Attachment J – 2008/09 Reform Schedule</i>	78
<i>Attachment K – 2009/10 Reform Schedule</i>	79

1. Background and introduction

This review is the result of a request by the Board of Softball Australia for the Australian Sports Commission to conduct an independent examination of the sport in Australia. There was concern about a severe membership decline over several years and the pending loss of the sport's participation in the Olympic Games after the 2008 Beijing Games.

1.1 Review terms of reference

The purpose of this review is to provide information that could lead to improvement in the management and delivery of softball nationally through improved cooperation, efficient systems and shared effort.

The reviewers (Stephen Fox, David Crocker and Jackie Fairweather) reported to a Steering Committee comprising:

- Mr Brent Espeland (Chair)
- Mr Greg Nance
- Professor Peter Fricker
- Mr Phil Matthewson
- Mr Darryl Clout
- Ms Jenny Holliday
- Mr Mark McAllion

The terms of reference for the review are included at Attachment A of this report.

1.2 Review methodology

The review methodology included the desktop audit of documents such as constitutions, annual reports, financial statements and previous reviews made available by Softball Australia and the state and territory associations.

Face-to-face interviews with approximately 75 administrators, players, coaches and officials from all levels of the game in every state and territory were conducted. Feedback from these interviews is included at Attachment B of this report. Interviews with other stakeholders and interested parties included state and territory sport and recreation departments, state institute of sports/ state academy of sports, Baseball Australia, Major League Baseball and sponsors. These interviews and the desktop audit were the major instruments contributing to the formulation of this report and its recommendations.

Separate forums were also conducted with the high performance coaches and administrators, state and territory general managers and the state and territory presidents for the development and presentation of the draft report and its recommendations.

1.3 Australian Sports Commission governance principles

Within the sport community it is commonly accepted that governance has a significant impact on the performance of a sporting organisation. Poor governance is caused by a variety of factors, including inappropriate structures, inexperience of sports directors, conflicts of interest, failure to manage risk, inadequate or improper financial controls, and generally poor internal business systems and reporting.

In keeping with best practice in Australian corporate governance, the Australian Sports Commission developed *Governance Principles – A good practice guide for sporting organisations*. This publication advocates strengthening structures that support good leadership and decision making to ensure sound and effective governance.

Governance Principles – A good practice guide for sporting organisations is reproduced at Attachment C of this report.

1.4 Organisational capacity and capability (ability to deliver products and services)

The Australian Sports Commission contends that an organisation's ability to deliver products and services is contingent upon having in place effective systems of governance and management, in order to identify and address problems in the overall performance of the sport. Dysfunctional systems, behaviours and infrastructure need to be addressed with a systemic approach to continuous improvement.

The existence of excellent organisational capacity and capability (including governance and management) is crucial to helping athletes achieve their goals.

Effective management is heavily dependent upon, and is underpinned by, the effectiveness of the sport's governance structure (legal, strategic, financial, moral and organisational).

2. Executive summary

2.1 Governance and management reform

Softball Australia has a federal structure with nine different entities requiring almost 90 individuals to fill positions on the Board in order to govern the sport across the country.

This fragmented structure and a lack of appropriate powers allocated within the Softball Australia Constitution have contributed to a leadership vacuum in addressing the issues highlighted within this report.

This report recommends nationally unifying softball administration on a national level, in terms of alignment, accountability and in cases where appropriate, the rationalisation of basic back-office administrative services. A driving concern in this approach is to reduce costly and unnecessary duplication of effort.

On-going consideration of what might be the most appropriate, long-term governance structure for Softball Australia needs to be prominent on the sport's agenda.

The recommendation of additional support being directed towards Victoria, South Australia and Western Australia is deemed by the reviewers as essential steps towards stabilising these fragile entities as they recover from difficult circumstances over recent years.

2.2 Integration within the high performance system

Due to the loss of the sport's participation at the London Olympic Games in 2012, Softball Australia is facing inevitable funding cuts to the high performance area of the sport that may be replicated by the state institute of sports / state academy of sports.

It is the reviewers' opinion that a greater integration should occur across the gender and age groups in the leadership and delivery of high performance softball, in order to optimise the use of the available resources. The framework established over previous years for delivery of the women's program must be retained, but may need to be resourced differently to ensure its viability.

2.3 Building the capacity and capability of softball's infrastructure

Improving the capacity and capability of the associations and clubs in Softball is a key priority of this review. Trends over the past four-years indicate that continuing decline in participation in the sport will create difficulty for some clubs and associations to operate into the future.

Recommendations to build capacity and capability can be implemented by redirecting some of the resources already engaged in the sport towards the development of clubs, associations and their volunteers.

2.4 The business of softball

Softball has a fragile financial base and does not appear at this stage to have a consensus in the sport on how to increase participation and build the sport's revenue base. It is the reviewers opinion that softball should be utilising the facilities they already control to provide other variations of the sport as an avenue for generating more players and more funding. It is recommended that a slow-pitch version of the game be developed and licensed as a business model.

The reviewers also consider that the price to participate in softball is being undervalued. A study into the delivery of community sports to identify what is being offered and at what price needs to be undertaken. Learnings from this research should assist softball in getting the price-point and its delivery right.

In considering the possibility of sponsorship in softball, key elements essential for attracting major sponsorship are not present at this time but are recommended for implementation. These elements include establishing a national participant database as well as aligning Softball's programs that are delivered across the country.

2.5 Implementation

In considering how Softball Australia might drive the reform and regeneration needed to address the issues and recommendations for the sport, this report acknowledges of the Chief Executive Officer of Softball Australia. Thus, it is critical that the Chief Executive Officer is supported by an appropriate staffing structure and re-alignment of duties to ensure adequate time and focus can be allocated to the priorities of the sport.

An aggressive approach to the timeframe for reform has been recommended to ensure that momentum gained from the release of this report may be capitalised upon. It is important that key people in every softball organisation become '*champions*' of the change being recommended and that they fully support the initiatives being implemented.

3. Situational Analysis

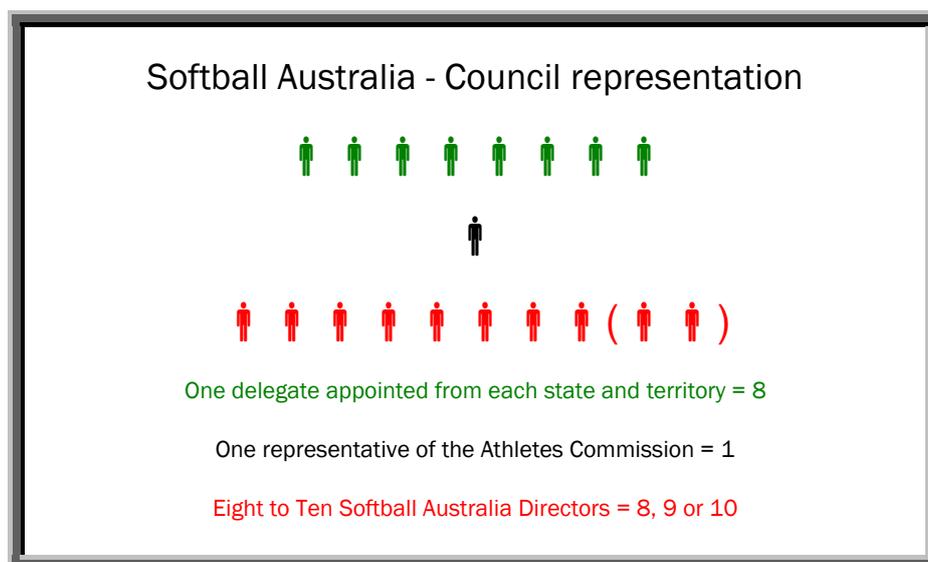
3.1 Current governance and management structures in softball

3.1.1 Softball Australia governance structure

Softball has a traditional federated structure, with the Members of the Australian Softball Federation Inc (trading as Softball Australia) being the eight state and territory associations. Each of these member associations is entitled to exercise votes at Softball Australia's general meetings through an appointed delegate.

The collective meeting of member delegates is known as the "Council". The Council is made up of the state and territory delegates, is the policy making body of the federation and has the powers in general meetings to:

- determine the major strategic direction of the federation
- determine policies
- review the Federation's performance
- elect office bearers
- be the final arbiter on matters referred to it.



While the composition of the Council is traditional, the voting entitlements of delegates in general meetings of Softball Australia is unusual in Australian sports with the Directors each holding voting rights. This circumstance is not in accordance with the Australian Sports Commissions' Governance Principles.

The Softball Australia Constitution provides for votes to be cast by delegates of the member state and territory associations, the Directors and the Athlete's Commission representative. The member states and territories are each entitled to three votes (total 24 votes); the Athletes' Commission representative delegate one vote; and each Softball Australia Director has one vote (total of eight - ten votes, depending on number of directors appointed).

Softball Australia - Council voting entitlements





Three votes for each state and territory = 24

One vote for the representative of the Athlete's Commission = 1

One vote for each Softball Australia Director = 8 or 10

A quorum requires the presence of delegates from five member associations and four Directors, one of whom must be the President or Vice-President of the federation. A director of Softball Australia cannot also be a delegate of a member.

The Constitution imposes obligations on member states and territories and the federation. These are:

- to require that the member associations' constitutions reflect the federation's objects
- to create uniformity in the way that softball is conducted, encouraged, promoted and administered
- to act in good faith and loyalty to each other
- not to acquire private advantage at the expense of the federation or other member associations
- to act interdependently with each other.

An examination of the constitutions of the member state and territory associations shows that not all constitutions reflect these requirements. The objects in the constitutions of Softball Australia and some member associations are aligned, while the constitutions of others are less clear.

3.1.2 Softball Australia governance structure - the board

The Board of Softball Australia is not an independent one as prescribed in the current governance principles of the Australian Sports Commission. Directors of Softball Australia are able to hold executive positions on the governing body of a state or district association or be an employee of a member state or territory association.

The Constitution provides that there be a minimum of eight and maximum of ten directors. The Members elect seven of the directors; each must be an individual member (that is, a registered financial individual member of a member state or territory) at the time of first being elected to the Board. One director is appointed by the Athletes' Commission from among its number. Two additional persons may be invited to become directors by the elected directors.

Elected directors are required to have 'necessary qualifications'. For the President, this means the person must have been an active individual member of a state or territory association for at least four years prior to election; for the Vice-President, the period is for at least two of the preceding five years; and other elected directors must at some time in the past have been an active individual member.

These qualifications do not apply where a director is standing for re-election; however, a nomination requires certification by the member state or territory association 'of which the applicant is an individual member'. The nature of the 'qualifications' could establish the elections as a popularity contest, rather than a process designed to attract a sound mix of sport and business skills.

The role of the Board is to manage the federation and to exercise its powers. More specifically, it is responsible for acting on all national issues in accordance with the objects of the Constitution.

The Board is required to:

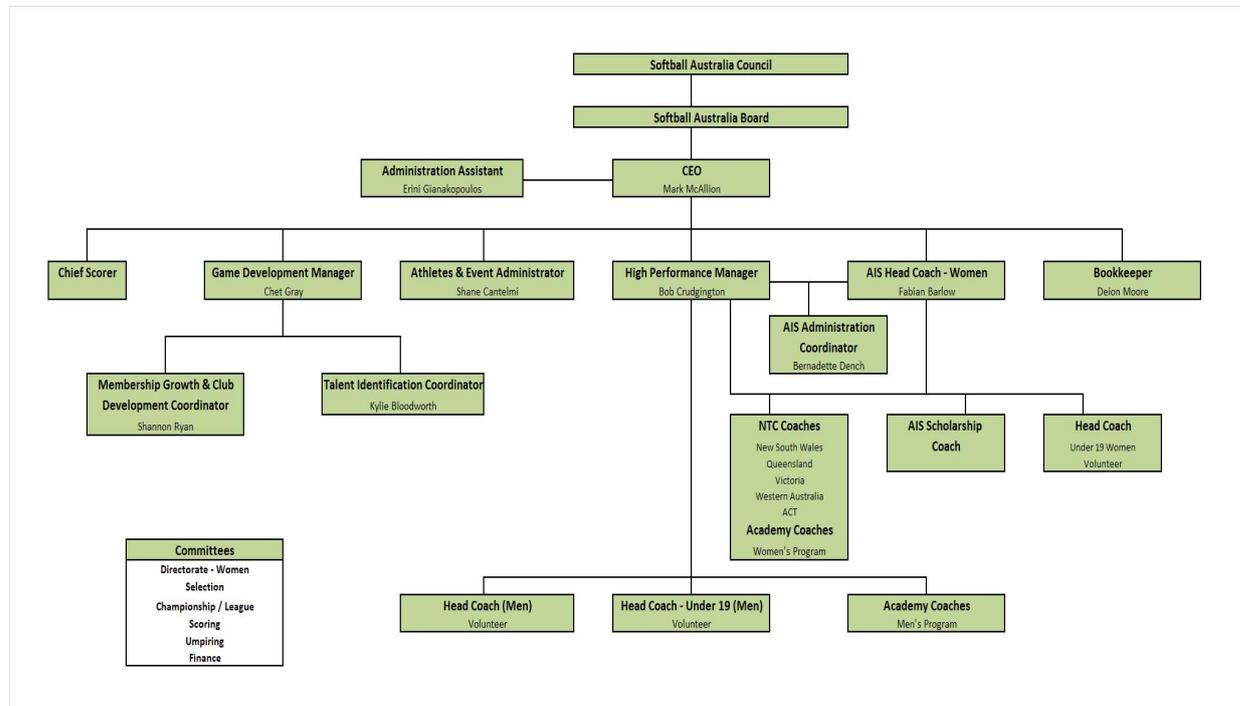
- Govern Softball in Australia in accordance with the objects
- Implement major strategic direction determined by the Council
- Implement policies determined by the Council
- Manage international responsibilities.

The Board has the power to appoint a Chief Executive Officer, delegate functions to committees and formulate regulations. The Chief Executive has broad powers for the proper management and administration of the federation, including the employment of staff in consultation with the Board.

The Board is required to meet not less than four times a year and currently meets five times a year. All meetings are face-to-face.

3.1.3 Softball Australia management structure

Softball Australia’s management is headed by a Chief Executive Officer supported by a staffing structure that includes a bookkeeper; membership growth and club co-ordinator; athletes and events administrator; game development manager; talent identification and Indigenous sport program coordinators; chief scorer; administration assistant and high-performance staff (some of whom are funded by the Australian Institute of Sport).



The staff number of staff and the staffing structure appears reasonable for the delivery of the functions of a national sport of softball’s size. This structure is undergoing further review by senior management and the Board of Softball Australia. This report makes recommendations in relation to the management structure and focus and identifies what it considers a functional structure at Attachment D of this report.

3.2 Softball Australia high-performance programs

3.2.1 Women’s high-performance program

Australian softball has both women’s and men’s high performance programs. They run independently with surprisingly few shared resources or programs; the women’s program has a dedicated High Performance Manager.

The women's high-performance program is centred on a non-residential Australian Institute of Sport/National Squad Program based in Brisbane since 1993. From 1995, the women's program has received increased government funding as an Olympic sport with medal potential.

The relevant state institute of sport/state academy of sport in Queensland, New South Wales, Victoria, Western Australia, and the Australian Capital Territory support a network of National Training Centre programs for the national women's high-performance program.

The core domestic competition schedule for the women's program is a National Championship, plus a three-round National League encompassing teams from each of the National Training Centre programs and a team from South Australia. There has been significant work done over the past couple of years to optimise the National League format, to the stage at which the high-performance committee (national coaches, national training centre coaches and high-performance manager) is happy with the proposed competition strategy to start in 2008. This competition structure is currently awaiting final ratification from the Softball Australia Board.

There is a player 'draft' system in place for the National League allowing players from stronger states or overseas to be drafted into the teams of the smaller or less competitive states.

While the specifics of the player draft system need a little refinement, the draft concept works well in evening up the competition and ensuring the best players get to play in the premier domestic competition against their peers. Softball Australia provides funding of \$240,000 (\$40,000 per team) for the National League, in addition to the \$350,000 it contributes to the broader operations of the National Training Centre and state institute of sport/state academy of sport system.

3.2.2 Men's high-performance program

As a relatively minor men's sport in Australia, men's softball receives minimal financial support with players self-funding or fundraising to meet most of their travel and expenses to represent their state or national team. The men's program relies on volunteer coaches to drive the program with some administrative and planning support from the national office. The program is led by a national coach who has identified six satellite coaches around the country to assist in player development. Annually, there are major tournaments in most states/territories as well as few major events that international events. Unlike the women, the men do not have a national league; only the National Championships comprise state men's representative teams.

3.2.3 International high-performance

The sport is quite strong internationally with significant opportunities available for players as individuals (US colleges and international leagues) and for teams to compete overseas. The best opportunities for women are in the USA and Japan with even more opportunities for the men internationally through professional tournaments in the United States, Asia and Europe. The men's team has also benefited from close proximity and easy access to New Zealand, which is the leading nation in men's softball. Australia is a strong medal contender internationally in both the men's and women's sport.

A detailed 'SWOT' analysis of the high-performance program is included as Attachment E of this report.

3.3 State/territory associations governance and management

3.3.1 Governance at the state/territory level

The nature of governance of the member state and territory associations is best described as operational. Queensland, Australian Capital Territory and the Northern Territory appear to be the exceptions with a clearer separation between governance and management.

The term 'operational' should be interpreted to mean that these boards of these associations are primarily appointed to delivery roles in operational areas such as competitions, events, venue management and representative teams and programs; rather than for strategic, policy, financial and performance management, and ensuring that organisational values are upheld. They are concerned with keeping the sport going.

3.3.2 Finance at the state/territory level

The collective financial performance overall is poor within the states with five states registering deficits in 2007 (see Attachment F). Surplus in 2006 totalled four per cent of collective turnover; this was contributed predominately by the strong performance of two states, while three recorded a deficit. The financial management and accounting systems utilised by the states are inconsistent and in many cases are controlled by board members. The major impacts of this appear to be untimely financial reporting, and the ultimate accountability of the staff for effective financial management of their programs being minimised.

3.3.3 Strategic planning at the state/territory level

Little attention is given to strategic governance and planning by the boards of most member states and territories. The willing and committed volunteers who comprise these boards are busy dealing with day-to-day matters and in some cases, their associations' survival. Probably because of the associated time demands, limited attention is given to long-term decision-making and setting of direction.

Despite the responsibilities allocated to the Softball Australia Council under the Constitution, and the existence of an agreed Memorandum of Understanding between Softball Australia and the members, little attention is given to strategic planning and setting of direction at the member level. Contrary to the intention that Softball Australia and its members work interdependently, each member state and territory appears to operate independently, offers its own array of brands, programs and initiatives and determines whether it adopts national policies.

3.3.4 Volunteers at the state/territory level

Underpinning the member state and territory associations are district associations and/or clubs. Each faces its own challenges, often relying on a small band of volunteers who take up more and more of the load and who feel undervalued or ignored by the national, state or territory bodies. Survival of an association or club often relies on the efforts and ongoing commitment of one or two people.

Some of these volunteers struggle to find people with whom they can share the workload, or to succeed them. The time put in by many volunteers exceeds 20 hours per week.

3.3.5 Staff at the state/territory level

From a management perspective, all member state and territory associations (other than Tasmania) employ staff. Most of these staff have limited decision-making power and effectively work at the daily direction of the board or president. A couple of these staff fill the more traditional role of a general manager, driving the management functions and reporting to the board on a meeting-by-meeting basis. Most states and territories (Queensland, New South Wales, Victoria, South Australia, Australian Capital Territory, Northern Territory) employ 'development officers', on either a full or a part-time basis with the roles differing from one state to the next.

3.4 Relationships with other organisations/sports

Softball does not appear to have strong relationships with other sports or organisations for the purposes of leveraging benefits for the sport and its participants.

Sponsorships tend to be small and are more likely to be product/contra orientated. Relationships with governments are not as close or as effective as they could be in delivering the outputs expected by governments.

The school system as a traditional and significant recruitment base for the sport is changing, probably due to the shifting attitudes of teachers in taking up extra-curricular student activity. School-based competitions are not linked into the sport's pathway. Efforts by softball development officers and clubs to use schools to recruit new players to the sport often result in little take-up by school students.

3.4.1 Softball and baseball relationship

There is a curious and inconsistent relationship with baseball; despite evidence of successful partnerships at introductory and club level and a clear possibility for integration in coaching, many people in softball regard baseball as 'the enemy'. Despite the concern expressed over engaging with baseball, no real evidence-based rationale has been forthcoming for not considering a collaborative approach.

3.5 Softball Australia – scoring the strategic plan

An examination of the current strategic plan for Softball Australia (2005-2009) identifies its key strategic objectives. Outside of the high-performance objectives, not many other objectives have been achieved or appear to be on-track. Much of this slippage in the plan would relate to the inability of the sport to cooperate on national initiatives.

In discussions with stakeholders at national, state, district and club levels, and with other stakeholders, the strategic objectives have had minimal influence in directing and focusing their resources and energies.

Attachment H of this report is the reviewers' assessment of Softball's progress against this plan.

3.6 Review focus - service delivery (how well is the sport being delivered)

In conducting an examination of the sport, the reviewers analysed performance against the following 14 delivery areas.

3.6.1 Registered membership in the sport

Registration numbers continue to fall with the decline in some states raising serious questions about the viability of the sport's infrastructure within the next three to six years. Attachment G of this report forecasts the registered members in the next four years in each state/territory using the average participation trend from the previous four-years as a guide.

3.6.2 Planning

While there is a national strategic plan and some acknowledgement of this plan within some states, it does not appear to be a driving force in focusing the sport on addressing its key challenges. Most states do not work to practical strategic or operational plans.

3.6.3 Information management

The sport has some good information on participation rates and has used this information as the basis for a number of reviews to help understand the decline in participation. More club and district-specific data will help establish priorities and channel efforts in retaining and building the grassroots level.

3.6.4 Financial management and internal control

Softball Australia and member states and territories use their own systems of financial management. General use of sound business and financial planning, budgeting, control and reporting is non-existent which poses some foreseeable risk to the sport.

3.6.5 Resources

Softball's overall financial situation is not strong. While cash flow remains positive, cash reserves are not significant and an unexpected crisis would most likely place financial stress on the sport.

Softball has developed an impressive array of resources (publications, kits, DVDs, etc) to support participation. Some of these resources are similar but go by different names at national and state levels. This results in confusion over which are the most effective products to deliver to each target group.

Softball Australia and member states and territories do not have sufficient resources to undertake the remedial work needed to reverse the drop off in participation numbers. However, the resources they do have are not being appropriately targeted to address the key issues confronting the sport.

3.6.6 Membership

The membership structure that exists under the federated model of the sport: club -> districts -> state -> national appears sound. It is unusual that directors should have voting rights at general (members) meetings.

There is little understanding about the benefits associated with membership of the national and state and territory associations. This lack of awareness applies at all levels and is used as a reason either to disaffiliate or to justify non-compliance to strategy or policy.

3.6.7 Marketing and sponsorship

Marketing and sponsorship contributes little to the resources of the sport. The most prominent support seems to involve contra arrangements for provision of equipment.

3.6.8 Volunteers and club development

There is no clear direction or evidence of concerted efforts to introduce strategies for volunteer and club development and training. Work has commenced on a club accreditation program but there is no evidence that the resources will be allocated to assist clubs to improve what they are doing where a shortcoming or need is identified.

3.6.9 Coach and officials development

Accreditation courses exist and appear effective. Delivery to clubs is often on a request basis due to the demands on volunteers and a lack of sufficient numbers of qualified educators.

3.6.10 Softball in schools

Anecdotally, modified softball continues to be strong in primary schools and private girls' schools. The transition from school softball to community softball is not effective. It is not clear whether the transition problems experienced are the result of students not enjoying their school softball experience, the result of bad experiences at the entry (club and district) levels to the sport, the lack of a clear link to joining a club, or the promotion of how to join a club.

3.6.11 Special population group involvement

Involvement varies from state to state, with most of the focus on Indigenous females. Sufficient links with the infrastructure that supports Indigenous sport do not exist and could be expanded. Additional capacity to provide significant support of special populations is not evident at this time.

3.6.12 Facilities

The sport is able to access sufficient facilities for club and district use although the drought in parts of Australia is starting to affect this access. The specifications required for Open national and international events restricts use to facilities with 'skin' infields and television lighting standards; this favours New South Wales and the Australian Capital Territory.

The need to control and maximise the use of "state" facilities is proving a distraction to addressing broader development concerns in some jurisdictions and sound decision-making.

3.6.13 High performance

Australia is a strong softball nation which regularly achieves top-three (medal) placing in World Championship competitions at women's and men's, open and junior (Under 19) levels.

The women's and men's programs operate separately with few shared resources. In the likelihood of reduced funding, the current models for delivering the high-performance elements of the sport will be difficult to maintain.

3.6.14 International comparisons

The major national federations of United States, Canada and Britain were considered in order to identify any different approaches to the structure and delivery of the sport.

The high participation rates in the sport in both the USA and Canada are attributed to the slow pitch form of the game in which participation in Australia appears massively untapped.

In Britain, Softball has developed a partnership with baseball for the development of the sport. Funded by UK Sport along with support from Major League Baseball, the Baseball Softball UK organisation is primarily responsible for developing clubs, coaches, volunteers and player pathways for the two sports.

It should be noted that the International Softball Federation as part of its strategy to gain access to the 2016 Olympic Games is encouraging all federations that are currently amalgamated with baseball to separate.

4. Diagnosis and recommendations

The following diagnosis and recommendations consider future involvement in the key areas of governance and leadership; development and growth; and high-performance delivery.

4.1 Roles, responsibilities and interdependence of Softball Australia and its member state and territory associations

Softball Australia and its member states and territories generally do not adopt best practice structures for the governance and management of Softball. National alignment of objects, policies and rules does not exist at constitutional level. The wording of parts of these constitutions is no longer in line with best practice; in particular the role of the Council vis-à-vis the role of the Board where the Council currently retains budgetary and policy making powers that ought to be the purview of the Board.

4.1.1 Softball Australia's legal identity

Softball Australia has adopted a less-than-optimum legal structure for a national organisation, as an association within the jurisdiction of the Australian Capital Territory.

Incorporated association status is intended for a small community organisation that operate within the boundaries of a state or territory. Incorporated associations that undertake business in a state other than which it is incorporated are required to be registered under the Corporations Act as a registrable Australian body. This registration imposes additional administrative requirements on the association.

It is more appropriate that bodies like Softball Australia which operate and generate revenue nationally incorporate as a 'Company Limited by Guarantee'. The more comprehensive legislation entailed within the *Corporations Act 2001 (Cth)* provides for a very robust and structured platform for the operation of organisations, and provides clarity in areas otherwise silent within the Association Incorporation Act.

A comparison between the two legal structures is contained at Attachment I of this report.

As a general observation, Softball Australia lacks dynamic business leadership at key levels and in key positions. A 'softball culture' for the identification of leaders in the sport needs to change to attract a base of people with broader professional skills and networks.

4.1.2 Inefficiency from duplicated efforts across softball

While some attempts are being made towards greater cohesion and cooperation throughout the sport, considerable duplication exists that adds an unnecessary workload on those delivering the sport. A strong focus is required on streamlining systems and processes to eliminate unnecessary duplication of effort and minimise the excessive burden that is losing the sport its volunteers.

The lack of an arrangement providing for the automatic adoption of national policies, rules, programs, systems and processes throughout the sport means that each level must consciously review and adopt or reject these for their own use, adding to the duplication burden.

Many directors of state and territory boards commit a considerable amount of personal time to the delivery of competitions and the management of facilities, particularly at 'state' venues. The demands associated with this commitment distracts their focus from their strategic, financial and stewardship roles and from effective direction setting, performance and financial management and business planning.

Any area that has potential cost-savings benefits through streamlining and adoption of common systems and services such as financial, audit, policy, and payroll should be investigated.

Softball Australia and member states and territories, except Softball New South Wales, are using a common web platform and plan to adopt a common competition system once this is developed. The ability to provide a database to each state and territory with the flow-on benefit to the sport of a national database is available and ready for implementation.

4.1.3 State Boards not operating as effectively as they could

Cases were cited in which younger professionals who have joined a Board are not prepared to commit the same amount of time as previous board members. This probably reflects the time demands and changes in societal attitudes and expectations amongst younger professional and families; boards will need to reconsider their governance structures and practices to ensure they can retain the involvement of these people.

The functions of some of member state and territory boards are operational, not allowing them to focus on bigger strategic challenges. The number of professional staff needed at national and state and territory levels need to be reviewed (and increased across the board) in order to align roles and priorities if delivery of the sport is to improve.

Softball struggles to retain its presence as a sport in some states. Current trends indicate that the sport is on such a decline in terms of participation that retaining an effective state structure may not be viable within a few years. This issue needs attention of the entire sport and requires urgent intervention at several levels to curtail the erosion.

The reviewers were not able to identify any clear vision and purpose to guide the planning and direction of the sport. Where opportunities for guidance are made available through national plans and policies, these are often unappreciated or selectively adopted and applied by the member state and territory associations.

The sport cannot progress unless it addresses the strategic, financial and stewardship issues. Adding this 'burden' to these hard-working volunteers may not be in the best long-term interest of the sport. More paid professional staff charged with the responsibility to build the business of softball is required at the association level, including the areas of venue management and competition development and delivery, if the sport is to remain sustainable over the longer term.

Some boards are heavily engaged in technical areas. These areas should be overseen by persons with the appropriate knowledge and experience operating through appropriately empowered committees, with these committees providing reports to the board on their activities at regular intervals or otherwise as circumstances dictate.

A concern is that most states do not have access to a sufficient pool of resources (human, financial) to deliver whole-of-sport initiatives identified through national strategy/direction setting. In most cases, member states and territories need guidance and assistance to deliver programs and national initiatives having regard to the resources available at the time.

4.1.4 Support for Victoria, South Australia and Western Australia

Significant Board and administrative time commitment to the delivery of competitions and management of venues is particularly prevalent in Victoria, South Australia and Western Australia. These states in particular would benefit from external assistance in strategic, operational and financial planning along with the implementation of these plans, allowing the board to focus on the broader strategic matters of the sport. This support should be 'purchased' from Softball Australia via a service contract. Softball Australia, as a service provider with aligned objectives, purpose and values, is more likely to understand the nuances in delivering the state services than an independent entrepreneur.

This external assistance would involve Softball Australia developing annual operational plans and budgets based on the state boards' strategic plan. Delivery of the plan would be undertaken by staff located in the state or in the Softball Australia office (for back-of-office functions). Accountability to the state boards for the achievement of the agreed plans and budgets would be through the Softball Australia Chief Executive. The Chief Executive would report on a monthly basis on financial performance and on a quarterly basis against operational outcomes.

With the operational responsibilities being delivered by Softball Australia, overall control would be retained by the state boards and exercised under the service agreement. This arrangement should be in place for a number of years until financial recovery and capacity building strategies are enacted.

4.1.5 Broaden softball's participation mix

There is a 'softball' view that the sport's target is the family, while 'outsiders' view softball as a sport for females. In the past, the principal focus of the sport has been females, possibly in recognition of its origins as a female version of baseball and the opportunity currently available for females to participate in the Olympic Games.

Currently the sport has a participation base of 62 per cent female and 38 per cent male. Growth opportunities suggest that this view needs to change with greater emphasis on males and social mixed competitions. Strategies that encourage, promote and provide for involvement for all are needed.

Recommendation 1 – Constitutional Reform

That constitutional reform takes place in accordance with the Australian Sports Commission’s governance principles to:

- (a) adopt a ‘Company Limited by Guarantee’ status for Softball Australia with member states and territories remaining incorporated associations*
- (b) amend the Softball Australia Constitution to empower the Softball Australia Board to lead, govern and manage all aspects of the sport other than those functions usually reserved for the members in general meetings*
- (c) amend member states’ and territories’ constitutions to ensure alignment to the new Softball Australia Constitution*
- (d) ensure Softball Australia is able to attract the right mix of directors for a sport-business focus, including independence of director; that is those directors are able to commit their time as a priority to nationally led issues and do not have a conflict by simultaneously being a director or staff member of a member association.*

Recommendation 2 – Best Practice Governance

That the Boards of Softball Australia and the member state and territory associations adopt best practices in governing their organisations as outlined in the Australian Sports Commission’s Governance Principles document, including clearly separating governance and technical roles and responsibilities

Recommendation 3 – Governance Training

That Softball Australia arrange for training of the members of state and territory Boards and senior staff on the Australian Sports Commission’s best practice governance principles.

Recommendation 4 – Planning and Reporting

That Softball Australia in conjunction with its member states and territories;

- (a) create a national strategic plan for softball for the post-Beijing Olympic period 2009–2013, with appropriate adjustments to plans agreed each year;*
- (b) create plans for the sport in the states or territories that reflect the agreed national strategic direction for softball;*

- (c) *build mutual accountability in the rehabilitation of softball by member states and territories and Softball Australia, providing progress reports against the key performance indicators in their respective plans to each other every three months*
- (d) *establish national systems and processes to eliminate unnecessary duplication of administrative effort for example, payroll, database, etc.*

Recommendation 5 – Policy Alignment

That policies and programs developed by Softball Australia and applicable to its member associations are subject to appropriate consultation to enable them to be cascaded down and adopted without alteration or amendment at the state level (unless and only if necessary to comply with the relevant state or territory law).

Recommendation 6 – State Management Outsourcing

That in recognition of the significant demands on existing volunteers for the governance and management of the sport in Victoria, South Australia and Western Australia that;

- (a) *some of the management functions to support the volunteer directors in meeting their governance responsibilities are contracted to Softball Australia for the financial years 2009–2013 or an equivalent period of five years under a defined Service Agreement. These management functions should include the operational planning, reporting, general administration including financial administration and program coordination*
- (b) *the roles of the Victoria, South Australia and Western Australia state boards are elevated to controlling the sport in each state through effective governance practices and in accordance with the Australian Sports Commissions Governance Principles.*

Recommendation 7 – National Alignment of Systems

That a consistent approach is implemented nationally in the layout and assembly of;

- (a) *operational plans, job descriptions and key performance indicators to guide staff, committees and volunteers*
- (b) *a performance management system for staff at national and state levels.*

Recommendation 8 – Commercial Reform

That business models be developed to create and support a sport-business culture and excellence in decision-making, with a strong focus on generating sufficient revenues to fund the administration of the sport.

4.2 Post-Beijing national high-performance framework for softball

Although women's softball is not included in the program for the 2012 Olympic Games, a decision on possible reinstatement for 2016 is expected in October 2009. Because of the exclusion of softball from the 2012 Olympic Games, it is inevitable that there will be significant cuts to the funding of the women's high-performance softball program as reflected in priority of funding towards 2012 Olympic sports. The quantum of these cuts is unknown at the time of this review as the Australian Sports Commission is still determining the financial allocations for the 2009-13 funding cycle.

In the post-Beijing environment, it is clear Softball Australia will have to find efficient ways to run the high-performance program with fewer resources. There is precedent for this in both the pre-1996 women's program and the current men's program where significant experience exists in how to do this.

With the need to prioritise the distribution of the available resources, the strong consensus view from those interviewed was for the first priority of the women's program in the post-Beijing environment to retain quality competition opportunities.

The change in format of the National League to a state based competition incorporating the Gilley's Shield (National Championship) may be the basis for the future domestic competition structure for women.

Inextricably linked to the proposed National League is the National Training Centre structure. The National Training Centre program provides the coaching and daily training environment for each state woman's high-performance group. Ideally, each National Training Centre would retain state institute of sport/state academy of sport support to their National League teams.

In the event of a reduction or loss of support for state institute of sport/state academy of sport, the National Training Centre structure should be maintained as the core of high performance athlete development in each state. Most support from the National Training Centres is geared towards the women's program; however, men and women are currently integrated in the National Training Centre program delivered in the Australian Capital Territory. This approach should be considered more broadly as a model for each state during the likely climate of less resources.

A major impediment to successful implementation of national and state high-performance programs is the lack of clear leadership and empowerment to drive the direction of the program.

With loss of some funding a certainty, the need to rationalise resources by establishing a 'National Technical Director' role with the responsibility and accountability to lead an integrated national high-performance program for both male and females is essential.

One of the National Technical Director's early priorities should be to conduct a review of some aspects of the high-performance pathways, including the optimal coordination and scheduling of events throughout the year; optimum age groupings for development of athletes; coach and athlete selection processes; and policies for the flexible case management of individual athlete development.

The National Technical Director should be supported at state level by National Training Centre head coaches. It is preferential to maintain employed head coaching roles; however if resources do not permit, voluntary head coaches still need to be in place.

These state high-performance roles must work in accordance with the agreed national high-performance strategy under position descriptions and key performance indicators that allocate the responsibility and accountability to lead their state's high-performance development pathway; effectively making them the link between the men's and women's national and state high-performance programs.

National Training Centre head coaches should be responsible for the state high-performance program and accountable to the senior manager of the relevant state and territory association and the relevant state institute of sport/state academy of sport where they are involved.

Softball provides a good range of international playing opportunities for both male and female individuals and teams. A system of identifying, managing and exploiting these overseas opportunities exists but needs to be formalised and monitored if these opportunities are to enhance the development of players. This will help maintain the attractiveness of the sport to potential elite athletes.

It is logical moving forward to combine resources and expertise from the men's and women's high-performance programs where possible and appropriate. Most high-performance stakeholders believe there is benefit to be gained from rationalisation of the programs. Utilising the breadth and depth of experience and expertise will help sustain successful high-performance results for both the men's and women's programs.

Recommendation 9 – High-performance National Leadership

That a National Technical Director be appointed to lead the national high performance program reporting to the Softball Australia Chief Executive Officer. This person should have the mandate to lead and drive the high-performance program, including athlete, coach and competition pathways at both national and state levels.

Recommendation 10 – High-performance state and territory Leadership

That National Training Centre head coaches be appointed, (at the state and territory level) with responsibility for providing leadership in the delivery of the state and territory athlete development pathways in alignment with national strategy

Recommendation 11 – High-performance Women's National League

That a National League based on participation by state teams for the women's program be implemented as the core domestic competition of the high-performance program; and that it be underpinned by the daily training environment of the National Training Centres.

Recommendation 12 – High-performance Pathway Review

That a full review and analysis be conducted by the National Technical Director of the athlete pathway including: appropriateness of age groupings (U16, U19, U23); coordination of national competition schedule; rules around flexibility of individuals to compete in older categories; and coach and athlete development and selection processes.

Recommendation 13 – High-performance International Opportunities

That a formal system of managing, coordinating, promoting and evaluating overseas opportunities for individuals and teams, with a focus on identifying and developing potential Australian representatives, be developed and implemented.

Recommendation 14 – High-performance Combined Program

That under the direction of a National Technical Director, and for the purposes of maintaining Australia's international competitiveness, resources and expertise from the men's and women's high-performance program be combined and rationalised.

4.3 Game development (community participation and growth)

4.3.1 Building club and association capability

A better understanding about the strengths and weaknesses of clubs is needed. This need not be a complex task, but a simple survey and development of an appropriate database. This can be achieved by re-directing current staff resources or by acquiring additional external resources to complete the survey and database in a timely manner and to ensure the effectiveness of the data collected.

While there are many informative resources available, the capacity of the sport to utilise these resources (in particular volunteers, strong clubs and district associations) is not apparent. There is no effective planning for the introduction of these resources. New resources appear too frequently at both the national and state level. Clarity and consistency is desirable.

Many clubs and district associations have been built around the efforts of one or two individuals. They carry most of their club's administrative burden. As a result, many take on several roles resulting in them not being able to do justice to those positions. Should they wish to move on, they often cannot find anyone willing to take on the roles they perform, threatening the future of those clubs.

Many volunteers engage in roles they feel they are not trained in or skilled to perform. There is a lack of information about volunteer roles and what it takes to be a volunteer. Targeting parents to fill volunteer roles may be necessary.

There is an urgent need for the sport to free-up capacity among its committed volunteers to enable them to focus on building up the infrastructure of the sport, in particular at the grassroots level.

The sport needs to develop plans to attract, educate and foster involvement of volunteers in the range of administrative, coaching, umpiring and scoring roles that are critical to building up the base of the sport. It needs to provide a range of tools that help clubs to function more effectively.

More 'educators' are needed to improve the training opportunities of grass-roots volunteers and thereby strengthen the base. The sport needs to take a proactive stance in developing these educators and, in turn, they in delivering programs to grassroots volunteers.

The costs of introducing an effective education and training regime need quantifying in order to ensure appropriate resources are available to meet priority needs.

4.3.2 Keeping participants in the sport

There is a sense that the people administering the sport at state and national levels are out of touch with the expectations of the 'Y' and 'Z' generations. Retention of players is a major challenge. From Softball Australia's surveys and confirmed through this review, there is a prevailing view that the sport can be boring, takes too long to play and is too technical; these are reasons given by a meaningful percentage of participants for giving up the sport. There are no apparent strategies for responding to this challenge.

There is an attitude that the loss of participant numbers experienced in softball is a phenomenon that is occurring in all sports; this apathy fails to acknowledge the imminent risks faced by softball and the urgency required to reverse the trend that is afflicting softball at a faster rate than its sporting peers are.

Softball must decide what 'return' is needed to justify clubs targeting schools and delivering tee-ball competitions as the source of new participants, or if those energies could be better directed to other introductory level initiatives.

There are mixed views (no clear position) on the value of tee-ball – some favourable, some critical – as an introductory program for softball. The difficulties that many 'tee-ballers' experience in hitting a moving ball is cited as a major reason for juniors not joining or continuing in 'main-stream' softball.

Coaching and umpiring education to district association level is delivered as requested by the district and not in response to specific sport development needs as determined at state, district and club levels.

In considering the nature of any cooperation with baseball, softball needs to consider not only the impact on the sport today but also the 'generational' effect in maintaining longer-term interest in softball as the sport of choice.

Several states and territories are involved in the delivery of softball to Indigenous females. Through the Talent Identification Program there is some identification of talented Indigenous players; however, a clear pathway has still to be formed. It is generally acknowledged that Indigenous females are attracted to and skilled at playing softball.

Arrangements for the delivery of the sport to beginner and primary school aged children across the states and territories need a clear and consistent pathway. Currently the pathway reflects a mixed bag of products, names and approaches despite the existence of an agreed National Junior Games Pathway that all members have previously endorsed.

Due to their inability to deliver programs at this level, some member states, territories, and district associations rely on the efforts of baseball and tee-Ball in attracting young participants, in the hope there will be a spin-off to softball.

Recommendation 15 – Club and Association Analysis

That an analysis of each club and district association is undertaken to establish a snapshot of their individual needs and to target appropriate support to help them address these needs. This snapshot should include both census-type data and information on venue access, numbers of accredited coaches, umpires and scorers, number and roles of volunteers, links with schools and other clubs/sports, etc.

Recommendation 16 – National Junior Development Pathway

That Softball Australia and its member states and territories reaffirm the national junior development pathway, how it is to be delivered, the names of programs and how these are to be promoted. In doing so the Queensland approach is worthy of consideration, provided there is willingness to acknowledge the requirement for national packaging and branding.

Recommendation 17 – Training of Educators

That significant effort is made to train educators to support a proactive approach in planning and conducting local accreditation programs for coaches, umpires and scorers.

Recommendation 18 – Resources for the Grass Roots

That tools and templates (for example incorporating an association; setting a budget; setting fees; conducting a members' meeting; conducting a committee meeting; etc) to assist clubs are made available to assist clubs improve their operational capacity and capability, with implementation assistance provided on a needs basis.

Recommendation 19 – Volunteer Job Descriptions

That job descriptions templates are developed for volunteers at the grassroots level.

Recommendation 20 – Volunteer Recruitment

That a strategy is developed for recruiting and training parents as volunteers is developed.

Recommendation 21 – Softball collaborating with Baseball

That softball and baseball collaborate to encourage retention and recruiting of participants particularly in regions affected by low numbers or weak clubs, recognising that successful partnerships of this type currently exist. The objective should be to grow overall number regardless of the form of the game that players pursue.

Recommendation 22 – Repackaging the game

That softball is repackaged at some levels to make it more exciting and relevant to the current ‘Y’, ‘Z’ and future generations. This may involve: simplifying the rules; ensuring increased involvement of all players in matches; encouraging more hits and runs; shortening the timing of matches (for example to 4 x 12 minute innings); monitoring individual progress and successes; and shortening the season length while increasing the number of district competitions. These changes would not apply to competitions for more advanced or elite-level players unless deemed appropriate based on individual circumstances.

Recommendation 23 - Building Capacity and Capability

That the new strategic directions for softball post-Beijing Olympic period include the building of capacity at club and district levels.

4.4 Competitions and events (quality, control and viability)

4.4.1 Slow-pitch softball as a means to drive new participation and new revenue

In some states, there is no evidence of appropriate business planning to aid sound decision making in relation to competitions.

The sport has no strategies for taking advantage of the participation and revenue growth opportunities presented by slow-pitch softball.

It seems unlikely that increased delivery of the slow-pitch form of softball can be added to the current expectations of state and territory volunteers and administrators. A new approach is needed in order to maximise the returns from this form of the sport. It is the reviewers' opinion that a legally protectable licensing arrangement is a practical means for controlling and delivering slow-pitch softball.

4.4.2 Softball's value proposition

In a financial context, many administrators (paid and volunteer) appear to undervalue the sport's value proposition (services delivered for price paid) and fail to appreciate the cost realities of providing a reasonable level of servicing. There is a view that participants will not pay more to play; however, the reviewers note that participation 'price points' vary considerably from state to state and even at neighbouring associations. In some cases, fees have remained the same (declined in real value) over several years.

Softball administrators would benefit from studying other sporting models to see what services are offered and what fees are paid by participants in order to assess what is the contemporary value proposition offered by other sports competitors.

While many people have expressed to the reviewers that the sport needs to make changes in order to address its challenges, few people appear willing to accept the need for radical change and need evidence that the results will be positive. There appears to be a low tolerance towards risk taking or effecting change.

Recommendation 24 – Case Studies into Softball's Value Proposition

That Softball Australia develop a case study of the value proposition being offered by sporting competitors in urban, regional and rural settings in order to educate their members about the contemporary sports market.

Recommendation 25 – Slow-pitch Licensing

That Softball Australia investigates a licensing model for the delivery of new slow-pitch competitions in order to generate additional revenue streams to help fund traditional softball and its structure.

Recommendation 26 – Competition Business Planning

That business plans provide for the conduct of new and existing competitions on a break-even or better basis.

4.5 Membership and Member benefits (national and state)

4.5.1 Building financial strategies for Softball's sustainability

Without adequate financial resources, the sport of Softball will continue to struggle in delivering an adequate level of service to all participants. This will impact directly on actual and perceived benefits of membership. The current financial performance of the sport sees a paltry return from operations of less than 0.2 per cent nationally (\$19,000 from approximately \$7 million of turnover).

The sport needs to develop a financial recovery plan that leads to building sufficient financial wherewithal to enable service delivery to be improved.

Some strategies that need consideration under this financial recovery plan include a targeted return of 5 per cent from each competition and event conducted along with a reduction in the subsidisation of national championships by Softball Australia; that is, adopt a user-pays philosophy.

Most member states and territories are not in healthy financial positions. Even where it appears there is a reasonable level of cash reserves available, closer examination suggests much of this reserve comprises funds received in advance or is required to meet obligations to staff. All bodies need to adopt financial strategies designed to build up reserves.

A rule-of-thumb towards retained cash-reserves is 15-20 per cent of annual turnover; this can help mitigate unforeseen circumstances or provide capital to inject into new initiatives. No clear financial reserves strategy or policy appears to be in place to achieve a strong financial position.

The financial position may worsen in the longer-term if the sport is unable to regain a place in Olympic competition, and will certainly face a reduction in Federal Government funding for the 2009-2013 Olympic funding cycle as well as possible reduction in support from state governments. The likely impact from this impending loss needs to be carefully managed.

4.5.2 Preparing the 'diamond' for a sponsor

Without substantial improvements in aligning all the softball organisations and their programs with a much stronger cooperative and collaborative approach, it will be difficult to provide a significant sponsor with confidence that national benefits can be acquired through softball.

Major sponsorship will not be possible without the existence of a properly populated national database.

The reality appears to be that softball needs to look to other sources for increasing income rather than rely on marketing and sponsorship until the issues outlined above are resolved.

4.5.3 Communicating with the participants

The pressures that staff and volunteers are under have led to breakdowns in, or, poor communication. Communications systems that streamline access by enabling direct links to individual participants need to be investigated.

Consistent with developing a better appreciation of the sports value proposition, there is a need to clearly enunciate to members that the range of services that they receive for the membership fees and financial contributions that they make.

4.5.4 Promoting softball

A repeated stakeholder view is that a 'take only' attitude exists from many of the sport's elite players with little effort given to making themselves available as ambassadors or role models. However, expectations of athletes exceed what they can reasonably contribute while maintaining balance across their family, social, work and sporting life.

Stakeholders consider that public awareness and promotion of the sport are inadequate and at times non-existent. This lack of promotion and awareness raising are considered by members to be one of the biggest failings of the sport and its administrators. The sport lacks consistency in its branding from state to state and nationally. Some good examples of successful local promotion (at club and district levels) exist.

Without the opportunity to host national Open Championships, some Member States and Territories feel they miss an opportunity to gain promotion and exposure for the sport in their jurisdictions.

Recommendation 27 – Financial Recovery Plan

That Softball Australia, in conjunction with member states and territories develop and adopt a financial recovery plan in order to generate sufficient financial resources required to build capacity and improve service levels throughout the sport.

Recommendation 28 – Communications strategy

That a communications strategy be developed by Softball Australia to raise the profile of the sport, enabling future marketing and promotion of the sport at each level.

Recommendation 29 – Using the profile of elite players

That Softball Australia and member state and territories encourage their elite players take up roles in support of initiatives to promote the sport, attract sponsors and commercial support and encourage increased participation.

Recommendation 30 – Communicating member benefits

That information be prepared and posted on websites outlining the benefits associated with membership of Softball Australia and Member Associations.

Recommendation 31 – Case studies of local promotions

That successful and unsuccessful case studies of local promotion of softball are identified including lessons learnt, and are posted on websites. Examples of materials used and templates should also be shown.

Recommendation 32 – Build the national database

That as part of improving commercial opportunities and communications, Softball Australia arrange the entering of data into a national database showing details of participants involved in the sport on behalf of clubs, in order to ensure a properly populated national database that can be used for targeting of initiatives and resource allocation.

4.6 Facilities (standards and access)

Most states currently do not have the resources required to redevelop their facilities for 'skin' diamonds. There is a strong view amongst the 'minor' states that if the availability of skin diamonds is an ongoing requirement for the hosting of Open and International events in Australia, it will lead - if it is not already doing so - to the creation of an imbalance in economic and promotional benefits available to all member states and territories.

The level of use of a number of softball facilities is declining, and some are idle and unused for long periods. Responsible increase in the use of available facilities (including off-season use) should be an important consideration in developing strategies to grow the sport and its resources.

Recommendation 33 – Off-peak use of facilities

Facility usage plans need to be developed, these plans should incorporate the use of facilities during "off-peak" periods for introductory softball and other (including non-softball) purposes.

Recommendation 34 – Joint facilities with baseball

That softball jointly examines with baseball the potential for use of common facilities for introductory, junior and social softball and baseball. Examples are the joint use of facilities in the Northern Territory and by the North Shore District Softball Association in New South Wales.

Recommendation 35 – Venues for elite competitions

That (while acknowledging the disadvantage to some states and territories in terms of sports promotion and the education of administrators, umpires and scorers) it is important, from aspects of quality and safety, that elite open and international games be played at venues that comply with prescribed standards.

Recommendation 36 – Business cases to upgrade venues

That business plans of those member associations that are without access to suitable venues for elite national and international competition incorporate making a case for facilities improvement to state and/or local governments.

4.7 Key partnerships and relationship (governments, baseball, tee-ball, education sector, non-affiliated bodies, sponsors)

Long-term relationships between schools and clubs do not seem to be fostered leaving the delivery and the first experience (most likely) of softball in the hands of those who do not have the passion and skills in teaching the game outside of the sport's control.

Numbers participating in school and university softball competitions have declined. 'Return on investment' in schools is poor.

With individual efforts to establish and maintain relationships with schools by clubs or associations, there is little coordination or targeting resulting in long-term relationships/benefits to the sport. Some risk to the perception by students of how enjoyable softball can be when the delivery is to the school system is not controlled or influenced by softball itself.

There are mixed views on pursuing a relationship with baseball and tee-ball. There are examples of where these partnerships exist and work for the benefit of both sports, and discussions with Major League Baseball and the Australian Baseball Federation suggest other possibilities may exist for commercial, elite and promotional opportunities from a more collaborative approach. Softball needs to arrive at a position regarding this relationship soon as this will influence the directions it adopts in its planning. In addition to commercial, elite and promotional opportunities, considerations should also include club structures, coach development, technical development, venue sharing and the like.

Recommendation 37 - Softball and schools

That member state and territory associations advise and assist softball clubs on approaching and engaging with target schools, particularly those having a current involvement in softball and therefore likely to maximise the 'return on investment' to the club.

Recommendation 38 – Softball and Baseball partnership

That softball's doors remain open to explore partnerships with baseball in areas such as elite and development opportunities.

4.8 Implementation

The recommendations made above are unlikely to have the necessary impact unless there is consensus and cooperation between Softball Australia and its member state and territory associations on how these recommendations will be implemented. Implementation also requires its own resources including 'championing' change to membership at district and club level.

Effective cohesion is currently impacted on by a culture of blaming problems experienced at one level of the sport as the fault of another level of the sport. All the levels of softball need to work together to solve these problems. This demands strong leadership or else the sport will be rudderless.

This requires all parties to 'remain at the table' until agreements are reached or problems are resolved; a greater level of consultation needs to exist to ensure that the best outcomes are a result of everyone contributing their views in a manner that offers viable alternatives rather than reasons that don't contribute to a solution.

Additionally a 'constructive tension' from being mutually obligated to each other needs to evolve; each state and territory as well as Softball Australia being accountable, being held accountable, and holding others accountable for their collective roles in regenerating softball's fortunes will build this 'constructive tension'.

While it is acknowledged that the implementation of the recommendations stemming from this type of review can take several years to introduce and have an impact, it is important that the implementation period is not drawn out or momentum lost in introducing change.

The role of Softball Australia's Chief Executive Officer is critical to the progress of the sport, both in general terms and in bringing about the changes agreed to as a result of this review.

It will be easier for the Chief Executive Officer to drive the change processes and communications if the role can be freed up from the heavier operational demands associated with Softball Australia's functions. This can be achieved by re-organising the current staff to oversee the day-to-day business-as-usual matters of Softball Australia.

Recommendation 39 – Implementation plan

That Softball Australia in conjunction with member state and territory associations develop a plan for the adoption of the recommendations from this review addressing how it proposes to implement each of the recommendations.

Recommendation 40 – Reorganise the staff structure

That the position of Chief Executive Officer of Softball Australia be supported by a suitable staffing structure to minimise the responsibility for managing the day-to-day operations of Softball Australia. This structure is to allow the Chief Executive to focus attention and time on the sports reforms outlined in these recommendations.

Recommendation 41 – Championing change

That Softball Australia and each member state and territory identifies who is their spokesperson to promote the changes proposed by the recommendations contained in this report and how this promotion is done.

Recommendation 42 – Monitoring and reporting on the implementation

That Softball Australia and member state and territory associations establish a monitoring and evaluation system to assess and report on the progress of implementation to the broader membership.

Recommendation 43 – Implementation schedule for 2008-09

That the reform schedule for 2008-09 be implemented as outlined in Attachment J of this report.

Recommendation 44 – Implementation schedule for 2009-10

That the reform schedule for 2009-10 be implemented as outlined in Attachment K of this report.

5. Conclusion

This investigation into the delivery of softball in Australia has probably confirmed much of what people in the sport already knew about:

- rapidly reducing participant numbers
- crumbling infrastructure at the grass roots level
- the sport's losing appeal as it is currently delivered
- fragile financial position of many softball organisations
- uncertain Olympic Games participation status
- hugely committed and over-committed volunteer base
- lack of alignment up and down the sports organisational ladder
- leadership vacuum in developing and delivering solutions to these issues

This report has made several recommendations to provide the Board of Softball Australia with an appropriate leadership platform along with other recommendations to establish robust mechanisms for building consensus and alignment with its members. Adoption of these recommendations will allow for strong leadership of the reform and regeneration that softball urgently and desperately requires.

By introducing the building of the capacity and capability of the clubs and associations as a primary strategy in addressing its crumbling base, softball, which has a proud and strong history of being played throughout Australia, could again become a genuine sporting option in local communities.

With softball removed from the Olympic Games program at least until 2016 and anticipation of an associated cut in high performance funding, the Australian Sports Commission needs to consider transitional support for Softball Australia during the 2009–2013 funding cycle. Additionally, Softball Australia should consider how the expertise that exists within the Commission could assist the change process.

The overarching consideration in the adoption of these recommendations will be the strategic decisions at all levels of the sport in prioritising the available resources as part of effective operational plans. This report does not propose how the sport should prioritise its resources; rather all of these key areas need the ongoing attention of the sport at national, state and local levels in order to regenerate the sport to ensure a strong and sustainable future.

Stephen Fox

Senior Consultant
Governance and Management
Improvement
Australian Sports Commission

David Crocker

Senior Consultant
Governance and Management
Improvement
Australian Sports Commission

Jackie Fairweather

Senior Consultant
High Performance Systems
Australian Sports Commission

6. Report Attachments

Attachment A – Terms of Reference

Softball Review – Terms of Reference

Purpose / vision for the review:

To improve the management and delivery of Softball nationally through greater cooperation, efficient systems and shared effort.

Scope of review

The scope of the review will focus on the key performance drivers for the sport. These include:

- Softball's use of affordable and efficient systems and processes;
- An assessment of the appropriateness of activities undertaken by Softball to achieve business strategies and strategic direction;
- The optimal nature of strategies and activities undertaken by Softball, including events;
- The level of agreement and interdependence between Softball organizations and the contribution this makes to overcoming major challenges faced by Softball;
- Organisational structure and strategic management policies and practices such as planning, communication, decision-making, resource management, performance reporting and monitoring;
- Game development, including the roles of state and regional associations and clubs and development of coaches, umpires and statisticians;
- High performance structure and planning, in particular the sport's objectives and priorities for high performance success and Softball's capacity to deliver this; and
- The effectiveness of the elite athlete pathway, from entry to high performance teams, management, coaching and athlete support.

Stakeholders to be consulted

Representatives from the following key stakeholder groups will be consulted as part of this review:

- Board and key management staff of Softball Australia
- Executive committees and staff of State and Territory Associations;
- Coaches, umpires, statisticians and athletes;
- Regional associations and clubs;
- ASC/AIS/QAS/NSWIS;
- State Departments of sport and recreation
- Other persons and organizations identified by the Steering Committee

Terms of reference

The review will:

- describe and analyse the current arrangements for the delivery of the sport, including the roles of the key stakeholders and the effectiveness of systems and processes;
- describe and analyse the effectiveness of strategies to address the decline in participation in the sport;
- describe and analyse how the game development elements of the sport should be delivered, having regard to stakeholder feedback and best practice principles and practices;
- describe and analyse how the high performance elements of the sport should be delivered, having regard to stakeholder feedback and best practice principles and practices;
- identify gaps between the current and preferred arrangements for the delivery of the sport that, if not remedied, could impede the sport's ability to achieve the goals outlined in its strategic and business plans;
- recommend changes to remedy any dysfunctional gaps identified; and
- propose a strategy for the adoption and implementation of the report's recommendations.

Areas of focus

1. Roles, responsibilities and interdependence of Softball Australia and its member state and territory associations
2. Post Beijing national high-performance framework for Softball
3. Game development (community participation and growth)
4. Competitions and events (quality, control and viability)
5. Membership and Member benefits (national and state)
6. Facilities (standards and access)
7. Key partnerships and relationship (governments, baseball, T-Ball, education sector, non-affiliated bodies, sponsors)

Approach in relation to the above areas

1. Discussions with President and CEO of SA
2. Identification and collection of relevant data
3. Identification and discussions with persons of interest
4. Examination of lessons learned by / from reviews of other sports
5. Conduct of a high-performance review / forum
6. Member forum
7. Report on findings and recommendations

Timeframe (proposed)

1. Sign-off on Terms of Reference for the Review – November 2007
2. Data collection, interviews, examination of other sports and write-up – end-December 2007
3. Executive Officers workshop – January 2008
4. High-performance review workshop – January 2008
5. Member forum – February 2008
6. Final report – April 2008

Review steering committee

1. Brent Espeland, Director, Sport Performance and Development, ASC (Chair)
2. Greg Nance, Director, National Sports Programs, ASC
3. Peter Fricker, Director, Australian Institute of Sport
4. Phil Matthewson, President / Mark McAllion, CEO, Softball Australia
5. Darryl Clout, Vice President, Softball Australia
6. Jenny Holliday, Board Member, Softball Australia

Reviewers

1. Stephen Fox / David Crocker, Senior Consultant, Governance & Management Improvement, ASC
2. Martin Roberts, Senior Sports Consultant, Sports Services, ASC
3. Jackie Fairweather, Senior Sports Consultant, Innovation & Best Practice, ASC

Attachment B – Stakeholder Feedback

In considering the consistent messages from those who were interviewed, the reviewers used the four key headings of; Resources; Alignment; Consensus; and Evidence-based Decision Making to assist in structuring the information received.

When analysing the issues raised in an interview, it was not often that the problems causing these issues could not be categorised under these major headings. The areas touched on repeatedly in questionnaires and from interviews were:

Resources

- Poor promotion of the sport
- No national standardised competitions management system
- No national use of a common web platform for the sport
- Volunteer recognition is poor
- States do not have funds to employ a sufficient number of development officers and other staff to effectively service their members
- Failure to retain participants is a reflection of inflexible delivery and poor servicing
- Too much is expected from too few at club and district level
- The level of commitment expected is scaring away younger faces at national and state level
- Competitions should be shorter and more frequent
- Softball and baseball can use common facilities (club rooms, training venues)
- The sport can be boring for some players and spectators due to the high level of player inactivity (and low scoring).
- The sport's culture is stale and unresponsive to current expectations
- State associations are unable to meet the national 2.5% increased participation target
- States and Territories are reactive not proactive in developing coaches, umpires and statisticians
- Softball is not run in a professional way
- Softball needs to find new people with fresh ideas
- The softball "product" is too varied and not clearly targeted
- The clubs are failing to entice people into the game

Alignment

- Unclear volunteer roles and excessive time demands
- Competition and jealousy amongst Member Associations
- Several State boards spend considerable time involved in daily administration or delivery of the sport
- Primary and secondary schools are not linked into the Australian Softball structure
- Softball is not prepared to embrace opportunities with Baseball
- State competitions are killing-off elite District competitions
- Information is not flowing in a timely way from State level to District and Club levels
- There is a lack of consensus planning and commitment in softball
- The sport needs to be made more appealing to the Z generation i.e. those born after 1996
- There is poor coordination in setting annual competition calendars for the sport
- The sport needs a solid framework, not necessarily a creative one
- Constitutional reform and consistency is needed
- National and State boards are unclear about their decision-making responsibilities and operate in fear of criticism
- Some Member States function like District Associations
- There is a solid structure in place resulting in good alignment and communication across National Training Centre programs; however, there are still some 'personality' issues that hamper communication at times.

Resources continued

- Strong leadership is missing at state and national level
- The sport is not being showcased nationally
- The sport is not getting a good return from the events it runs
- Multi-sport clubs appear to be more successful than single softball clubs
- Elite players are not “giving back” to the sport particularly at the grass-roots level.
- There is a disconnection between the elite and grass-roots of the sport
- Low remuneration levels for high performance coaches attracts overseas coaches, rather than local coaches who choose mainstream careers
- Opportunities are limited for high performance coach roles and coach selection is often not an open transparent process
- Mixed gender social softball is the future for the participation and financial health of the sport
- Concessional membership rates should apply to volunteers
- The sport has failed to adequately explain the benefits of membership
- Board meetings are far too long and operational
- There is significant resistance to change within the sport
- Paid staff are unclear about performance expectations
- The sport is undervalued by its members
- Management processes and delegations are unclear or missing
- Softball Australia is unable to deliver the sport nationally to sponsors
- Many Districts and Clubs, and some States, do not have access to expertise to tackle strategic planning
- Transition from Tee-Ball to Softball is losing many
- Inconsistent target market/s (females; family; fast pitch; slow-pitch, corporate, etc)?
- The position is confused about which sports and activities are softball’s major competitors
- There is inconsistent uptake of national policy by State and Territory associations
- The sport has not determined what are the critical things that it needs to focus on

Consensus

- Inconsistent financial management across the national and state bodies
- Inconsistent use of the master brand and a glut of program and product names
- Not learning from or sharing successful approaches to attracting and developing junior participants

Resources continued

- Administrators in the sport need to be given greater responsibility and accountability
- There is reasonably strong consensus among the high performance group (including men) as to the high performance direction, however what needs to happen is often 'road blocked' by the governance structure of the sport

Evidence-based decision-making

- The data available is identifying the broad issues but is not applied, or is not applicable, to help improve the situation and strategies at a local level
- Collection of complete participation data is not possible due to "old and conservative attitudes" relating to ownership and privacy.
- High performance initiatives and player development opportunities are often hampered by decisions, rules and opinions of state boards and administrators. High Performance personnel and 'expertise' is not valued

NATIONAL SPORTING ORGANISATIONS

GOVERNANCE

PRINCIPLES OF BEST PRACTICE

The Australian Sports Commission (ASC) is the Australian Government's statutory authority responsible for the funding and development of sport. As such, the ASC is responsible for the Australian government's funding to Australia's national sporting organisations (NSOs) to develop sporting excellence and increase participation in sports. It is important, therefore, that the ASC has a clearly stated position with respect to the governance of national sporting organisations to which the ASC provides taxpayer moneys.

The sporting landscape in Australia is enriched and delivered through the countless hours of service and support provided by volunteers. Volunteer boards, committees and administrators in particular carry extra responsibilities and burdens associated with the complex legal and regulatory environment within which they have necessity to operate. The contribution and commitment to the ensuring Australia has a quality environment from which people can participate and strive for success is of immeasurable value to the community.

PURPOSE

The purpose of these guidelines is to, assist members of boards, chief executive officers and managers of sporting organisations to develop implement and maintain a robust system of governance that fits the particular circumstances of the sport, provide the mechanisms for an entity to establish and maintain an ethical culture through a committed self regulatory approach, and provide members and stakeholders with benchmarks against which to gauge the entity's performance.

ACCOUNTABILITY

The size, complexity and operations of sports organisations differ, and so flexibility must be allowed in the structures and systems adopted to optimise individual performance. Flexibility must be balanced against accountability, contestability and transparency; there is an obligation for all sports organisations to explain to stakeholders why if any alternative approach to the best practice principles is adopted. The if not, why not obligation.

GOVERNANCE

Governance is the system by which organisations are directed and managed. It influences how the objectives of the organisation are set and achieved, spells out the rules and procedures for making organisational decisions, determines the means of optimising and monitoring performance, including how risk is monitored and assessed.

The ASC recognises that effective sports' governance requires leadership, integrity and good judgment. Additionally, effective governance will ensure more effective decision making, with the organisation demonstrating transparency, accountability and responsibility in the activities undertaken and resources expended.

It is commonly accepted that governance structures have a significant impact on the performance of a sporting organisation. Poor governance has a variety of causes including director inexperience, conflicts of interest, failure to manage risk, inadequate or inappropriate financial controls, and generally poor internal business systems and reporting. Ineffective governance practices not only impact on the sport where they are present, but also undermine confidence in the Australian sports industry as a whole.

Governance concerns three key issues

- (1) How an organisation develops strategic goals and direction,
- (2) How the board of the organisation monitors the performance of the organisation to ensure it achieves these strategic goals, has effective systems in place, complies with its legal and regulatory obligations, and
- (3) Ensuring that the board acts in the best interests of the members.

The ASC Sports Governance Principles advocate strengthening structures that support good leadership and decision making and ensure sound and effective governance.

In keeping with best practice in Australian corporate governance, this paper contains guidelines within which the ASC believes a sporting organisation's board members should operate and enact their role. The resource takes the form of six major principles, focusing on:

- Principle 1. Board Composition, Roles and Powers**
- Principle 2. Board Processes**
- Principle 3. Governance Systems**
- Principle 4. Board Reporting and Performance**
- Principle 5. Member Relationship and Reporting.**
- Principle 6. Ethical and Responsible Decision Making**

PRINCIPLE 1: BOARD COMPOSITION, ROLES AND POWERS.

Different sporting organisations operate under different governance structures. While not advocating the adoption of any single model, the ASC does advocate that each structure should be clearly documented with a clear delineation of roles, responsibilities and powers of the board, management and each body involved. Further, there should be no overlap in the powers of any two bodies or individuals in a governance structure.

The organisations framework of governance should:

- enable strategic guidance of the entity
- ensure the effective monitoring of management by the board
- clarify the respective roles, responsibilities and powers of the board and management
- define the board's accountability to the entity
- ensure a balance of authority so that no single individual has unfettered powers.

Principle 1.1: That the management powers be formalised, disclosed and placed in a board which has the power to exercise all the powers of the organisation except those powers that the Act or Constitution requires to be exercised in General Meeting.

Commentary and Guidance

The ASC does not endorse a governance structure featuring both a Board and another body, whereby this other body (usually called a Council) assumes some Board functions.

The nature of matters reserved to the board and delegated to management will necessarily depend on the size and complexity of the organisation and be influenced by its tradition, culture and skills of directors and managers.

Principle 1.2: That NSOs be incorporated as a company limited by guarantee under the *Corporations Act 2001* (Cwlth).

Commentary and Guidance

It must also be noted that, regardless of the Act (*Corporations* or *Associations*) under which the organisation is incorporated, if an NSO carries on business in a state other than that in which it is incorporated it is required to be registered under the *Corporations Act* as a registrable Australian body. This registration imposes additional administrative requirements on the Association.

While there can be arguments for the adoption of various legal structures and indeed there are limitations and benefits attached to each. The ASC encourages national sporting organisations to adopt a company limited by guarantee organisational structure.

The more comprehensive legislation entailed within the *Corporations Act 2001 (Cwlth)* provides for a very robust and structured platform for the operation of organisations and provides clarity in areas otherwise silent within the Association Incorporation Act.

The key governance role of the organisation under each of the Acts rests with the board of directors, who must act in accordance with the requirements of the relevant Act, within other federal and state laws and the constitution of the incorporated body.

Principle 1.3: That the incorporated body has a constitution, which embodies the following key sections:

- Interpretation – objects and powers
- Members – membership and meetings of members (general meetings)
- The Board – powers, other roles (CEO and secretary) and meetings of the board
- Reporting
- Accounts
- Auditors
- Winding Up

Commentary and Guidance

The Constitution should be written in a clear, unambiguous and succinct manner. It should not be over-burdened with items that would be better served to be detailed in the organisations by-laws or policies, which are usually the items that can be expected to be required to be changed and updated from time to time. In these circumstances the board should, through by-law and policy development, be empowered to oversee and manage the issues.

Principle 1.4: The members should elect the majority of the board of directors (board). In addition, any issue on which a member vote is taken should require a majority of member vote's for any vote to be passed.

Commentary and Guidance

Each sporting organisation should detail how people and/or organisations may become the members of them. The constitution of the incorporated body will state the voting power of each member in this regard.

The ASC advocates that a “one state one vote” voting system be applied to federal sporting structures. While a proportional voting system is an option, this should never enable large member bodies to dominate the direction of an organisation and it is not recommended.

Where a board is made up of appointed and elected directors, it is recommended that at least a majority of the board membership is elected by the members. In addition it is also advocated that votes taken at board or general meetings should be passed by a majority of directors / members and not be subject to a casting vote. This principle is based on the premise that if a majority can't agree on an issue then the issue should be forfeited.

Principle 1.5: That the governance structure should feature a clear separation of powers and responsibilities between the board ('mind' of organisation) and the CEO and his/her staff ('hands' of organisation).

Commentary and Guidance

This clarity of powers and responsibilities must also apply to the various board and management committees.

The governance structure should also recognise that individual directors, the CEO (or similar), his/her staff, board committees and management meetings hold no authority to act on behalf of the organisation by virtue of their position alone. All authority rests with the board, which may delegate authority to any person or committee.

Each such delegation should be clearly documented in a delegation manual or similar. Normally there shall be significant delegations to the CEO. In their capacity as directors, directors have no individual authority to participate in the day to day management of the entity, unless authority is explicitly delegated by the board.

Principle 1.6: That the board should:

- **Confirm the broad strategic directions of the organisation.**
- **Appoint, dismiss, direct, support professional development, evaluate the performance and determine the remuneration of the CEO.**
- **Approve, monitor and review the financial and non-financial performance of the organisation.**
- **Ensure an effective system of internal controls exists and is operating as expected and that policies on key issues are in place and appropriate and that these can be applied effectively and legally to those participants or persons they are intended for.**
- **Develop a clearly articulated and effective grievance procedure.**
- **Ensure financial and non-financial risks are appropriately identified and managed.**
- **Ensure the organisation complies with all relevant laws, codes of conduct and appropriate standards of behaviour.**

- **Provide an avenue for key stakeholder input into the strategic direction of the organisation.**
- **Ensure director, board and chairman performance evaluation occurs regularly.**

Commentary and Guidance

The board's primary responsibility is one of trusteeship on behalf of stakeholders, ensuring that the legal entity, the organisation remains viable and effective in the present and for the future.

The Board's role includes determining the organisation's strategic direction, core values and the ethical framework, as well as key objectives and performance measures. A key critical component of this role is the board's ultimate authority and responsibility for financial operations and budgeting to ensure the achievement of strategic objectives.

Where a sporting organisation does not have a chief executive officer or equivalent position, either paid or unpaid, management and operational tasks may be delegated to a range of people, including board members or committees. In this case, directors must ensure that they separate their strategic board roles and responsibilities from their individual operational responsibilities.

Principle 1.7: That each board should be structured to reflect the knowledge of the sport and sports industry and the complex operating environment facing the modern sporting organisation. Normally, it is envisaged that a board will:

- **Comprise between 5–9 directors.**
- **Have a sufficient blend of expertise and skills necessary to effectively carry out its role.**
- **Have all directors being independent, regardless of whether they are elected or appointed.**
- **Have the ability to make a limited number of external appointments to the board to fill skills gaps.**
- **Institute a staggered rotation system for board members with a maximum term in office to encourage board renewal while retaining corporate memory.**
- **Be broadly reflective of the organisation's key stakeholders, but not at the expense of board skills mix.**

Commentary and Guidance

The number of directors on a board should reflect the size and level of activity of the organisation. As such the ASC advocates a board with the necessary skills to carry out its governance role rather than a representative board.

Independent directors are those that are not appointed to represent any constituent body, are not employed by or have a significant business relationship with the organisation, do not hold any other material office within the organisational structure and have no material conflict of interest as a result of being appointed director.

In relation to traditional federal sports structures, the holding of state level positions would be seen to be a material conflict of interest if held at the same time as national level positions.

In unitary sporting structures, where there is only one organisational entity with a direct relationship to individual members and or their clubs, club level positions may create a similar level of conflict to that of the state level in the federal structure. Similarly sporting organisations whose operations are predominantly of a business owner nature should avoid situations where the owners of those businesses are also the key decision makers of the organisation, where those decisions will have a material affect on the outcomes of those businesses, perceived or actual.

Examples of material conflicts are, President's of member bodies, representatives of select groups (e.g. umpires) and CEO or senior staff.

When directors do represent a constituency, they are bound by their legal responsibility to represent the organisation as a whole.

External appointments (appointed directors) are appointments to the board that have not been elected by the constitutional members and are at the discretion of the existing board.

An effective board has a proper understanding of, and competence to deal with, the current and emerging issues of the business and can effectively review and challenge the performance of management and exercise independent judgement.

Principle 1.8: That national sporting organisations and their member bodies have aligned objects and purpose to ensure effective and efficient achievement of sport outcomes.

Commentary and Guidance

To achieve effective outcomes for the sport it is essential, particularly in a federated model, that national and member bodies have aligned objects and purpose. It is critical that the sporting organisations within a sport work as if they were one body working towards the same outcome to deliver effective products and services to its members and stakeholders.

The sport should have a single strategic plan that drives the over arching objectives, which are delivered consistently and effectively by the member bodies. The sports strategic plan should form the basis of all local implementation outcomes and be developed with input and agreement from all stakeholders.

Principle 1.9: That where two or more bodies are amalgamating, an interim board arrangement occurs in order for all parties to be confident about the future direction and priorities of the amalgamated body.

Commentary and Guidance

In the interim arrangement, the board of the new organisation would include equal representation drawn from the boards of the amalgamating bodies or representatives nominated by each of the amalgamating groups' interests.

This interim arrangement would operate for a finite period of time at which point a new board structured as outlined in Principle 1.7 should then be adopted.

The ASC encourages like organisations to look into the benefits of amalgamation to ensure sustained competitiveness, efficiencies and economies of scale are achieved to provide enhanced outcomes for the sports members and participants.

Principle 1.10: That the board outline the role of individual directors/board members, including (at a minimum):

- **The fiduciary duty of directors to act in the interests of the members as a whole and not to represent individual constituents. Thus, once elected the board should have the ability to operate independently in the interests of the organisation as a whole, free from undue influence.**
- **The legal duties of individual directors, including the requirement of directors to:**
 - **act in good faith and for a proper purpose**
 - **exercise due care and diligence**
 - **ensure the organisation does not continue to carry on its business while insolvent**
 - **meet the requirements of various other federal and state laws which directly impact on the organisation.**
- **A code of conduct or policy specifying the behaviour expected of directors. (see Principle 6)**
- **A conflict of interest provision that specifies:**
 - **A director must disclose actual/potential conflicts of interest.**
 - **The process for disclosure of real or potential conflicts of interest disclosure.**
 - **A process that governs a director's involvement in any decisions with which she/he has a conflict of interest.**
 - **The requirement for a register of ongoing interest to provide a record of all potential conflicts.**

- **Directors should not hold any other official or corresponding administrative position within the organisation at any level that creates a material conflict of interest. This is to ensure no actual or perceived conflicts of interest.**
- **Maintaining a register of Related Party Transactions.**
- **The responsibilities of directors for continuing professional development as well as the engagement in ongoing performance assessment. (see Principle 4)**

Commentary and Guidance

The role of a director of an organisation is one of the key components of the governance framework to ensure the accountability, transparency and contestability of the direction, performance and conformance of the organisation.

It is critical that new directors are appropriately inducted to the board and the organisation and that they understand their roles within the organisation.

In relation to a director's conflict of interest, a director should not hold any official position at state, regional, club level or corresponding administrative position that provides a material conflict of interest which is actual or perceived and that all endeavours to avoid this should be pursued. (refer Principle 1.7)

Directors should have the appropriate personal qualities such as loyalty, honesty, the courage to ask tough questions and exhibit high ethical standards. As a minimum directors should embrace fairness, respect, responsibility and safety as key guiding principles of ethical behaviour within their organisation.

Principle 1.11: That the roles of key positions in the governance system are documented and understood. Normally these positions should include:

- **Board**
 - **Chair/President**
 - **Directors**
 - **Company Secretary**
 - **Chairs of Board Committees**
- **Management**
 - **CEO**

Commentary and Guidance

As it is expected that national sporting organisation's will form a company limited by guarantee structure, then it will be necessary to appoint a company secretary to provide for the legal compliance requirements under company law.

Principle 1.12: That the CEO will not normally be a director of the board. This enables and supports a clear separation of powers between the board and management.

Commentary and Guidance

The ASC suggests it is good practice to ensure a distinction between management and board membership occurs and that the CEO of the organisation should not necessarily be a member of the board, however in this circumstance it is also good practice to ensure the CEO is aware of and present at board meetings to provide information and advice to the board on the operations of the organisation and to understand the direction provided by the board.

PRINCIPLE 2: BOARD PROCESSES.

Each board should agree to and document a clear set of governance policies and processes to facilitate effective governance. These processes should reflect best practice and be subject to regular review.

An effective board meeting should have the following attributes:

- A capable chair with meetings held regularly and attended by the appropriate personnel.
- Board papers for every item provided in advance so directors are informed and well prepared.
- Clear, timely and accurate recording of decision making and communication of outcomes to stakeholders.

Principle 2.1: That the board should document its meeting process. Normally this will include:

- **legal requirements;**
- **decision-making approach (consensus versus voting) and voting rights of attendees;**
- **protocol(s) for meeting conduct and director behaviour;**
- **logistical details such as meeting frequency, meeting location, timing of meetings, attendees, etc.**

Commentary and Guidance

The legal requirements in regards to meetings incorporate such items as; the official number required to make a quorum, the amount of notice required for calling a meeting, other such requirements as specified in the organisations constitution.

The frequency of meetings will depend on the size of the organisation and the internal and external circumstances, including any specific issues the organisation needs to deal with at any given time. A sports organisation board should meet no less than 6 times per year and often as regularly as monthly. The schedule of dates for board and committee meetings should be agreed in advance.

Principle 2.2: The board should prepare an agenda for each meeting. In addition, the board should agree how the agenda will be developed and the items for regular inclusion.

Commentary and Guidance

The governance policy should outline the process for establishing the agenda for each board meeting. It is essential that the board ensures meetings adhere to pre agreed time frames and that adequate time is given to each agenda item. It is also essential that the board ensures some agenda items are linked to the strategic objectives of the organisation and that there is an alignment between the reporting from management and the key performance indicators that have been approved by the board.

Principle 2.3: Board meetings should have appropriate documentation. This means issues submitted to the board should be in an appropriate and agreed form (a board paper) and be circulated sufficiently in advance of the meeting. The board should similarly maintain a clear record of decisions made through an appropriate and agreed minuting process.

Commentary and Guidance

The governance policy should determine timing with regard to receiving board papers in advance.

Minutes should be an accurate record of discussions held and should be distributed in a timely manner, usually within a week of the meeting. These should be agreed by the board and outcomes communicated to stakeholders again within a timely manner.

Principle 2.4: The board should be provided with all relevant information on an issue to enable proper execution of directors' duties. The board, or any individual board member should also have the right to request, through the CEO, any additional information from management if required. (see Principle 4)

Commentary and Guidance

The governance policy should state the circumstance when and how board members should go about accessing external or additional information in relation to board papers, for example a director may wish to receive additional financial reports to enable them to effectively carry out their duties.

Principle 2.5: The board should plan its key annual activities and develop a corresponding board calendar / work plan.

Commentary and Guidance

The board calendar / workplan should include major annual activities for the board agenda such as budget approval, strategy review, CEO evaluation and AGM etc.

Principle 2.6: The Board and each committee established by the board should have a term of reference or a charter. The terms of reference /charter should include, at a minimum:

- board / committee purpose
- authority delegated to the board / committee
- board / committee composition, including the appointment of a Chair
- reporting requirements
- delineation of the role of the board / committee and the role of management.

Commentary and Guidance

Board committees allow directors to give closer attention to important issues facing the organisation than is possible for the full board. Board committees are an effective way to distribute the work between the directors and allow more detailed consideration of specific matters.

The number of board committees, size and mix, will vary from organisation to organisation depending on its size, complexity and the challenges it faces. Sporting organisations should consider the need to have board committees, the following are examples; Audit, Remuneration, Selection and Technical. The function and importance of the audit committee are considered later in these guidelines.

PRINCIPLE 3: GOVERNANCE SYSTEMS.

The board is ultimately responsible for the success of the organisation it governs. Each board should clearly define its role in discharging this responsibility.

An effective organisation should have the following systems:

- A strategic planning framework, identifying core organisational values, goals and performance management indicators.
- Clearly document board / management interaction including appropriate delegations and authority of all parties.
- A thorough process for identifying and monitoring legal, compliance and risk management requirements.
- A thorough system of audit including internal and external processes.
- A performance management system to provide evidence and ensure monitoring of legal compliance and performance against plans.

Principle 3.1: The board should determine the process by which it will develop the strategic direction, key objectives and performance measures as well as core values and ethical framework for the organisation.

Commentary and Guidance

It is important that that a board regularly reviews its strategic priorities to ensure it maintains its competitive advantage and is clear on what it wants management to focus.

The ASC considers it important that all key stakeholders are consulted through the strategic planning framework to ensure future strategies are addressing the most pressing issues within the industry.

Principle 3.2 The board should develop a protocol outlining expectations for board-management interactions. This will normally include:

- **expectations regarding the use of a board member's networks/contacts;**
- **expectations regarding provision of advice to the CEO and management;**
- **a protocol for individual directors to acquire all information required for decision making and control. (see Principle 4)**

Commentary and Guidance

The relationship between management and the board is critical and must be supported by a clear segregation of responsibilities. At all times the board must be in control, however management must be accountable, operate with delegated authorities, have appropriate levels of skills and perform against the established key performance indicators.

Directors should not approach management directly but rather should channel all additional information requests through the Chair and CEO, unless specifically approved within the protocols.

Principle 3.3 The board should have in place an effective and efficient monitoring and evaluation system. This will include financial and non-financial monitoring. In particular, each board should monitor outcomes of the implementation of the strategies as the basis for the evaluation of overall performance and reporting to members.

Commentary and Guidance

It is essential that the performance indicators are clear and concise and more important can actually be measured.

It is also imperative that an organisation understand where they currently stand in relation to key performance indicators so a comparison can be achieved between past, current and future result targets.

Principle 3.4 The board should have in place an effective risk management strategy and process. This will require the board to take actions to identify key risks facing the organisation and ensure that risk management strategies are developed and actioned. The risk management system should comply with the Australian Risk Management Standard (AS/NZS4360:2003).

Commentary and Guidance

It is essential that an organisation regularly review its risk exposure across all facets of the organisation. In line with AS/NZS 4360:2003 an organisation should review the likelihood and impact of all possible incidents and assess the actions required to minimise, avoid or eliminate potential risks. An organisation should ensure it also assesses the opportunities forgone as part of its risks assessment and evaluation process, as risk is not only a negative element, the opportunity cost of not doing activities should also be considered.

In addition some events or activities often need a specific and comprehensive risk assessment done e.g the hosting of a large sporting event, in this situation a business case should be developed as part of normal risk management processes to assess the impact and potential outcomes, negative or positive, of such an event.

Principle 3.5 The board should implement an effective compliance system. It is recommended that this compliance system comply with Australian Standard AS3806:2006 and require, at a minimum, that:

- the organisation complies with all relevant statutes, regulations and other requirements placed on it by external bodies;
- effective internal controls exist and there is full and accurate reporting to the board in all areas of compliance;
- the organisation is financially secure and is able to meet all its financial obligations when they fall due, in the normal process of business.

Principle 3.6 The board should develop and document a regular (annual/six-monthly) performance review process for the CEO.

Commentary and Guidance

While the detail of the performance review may be undertaken by a board committee, at some point in the process all directors should have an opportunity to review and comment on CEO performance.

The performance indicators for the CEO should be clearly linked to the strategic goals and objectives set by the board and should be measurable. In addition the CEO should have performance measures linked to staff performances and key stakeholders relationships.

Principle 3.7 The board must ensure an effective audit system and process is in place. The audit process may include internal and external processes and systems.

Commentary and Guidance

An effective audit process should ensure there are adequate controls and systems in place to alert management and the board of potential financial risks associated with the operation of the sport.

Given the heavy financial focus on audit processes, management and board directors should have basic financial literacy that enables them to understand and actively challenge information presented.

Principle 3.8 That the board should establish an Audit Committee and that its role be set out by formal charter / terms of reference.

Commentary and Guidance

The existence of an audit committee is recognised as an important feature of good corporate governance. The committee should be structured with at least 3 people; the members should be financially literate and include at least one who has financial expertise (i.e. qualified accountant). The audit committee should only comprise persons who are not directly involved in management of the organisation.

The chair of the audit committee should be independent from the chair of the board.

The audit committee should take prime responsibility for but not limited to:

- reviewing the organisations annual financial accounts and recommending them to the board for approval.
- overseeing the relationship, appointment and work of the external and internal auditors.
- reviewing compliance related matters.
- overseeing the organisation's risk management framework.
- regularly reviewing the organisations ongoing financial accounts, systems and delegations.

The audit committee charter should clearly set out the committee's role, responsibilities, composition, structure and membership requirements. The committee should be given the necessary power and resources to meet its charter; this includes rights of access to management and to auditors without management present and rights to seek explanations and additional information.

If approved by the board an audit committee can extend their mandate beyond purely financial and audit matters to include compliance and risk management as areas of focus.

Principle 3.9 Since ultimate decision-making power rests with the board, the board should clearly document all delegations of authority to the CEO and other individuals, committees or groups. This document or delegations register, should be regularly reviewed and updated. It should be the subject of a formal board resolution.

Commentary and Guidance

To ensure the delegations document is not limiting and restrictive on the operations of the organisation it is often better to articulate the limits of management authority as opposed to trying to articulate every possible approval item. This approach will provide a framework from which management can operate within, without unnecessarily burdening the board with items management should clearly deal with.

PRINCIPLE 4: BOARD REPORTING & PERFORMANCE.

Each organisation should have a comprehensive reporting and performance management system in place to ensure organisational effectiveness and efficiency. It is essential that directors are provided with timely and accurate financial accounts to ensure effective decision making can occur.

In addition the board should review the director's individual and collective performance, including the effectiveness of the chair, to ensure they are discharging their responsibilities against that of the stated objectives. Ensuring a board and individual director development program in place including mechanisms to respond to non-performing directors.

An effective system of reporting and performance management should include:

- comprehensive and complete financial accounts
- a review and consideration of the accounts by an audit committee
- ensuring the independence of the organisation's external auditors.
- directors and board committee members being knowledgeable, well briefed and informed, having access to the appropriate information or advice when required and being provided with the opportunity for continuous improvement and education.
- a board and director performance evaluation system.
- an alignment between key performance indicators and the strategic objectives as outlined in the organisations strategic and operational plans.

Principle 4.1 The board should ensure that its officers and directors have appropriate insurance cover.

Commentary and Guidance

It is essential that all directors and officers in an organisation have the appropriate liability and indemnity cover no matter what the purpose or structure of the organisation e.g not for profit, as once an organisation starts incurring debts and liabilities directors are potentially liable to provide for any losses incurred.

Principle 4.2 The board should ensure all new directors undergo an appropriate induction process.

Commentary and Guidance

The induction process should ensure all directors have:

- an appropriate level of knowledge of the industry the organisation operates in.
- a clear understanding of an organisation's business operations.
- a clear understanding of the organisation's financial circumstances.
- a clear understanding of the organisation's strategy and direction.
- a high level knowledge of the business risks that may affect its success.
- access to relevant background information.

Management should provide a briefing session to all new directors once they have had time to assess the information stated above. This will allow them to address any concerns or queries they may have regarding the organisation.

Continuous education and professional development programmes should be made available to directors as necessary.

Principle 4.3 The board should ensure that a director can access independent professional advice to information if required and that this is appropriately protected with a deed of access or similar.

Commentary and Guidance

Board directors and board committee members should be entitled to obtain independent professional or other advice at the cost to the entity on pre-defined terms, these rights should be documented and provided to directors and committee members.

Board directors and board committee members should be entitled to obtain certain resources and information from the entity, these rights should be documented in the deed of access or similar document.

Principle 4.4 That the board receive timely and accurate financial statements and that these are presented regularly (preferably monthly). These statements should include:

- a profit and loss statement
- a balance sheet
- a cash flow statement
- a written report regarding material variances from budget
- budget versus actual on a month and year to date basis as well as identifying the full year budget

- a listing of all major outstanding debtors and creditors
- bank reconciliation (including bank account evidence)

Commentary and Guidance

The organisation should have a one year fully costed operation plan as well as having a more strategic 3-5 year financial plan which should link the financial objectives of the organisation with that of its strategic objectives.

It is critical that all directors understand and take their financial responsibility on the board seriously, ensuring they are able to comprehend and challenge the financial information presented to them by management.

It is critical that the board has detailed knowledge of the financial health of an organisation as it is illegal for an organisation to trade while insolvent and the directors could be held personally responsible.

Principle 4.5 That the full board of directors should annually meet and be debriefed by the external auditor on the state of the financial position and systems within the organisation and any issues identified throughout the audit process.

Commentary and Guidance

To ensure that each director can fully extinguish their fiduciary responsibilities, it is good practice that the full board meets with the external auditor annually to discuss the findings of the audit and any identified issues that may have arisen out of the audit.

This open and frank discussion allows individual directors the opportunity to receive further clarification of any certain issues to ensure they fully understand the financial operations and health of the organisation moving forward.

Principle 4.6 That the board should regularly review and assess its own performance and the performance of individual directors including that of the chair and that of its committees.

Commentary and Guidance

Done well, board assessment can be an extremely productive process. A robust and successful assessment process will give the board:

- a balanced view of its performance identifying the positive aspects of the board's operation and areas for improvement.
- a benchmark against which the board can assess its collective and individual progress and performance over time.
- a basis to establish agreed performance objectives for the board.

The process should include mechanisms such as; external facilitators, assessment questionnaires, confidential non-attribution interviews and a workshop of the findings. Additionally 360 degree feedback from the likes of management and key stakeholders enhance the comprehensiveness of any program. An effective program should also include separate assessments of individual director's performance and that of the chair.

PRINCIPLE 5: MEMBER RELATIONSHIP & REPORTING.

The board should ensure it exercises leadership, integrity and good judgment, always acting in the best interest of the organisation as a whole, demonstrating transparency, accountability and responsibility to its members.

An effective organisation should ensure its members are:

- consulted and involved in the development of the sports strategic plan.
- supportive of and actively involved in achieving the outcomes of the national plan.
- well informed and actively participate at its general meetings.
- regularly provided timely and accurate disclosures on all material matters regarding the governance and performance of the organisation.

Principle 5.1 The board should strive to ascertain the interests, aspirations and requirements of members and create responses to these in the form of a national strategic plan with alignment between this and member plans.

Commentary and Guidance

Existing boards should canvass the interests, aspirations and requirements of key members. The board should have in place a process that reports and receives feedback from members.

All members should embrace the strategic plan of the sport and should work towards the achievement of its outcomes. In federated organisational structures it is essential that member bodies are working towards a unified strategic document and are held accountable for their outcomes.

Principle 5.2 Members of an organisation should have the ability to remove board members (or a board as a whole) and change the constitution should they see fit in accordance with applicable legislation.

Commentary and Guidance

It is a guiding principle of law that members must have the right to remove the board and change the constitution as they see fit, as they are ultimately the owners of the organisation.

There may be circumstances where certain arrangements are in place that restrict the members capacity to make change, however these should only be temporary measures in periods of instability and ultimate power should always return to that of the members.

Principle 5.3 Board directors should have no voting rights at general meetings.

Commentary and Guidance

Where the membership of an organisation comprises other organisations, clubs or groups of individuals, board directors should not be eligible to vote at General Meetings or Annual General Meetings. This ensures a clear separation between the “owners” and the “governors” of the organisation.

Principle 5.4 The board should provide the members with a comprehensive annual report outlining how they fulfilled the governance roles of the organisation, the achievements of the organisation, the aspirations of the organisation and sufficient financial information so that members can make a judgment as to how effectively the board is fulfilling its role.

Commentary and Guidance

The system of governance should ensure that timely and accurate disclosures are made on all material matters regarding the organisation, including governance, financial situation and performance of the organisation.

It is not appropriate that these reporting documents are delayed; it is the board’s responsibility to ensure the appropriate legal timeframes are met.

Disclosure should include, but not be limited to material information on:

- any legally required information as per the relevant act.
- the financial operating results
- the entity’s strategic objectives and goals
- members of the board and key management personnel
- material foreseeable risks
- material issues regarding employees and other stakeholders
- governance structures and policies

PRINCIPLE 6: ETHICAL AND RESPONSIBLE DECISION MAKING.

Each board should ensure and actively promote ethical behaviour and decision making within their organisation. Good corporate governance ultimately requires people of integrity to ensure the reputation of an organisation is managed, protected and enhanced.

A culture of integrity and ethical behaviour is characterised by:

- an effective code of conduct
- quality decision making processes
- people of the highest integrity and ethical standards
- an intent to put the organisation ahead of individual gains

Principle 6.1: That the board establish a code of conduct to guide directors, the CEO and other senior management as to:

- **the practices necessary to maintain confidence in the organisation's integrity.**
- **the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.**

Commentary and Guidance

The code of conduct should set out ethical and behavioural expectations for both directors and employees. It is critical that both the board and senior management demonstrate, through both their words and actions, absolute commitment to the Code and stakeholders in its execution.

Adherence to the Code should be periodically evaluated and action taken, where necessary.

Principle 6.2: That the board ensure key decisions and actions are based on a thorough review of all available information and are assessed against the organisation's risk management framework and that these are documented.

Commentary and Guidance

When organisations embrace opportunities to expand or promote the sport they should assess the opportunities against the risk framework and key strategic objectives of the organisation.

There should be evidence of an evaluation of the benefits and risks prior to any key decision being taken by management or the board.

Principle 6.3: That the board ensure a business case is developed for each major project or significant activity or event prior to the organisation committing resources and that the worst case scenario has been evaluated and can be mitigated / managed by the organisation.

Commentary and Guidance

The development of a business case allows sporting organisations to embrace opportunities to expand or promote the sport through a major event / activity by assessing the ability of the organisation to sustain a worst case scenario loss.

Given that most sporting organisations have very limited available resources the assessment of risk and opportunities is critical to the long term viability of the organisation.

To not develop business cases for major projects and events potentially leads to poor decision making and lack of awareness of the various scenarios that may play out, hence all major events and activities should be fully costed and assessed for variations from budgeted figures prior to the organisation committing scarce resources.

Members	Those persons, clubs or associations that by virtue of fulfilling the conditions stated in the constitution belong to or “own” the said sporting body.
Board	The official group of people (directors) empowered through the constitution to oversee the running of an organisation.
Appointed Director	A person who is on the board of directors of an organisation by virtue of being appointed by the board for a set period of time.
Elected Director	A person who is on the board of directors of an organisation by virtue of being elected by the members of the organisation.
Independent Director	A person who has no direct links, perceived or real, to any official position within the organisation or its directly related member bodies.
National Sporting Organisation	The organisation recognised by government and the majority of playing participants as the national representative for that sport.
Organisation	A collection of persons, clubs or associations registered as an incorporated association or Company limited by guarantee.
Material Variances	A variance that be virtue of its size or impact would materially change the result or outcomes for an organisation had it not been adjusted.
Legal Compliance	Adherence to the various laws and statutes that govern the operations of the organisation by virtue of the activities that it is involved in.

GLOSSARY OF TERMS

Attachment D – Softball Australian Organisation Chart

Softball Australia Organisational Chart (Possible future model)

Chief Executive Officer

- Management
- Governance Support
- Strategic Planning

Contractors

- Communications
- Marketing
- IT/Website

Functional Areas

Competitions	Community Development	High Performance	State Administrators (Vic/WA/SA)	Finance & Administration
<ul style="list-style-type: none"> • Fixtures • Results • Statistics • National Championships • Special Events • Leagues 	<ul style="list-style-type: none"> • Coach Education • Officials Education • Capability Building of Community • Licensing Models • Junior Pathways 	<ul style="list-style-type: none"> • National Teams • Elite Pathway Players • Elite Pathway Coaches 	<ul style="list-style-type: none"> • State Operational Planning and delivery • Office Management • Finances • State Database 	<ul style="list-style-type: none"> • Accounts • Budget • Business Plans • Reporting • Office Management • Website entries

Attachment E – Softball High Performance Program ‘SWOT’

Strengths	Weaknesses
<ul style="list-style-type: none"> • Softball is a team sport with quite definite individual challenges • The athletes – given the right environment, they can deliver (Australian determination) • Coaching – High quality NTC coaches and others • AIS & NTC system – centralized programs • National League (+ draft system) • Fitness, athleticism, pitching ability (Nat Team) – training. (Aust trains more than others) • Contributing older players; Success legacy • Equipment and infrastructure • Success of men despite no funding • Involvement of schools in the game • Easy access to Japan and NZ (strong countries) • Good international opportunities (M&W) • Window as a summer sport in Australia. 	<ul style="list-style-type: none"> • ‘Kitchen table’ governance and management • Restrictive rules controlled by admin, not HP • Lack of opportunities and limited pathway for HP coaches • Current generation is ‘hand out’ not ‘hand up’ • Limited development & opportunities for next generation (old team, little upward pressure) • Narrow, linear pathway: U19 → U23 → Open. Not optimal. Is it working? • Losing athletes (mid-late teens) • Not enough games played by young players against quality opposition • Nature of the game – hard to measure improvement, achievement, success • Issues with lack of professionalism, responsibility, passion in current generation • Limited sharing of info and ideas amongst national level (NTC) coaches. • HP Program removed from the rest of the sport
Opportunities	Threats
<ul style="list-style-type: none"> • New ideas – change! • Work out what is really important – what is the appeal of the sport and what is worth fighting for • Rationalising M & F sides together • Getting more past and snr players involved • Elevation of status of ‘World Champs’ • Using overseas programs and leagues • Opportunities for formalised international relationships and tournaments • Longer term planning – for development • Camps for kids – promotes the sport • Merchandising and the ‘product’ • Expanding the ‘Friendship Festival’ • Links / +ve relationship with schools system • Rejuvenation of the club system • Lack of funds bringing everyone together – fund raising, sense of community, passion for sport. 	<ul style="list-style-type: none"> • Loss of funding – ASC, AIS, AOC, SIS/SAS • Loss of programs (AIS, SIS/SAS) • Loss of Olympic status • Possible weakening of the sport internationally • Link to baseball’s negative image • Loss of key people (HP staff) • If Nat League has to be self-funded, it will not survive (Needs SSO buy in and ownership) • Competition from other sports and inability to attract players to softball • Insufficient membership numbers.

Attachment F – Australian Softball Financial Snapshot

Softball in Australia - Financial Dashboard

- Analysis of the collective financial position (NSW, SA, WA, Soft Aust, QLD, ACT, Vic, TAS & NT) of Softball in Australia.
- Five states had a deficit in 2007 that totalled \$81,213 with three states and Softball Australia achieving surpluses of \$100,403. Only Softball Australia and Softball Victoria have returned two consecutive surplus results while Softball New South Wales is the only entity to have returned two consecutive deficits.
- Asset base in 2007 consists of 38% cash / 39% property / 11% debtors / 6% softball equipment / 6% funds in advance
- Profit margin across the sport in 2007 was .2% per year
- 2007 Cash reserves of \$552,000 = 8% of annual turnover; ideal position should be 20% of turnover or \$1,320,000)

Profit & Loss	2007	2006
Income	6,613,812	6,307,242
Expenditure	6,594,718	6,083,115
Unusual Activity		

Profit/Loss	19,095	224,127
--------------------	---------------	----------------

Statement of Financial Position	2007	2006
Assets		
Cash	1,353,741	1,652,429
Debtors	395,387	356,228
Equipment	215,777	187,246
Property	1,365,733	1,372,097
Pre-payments	213,068	234,010
Provisions	(4,738)	3,774
Total	3,538,988	3,790,730
Liabilities		
Creditors	357,997	315,856
Employee Entitlements / Tax	280,035	279,963
Pre-payments	614,680	866,301
Provisions	156,006	292,590
Loans	1,153	14,510
Total	1,411,978	1,773,485
Net Assets	2,127,009	2,017,250

Attachment G – Registered Membership Data

	Season	NSW	Season	Victoria	Season	South Australia
Forecast Numbers	2010/2011	9,691	2010/2011	2,276	2010/2011	1,952
	2009/2010	10,345	2009/2010	2,518	2009/2010	2,190
	2008/2009	11,042	2008/2009	2,785	2008/2009	2,457
	2007/2008	11,787	2007/2008	3,081	2007/2008	2,757
Actual Numbers	2006/2007	12,582	2006/2007	3,409	2006/2007	3,093
	2005/2006	13,676	2005/2006	4,040	2005/2006	3,619
	2004/2005	14,732	2004/2005	3,912	2004/2005	3,652
	2003/2004	15,125	2003/2004	4,627	2003/2004	3,630

	Season	Queensland	Season	ACT	Season	Western Australia
Forecast Numbers	2010/2011	5,961	2010/2011	2,301	2010/2011	2,274
	2009/2010	6,179	2009/2010	2,453	2009/2010	2,558
	2008/2009	6,405	2008/2009	2,615	2008/2009	2,878
	2007/2008	6,640	2007/2008	2,787	2007/2008	3,238
Actual Numbers	2006/2007	6,883	2006/2007	2,971	2006/2007	3,642
	2005/2006	6,986	2005/2006	2,858	2005/2006	4,356
	2004/2005	7,335	2004/2005	3,101	2004/2005	4,719
	2003/2004	7,855	2003/2004	3,652	2003/2004	4,751

	Season	NT	Season	Tasmania
Forecast Numbers	2010/2011	405	2010/2011	112
	2009/2010	423	2009/2010	169
	2008/2009	442	2008/2009	254
	2007/2008	463	2007/2008	382
Actual Numbers	2006/2007	484	2006/2007	575
	2005/2006	371	2005/2006	555
	2004/2005	360	2004/2005	536
	2003/2004	370	2003/2004	1,140

- This report forecasts the participant numbers in the next four-years using the average participation trend from the previous four-years as a guide.
- Collectively, 8669 players could leave the sport before 30 June 2011.

Attachment H – Strategic Plan Scorecard

Objective	Progress and measurement
1.1 To increase registered participants throughout Australia from a base of 38,000 with an annual increase of 2.5% per annum	Numbers have declined (32,421 – 06/07 Annual Report)
1.2 To increase the number of accredited coaches, umpires, scorers and administrators from 2656 to 2710 (an increase of 2.5% per annum)	Numbers have declined (2,338 – 06/07 Annual Report)
2.1 To provide leadership, coordination & management of softball across all levels through the provision of: softball.org.au system; SA rules & regulations; policy development; a budgeted strategic / operational plan for each area of operation; better education	Website, rules, policies developed. Operational budgets developed not necessarily operational plans. Better education not explained.
2.2 To promote active involvement in the review and implementation of the SA strategic plan and all national programs and policies	No agreement reached with Members on strategic direction and implementation or adoption of policies and plans on a national basis.
2.3 Establishment of planning and performance reporting for Softball Australia Board, staff and volunteers and review of the Board's effectiveness	Performance reporting to Board by some program areas, but question appropriateness of this (should reporting be to CEO?). No review of Board's effectiveness.
2.4 Be an active participant in international activities	Achieving
2.5 To reduce the exposure of Softball Australia to risk	No risk review process or strategy
3.1 To improve the performance of our Women's National teams at World Championships and Olympic Games	Maintaining, not improving, international success. Women's team is top 3 in the World and in the mix for any medal.
3.2 To develop an appropriate pathway for the identification and development of emerging talented players	ASC & SIS/SAS support for women's TID, ISP and use national junior and senior championships to assess players of interest.
3.3 To create opportunities for the development of high performance coaching	Sport is not producing opportunities for local high performance coaches. Most current HP Coaches come from baseball or overseas
3.4 To maintain and improve the management processes for the High Performance Programs	HPMC meets 2x/yr and reports to Board – good relationship with Board and CEO. Monthly reporting process for NTC coaches and 2x/yr NTC coach meetings to supplement JMC / BAP process.

Objective	Progress and measurement
3.5 Ensure Softball Program remains an international leader in terms of performance enhancement, SS/SM, Technology and Athlete Welfare	SSSM and technology are as good as anywhere in the world of softball. General view is that the high performance culture lags other Olympic sports for the women, with limited upward pressure placed upon established players from emerging talent. Very few national players are F-T.
3.6 To improve the performance of our Men's National teams at World Championships and other international events	Performances have improved (need stats). Now firmly in top 3.
3.7 Maintain the Under 19 men's team as number one and provide athletes for the Open National Team	Team's international ranking maintained – won the last three world championships (1997, 2001, 2005).
4.1 To maintain the financial stability of Softball Australia	Financial monitoring systems need reviewing. ASC funding likely to reduce post 2008.
4.2 To increase revenue from government & non-government sources	Sport is heavily reliant on ASC and AIS funding and support, particularly elite women
5.1 To increase the marketing, awareness & promotion of softball both within softball and to the wider community	Membership is significantly concerned over lack of awareness and promotion of the sport
6.1 To conduct world class international events	Achieving
6.2 To establish annual international events with Asian nations	Discussions in progress. Formalised relationships and events needed.
6.3 To establish a National League incorporating the Open women's national Championships (Gilleys Shield) and the Grand Prix Series	Established, but reliant on support of state sports institutes and SSOs. Appropriate format and parameters not finalised – to be implemented in 2008/09.
6.4 Conduct Open Men's National Championships with event management at world class standard	Event conducted – standard of event management not assessed?
6.5 Conduct underage National Championships with event management at world class standard	National championships conducted – standard of event management not assessed? Scheduling of events not considered optimal.

Attachment I – What is a Company Limited by Guarantee

Companies limited by guarantee

What is a company limited by guarantee?

A company is a body corporate registered in Australia under the Corporations Act 2001 ('the Act'). The Australian Securities and Investments Commission, commonly known as ASIC, registers and regulates companies.

The Act recognizes a number of different types of company. A company limited by guarantee is a company where the members are persons who guarantee the debts of the company. Generally, the members' guarantees will be for a fixed amount (for example, \$10.00). This means that the liability of the members of the company is limited to the amount of their guarantee (for example, \$10.00), even where the company is wound up with debts that exceed the amount of the members' guarantees.

A company limited by guarantee does not have shares. Companies limited by guarantee do not, therefore, have any means for distributing the company's earnings to the company's members. This is why companies limited by guarantee are often used for 'not for profit' activities.

All companies share the following general characteristics:

- it is a body corporate created by law;
- it has all the powers of a natural person;
- it can sue and be sued in its own right;
- it can buy and sell property in its own right;
- it has officeholders (such as directors and a company secretary);
- it has a registered office;
- it has members who are entitled to vote at annual general meetings and extraordinary general meetings. The members vote on issues such as changes to the company's constitution and the appointment of directors; and
- it has perpetual succession (that is, it continues even if its members die or resign).

What are the advantages and disadvantages of being a company limited by guarantee?

Some of the benefits of being a company are:

Limited liability - The liability of members is limited. In the case of a company limited by guarantee, the liability of the members is limited to the amount of their guarantee. The amount of the guarantee is generally specified in the company's constitution and is often fixed at a nominal amount.

Trading nationally - Once a company is registered under the Corporations Act 2001 it can operate anywhere in Australia.

Indemnifying directors - The Corporations Act 2001 provides that, in certain circumstances, a company can indemnify its own directors and officers against personal liability that they may incur in the course of performing their duties.

Some of the disadvantages of being a company are:

Costs - A company can be expensive to set up. Generally, a company limited by guarantee will cost approximately \$1200 to set up and register. There are also annual fees of approximately \$300.

Disclosure and reporting requirements - The administrative requirements associated with a company are more onerous than for incorporated associations. Companies limited by guarantee are subject to the disclosure requirements that apply to public companies under the Corporations Act 2001. There are also specific financial and auditing requirements that need to be met.

What is the difference between a company limited by guarantee and an incorporated association?

	Company limited by guarantee	Incorporated association
Status	Body corporate with separate legal personality	Body corporate with separate legal personality
Registration	Companies are registered and regulated by the Australian Securities and Investments Commission (ASIC).	Incorporated associations are registered and regulated by the State or Territory in which the association is based.
Home	Registered office	Principle place of administration
Life	Perpetual succession	Perpetual succession
Liability of members	The liability of the members of a company is limited. In the case of a company limited by guarantee, the members are only liable for the money they have guaranteed to contribute.	Members' liabilities are generally limited to outstanding subscriptions and other charges.
Owning	The company itself can buy and sell property.	The association itself can buy and sell property.
Trading	Can operate anywhere in Australia.	Can operate in the State or Territory in which it is registered.
Legal rights	The company can sue and be sued.	The association can sue and be sued.

Further information

Australian Securities & Investments Commission (ASIC)
Corporations Act 2001

Attachment J – 2008/09 Reform Schedule

Area	Activity	Timeframe
Constitutional Reform	Draft new Constitution	April – July 08
	Consultations with stakeholders on the draft Constitution in preparation for AGM remit.	August – September 08
	Constitution adopted at the AGM	October 08
Staffing reorganisation	Interim management structure implemented allowing CEO clearance to progress reform.	April 08
	New organisational structure developed and implemented.	June 09
Planning and Reporting	Planning and reporting framework developed for 2009/13 quadrennial.	August - September 08
	Framework consultation with States	September 08
	Development of a Softball strategic plan for 2009 – 2013 (including building capacity at the base of the sport) inclusive of stakeholder consultation	October – March 09
	National costed operational plans developed	April – May 09
Sports National Infrastructure	National census undertaken of softball clubs and associations.	June 08 – December 08
	Census report developed to identify key strategies in building sports capacity.	January 09 – June 09
	Resource plan developed to implement capacity building strategies	May – June 09
	Capacity building strategies implemented	July
Financial Recovery Plan	Strategic financial outcomes identified	May 08
	Financial analysis conducted and a Financial Recovery Plan prepared for Softball incorporating each Member State and Territory	May – June 08
Reducing duplication	Investigate and propose minimisation of duplication e.g. payroll, financial software (MYOB), national database, common web platform, shared website maintenance position, common chart of accounts, common auditor, staff recruitment, etc.	March – June 08
National Database	Finalise the collection method to populate a national database from state membership data	May 08

Attachment K – 2009/10 Reform Schedule

Area	Activity	Timeframe
Slow-pitch licensing model	Investigate and set-up a licensing model for slow-pitch for implementation in the 2009/10 financial year.	July 09 – December 09
National Service Agreements	Negotiate and sign service agreements between Softball Australia and the Boards of Victoria, South Australia and Western Australia for the period 2010 - 2015	July 08 – December 08