

## 'WHOLE OF SPORT REVIEW'



### Recommendations

**Motorcycling Australia (MA)**

**25 May 2015**

**'MAKING MOTORCYCLING**

**MAINSTREAM'**



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## 1. TERMS OF REFERENCE

The main priorities of the review were to:

1. Look at all commercial, financial and operational aspects of the sport and the associated interface between MA and the SCBs.
2. Review the current Strategic Plan as a component of the extensive national consultation process and develop a new and challenging 'Motorcycling Australia 2020 Road Map'.
3. Evaluate the current MA Constitution as a component of the governance review and ensure that it is a suitable 'building block' for future growth.
4. Investigate and benchmark MA's corporate governance against other comparable models and particularly, the Australian Sports Commission (ASC) 'Mandatory Sports Governance Principles' dated March 2013.
5. Compare existing staffing arrangements and roles within the MA office with a number of selected National Sporting Organisations (NSOs) to ensure that MA has the required 'firepower' to deliver its updated Strategic Plan (2015-2020) in conjunction with the SCBs.
6. Provide general and specific comment/advice on any risks confronting the MA Board and MA as an organisation.
7. Consult widely with SCBs, Board members, riders, staff (state and national), sponsors, the media, the ASC, track owners, commissions, officials and any other stakeholders identified by the Review Panel. A detailed 'Consultation Plan' to be developed, in conjunction with the 'Review Panel', as the first priority on appointment.
8. Provide a practical, achievable, well-researched report and 'Action Plan' with associated recommendations.



## 2. BACKGROUND TO THE REVIEW

With the recent appointments of a new President (Braxton Laine) and CEO (Dale Gilson), the Board of MA, in conjunction with the SCBs, decided that it was timely for the stakeholders of motorcycling in Australia to review MA's long term strategic, business and participation models in order to guarantee the sports' long term future.

A Review Panel comprising Chair Ross Oakley, Braxton Laine, Brenton Matters, Wayne Holdsworth, Dale Gilson and Dana Assenheim was formed to oversee and monitor the direction and output of the review. Peter Phair (Director) 'PEP-Management & Health Services Pty Ltd' was the appointed consultant and he drove the entire review process.

The review commenced on Thursday 4 December 2014 when the 'Review Panel' met for the first time in the Board Room at Motorcycling Australia, 147 Montague Street, South Melbourne. At this meeting, the 'Terms of Reference' and 'Consultation Plan' were discussed and approved. A further four (4) meetings were held along with much discussion by email.

The Review Panel played a critical role in ensuring that the 'Whole of Sport Review' (WoSR) focussed on all the matters articulated in the 'Terms of Reference'. Specifically, the Panel looked at the commercial, financial and operational aspects of the sport and the all-important interface between Motorcycling Australia (MA) and the various State Controlling Bodies (SCBs).

The review findings are a result of an extensive consultation process that involved face-to-face meetings with identified key stakeholders from each SCB. These information sessions/meetings were conducted in each State and Territory and were designed to ensure each Member State had an equal opportunity to provide their input into the review. In addition, the Panel also developed a 'Member Survey' that was used to gather feedback from the wider membership on a range of issues in relation to what services/programs were most wanted and how well the organisation delivered on existing ones.

In total, 3,168 respondents completed the survey.

A number of additional face-to-face interviews were conducted with a range of stakeholders, including past MA Board members, promoters, media representatives and members.

The panel is particularly pleased with the open and cordial response from all those that spoke to us and contributed their views and we thank them all for the important part they played in formulating the recommendations contained in this report.



### 3. A MESSAGE FROM THE CHAIR OF THE REVIEW PANEL

Motorcycling Australia (MA) is well placed to develop its' profile and build its' membership base in the coming years, but much has to be changed in the way the organisation is governed and managed before this can be achieved.

We found many issues that must be addressed, but interestingly, these issues are no different from those that most sporting organisations have faced at some time during their existence.

In reviewing all the feedback from the consultation process, I formed a view that if the key players kept on blaming others (or each other) for all the things that were wrong in the sport, nothing would ever change. An attitude change is the first imperative.

The overriding conclusion that I came to was that no current personnel were particularly to blame for the problems that MA face today; it was more to do with how they were required to work within the systems and structures that have been allowed to develop over a period of many years of purported autocratic management. Change needs to be actioned urgently to recover the ground lost.

Certainly, when stakeholders were told that 'no change' was not a viable option, they immediately warmed to the view that *'if we keep on doing what we have always done, we will keep on getting what we have always got'*. Using this quote as the 'catalyst for change', most stakeholders accepted the premise that unless a major change (or a 'Breaking of the Mould') took place, a wonderful opportunity to take this sport to the next level would be wasted.

As indicated, most, if not all sporting organisations have or will go through this painful process; it's how they deal with the necessity for change and acceptance of what is required in their sport to 'break the mould' that determines whether they move forward with a positive outlook and a real chance of growth and success. During the review process I have noticed these changes starting to occur and this bodes well for the future of the organisation and more importantly, for the sport.

However, MA needs to become far more 'customer focussed', particularly in relation to riders and clubs, and it needs to make it easier for people to participate in the sport. They need to become 'enablers' not 'impeders' and it is critical that the State representative offices (SCBs) are formally recognised as the key 'delivery arm' of the organisation. With this in mind, the MA Board Charter must contain a mandate that the welfare and development of clubs must always be a factor in all MA Board decision-making. All sectors of motorcycling need to abandon their inward looking focus. MA must now focus outwardly on market possibilities to develop and become more 'mainstream' and the MA Board (and management) must be given the resources to do so. In other words, MA must ensure that their members/riders are more connected, the 'heroes' are well known and recognised; and the sport receives better and more positive media coverage and promotion. Inclusion is the key!

MA has recognised that it now needs to invest in the future by implementing a range of strategies that will provide opportunities to grass roots participants, provide assistance to clubs to enhance infrastructure for members and provide a safe and enjoyable environment for all riders. The focus **must** be fairly and squarely on the MA clubs because in essence, that is really why the organisation exists!

Rather than wait until the WoSR was completed, the Panel commissioned two important additional reviews to 'clear the decks' and inform the process. The first project was a 'Financial Review of MA Income and Expenditure' (conducted by KPMG) and the second, a comprehensive 'Review of Motorcycling Australia Insurance Limited (MAIL)' which was also undertaken by KPMG.

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As most would know, KPMG is one of the world's leading professional services networks. We felt it critical to utilise KPMG's services in this review to ensure independence and a critical and unbiased analysis of these two very important areas of MA's operations. While both reviews had not been completed at the time this report was finalised, I am sure that they will assist the organisation in developing the new 'Funding Model' and also, in ensuring that MA insurance arrangements continue to support and protect all participants.

I would like to thank all the individuals who have provided input either by attendance at one of the meetings, via telephone interviews, written submissions or responding to the WoSR survey. It was obvious to us that we were dealing with a large number of very dedicated and passionate people – who all love the sport of motorcycling!

Finally, I would like to express my appreciation to my fellow Review Panel members: Braxton Laine, Dale Gilson, Brenton Matters, Dana Assenheim and Wayne Holdsworth. Your commitment, work ethic and professionalism were outstanding.

Finally, it was a real pleasure working with the appointed consultant, Peter Phair (Director) PEP-Management and Health Services Pty Ltd. Peter approached his role with great professionalism and worked tirelessly throughout the review process that was far bigger than originally thought, to ensure the investment of money and time by Motorcycling Australia was not wasted.

### Ross Oakley OAM



## 4. EXECUTIVE SUMMARY AND RECOMMENDATIONS

Motorcycling Australia (MA) operates under a federated (or 'Traditional') structure. States nominate delegates (Presidents) to represent them on the Council of this national sporting organisation. This means that the State/Territory Branches (or State Controlling Bodies) are the constitutional members of the Federation ('Shareholders') and their Council representatives play a key role in the appointment of the MA Board.

When one looks at Motorcycling Australia (MA) today and sees a reasonably asset rich organisation with MA owning its' own office block and a number of states owning multiple properties in their portfolios you would be inclined on first look to say that its' business operations cannot be far from the mark.

The five (5) strong states are all in a similar position with no shortage of income or reserves to inhibit growth. Following is a summary:

- Motorcycling Victoria (MVIC) own their current office space and the office next door, and they are currently in the process of developing their Broadford site.
- Motorcycling Queensland (MQLD) also own their own office space that is also an income earning asset by virtue of several tenants. They also own an adjoining block of land and are developing Queensland Motor Park.
- Motorcycling NSW (MNSW) own a number of properties, including their office. They are also investing in the development of their Nowra site.
- Motorcycling South Australia (MSA) own their current office.
- Motorcycling Western Australia (MWA) own their office building.
- Motorcycling NT (MANT) and Motorcycling Tasmania (MTAS) operate with a part time/casual administrator.

There are also considerable funds being held in the Motorcycling Australia Limited's (MA's) wholly owned captive, MA Insurance Limited (MAIL).

However, it could be argued that the organisation as a whole has been excessively careful with its' income retention and investments for the future at the expense of the promotion of the sport and the servicing of its' rider members. The reviewers were advised that collectively, SCBs have in excess of \$20 million in assets and considerable cash in the bank.

Indeed, a closer examination reveals an organisation that has many impediments to growth and an organisation riddled with confused messages, poor decision-making as a result of poor governance, no clear plan and one that has reported several fiscal deficits over recent years. Obviously, the funding model is outdated when considerable funds are potentially available to address serious member concerns relating to the provision of basic infrastructure for members, riders and spectators.

The reviewers believe that by assisting MA clubs to provide the 'basics' (canteens and toilets), clubs will be better placed to generate additional income that will ultimately enable them to grow member numbers and provide a much more enjoyable experience for all those involved in the sport. The key question for all key decision-makers to address is whether the entire organisation (MA and SCBs) are prepared to utilise the considerable retained member profits to grow the sport!

Motorcycling Australia is slowly emerging from an era of purported autocratic management (and some would even use the word, domination) that exhibited all the typical traits of an autocracy, these being a lack of real consultation with grass roots participants; poor engagement with stakeholders; ineffective communication channels; a lack of trust between all parties; concerns over the transparency of decision-making; conflicts of interest; and a failure to provide adequate responses to questions in relation to financial management and concerns over the governance of the organisation.

Yet, as stated previously, MA and its State Branches (SCBs) have still managed to accumulate the nest egg of assets that one could argue, some of which could and should have been used to develop and promote the sport across the entire country. Certainly, jurisdictions such as Tasmania and NT would be major beneficiaries of any revenue-sharing model that would provide much needed assistance to those member bodies that are not in a position to accumulate the same level of funds and assets as the larger States. Interestingly, AFL power clubs such as Collingwood and Hawthorn (it was reported on 7 May 2015) could be forced to *'pour millions into an equalisation superfund to assist the financial battlers.'*

A large number of stakeholders indicated that many questions have been asked over the past 10 years, with many still remaining unanswered. As in other organisations where structure does not encourage proper governance, bad habits, poor decisions, a lack of due diligence and sloppy practices can ultimately become standard operating procedures.

This appears to be the case at MA. However, with new people at the helm at both a State and National level, there is a certain degree of optimism and strong commitment to a change agenda that can only benefit members and all stakeholders.

With a new President and CEO appointed in the last 12 months, it was felt that the time was right for MA to undertake a comprehensive 'Whole of Sport Review' (WoSR) to not only look at what has happened over the last few years but more importantly, to chart the way forward in a more strategic and measured way. Crucial to the future is putting in place a new centralised funding model that is equitable to MA members and provides funds for on ground delivery back to the clubs so that they can achieve long term financial sustainability.

Feedback from the vast majority of stakeholders (State Associations, Clubs, riders, promoters, parents, officials etc) has indicated that MA is currently not in a 'good place'! The reputation of the national body is poor, there needs to be cultural change within the MA 'family' and the organisation needs to develop and then sell a clear but simple vision and associated strategic direction. This is starting to happen.

**And, this must be fostered by getting MA head office resourced appropriately to properly service its' members and State offices.** The Review Panel were unanimous in their view that a funding model whereby most of the finances should be channeled into the National office to be utilised wisely on programs and resources to build the sport is the way forward to grow the sport. However, implementing this new model will rely heavily on the SCBs feeling confident that the Board and management can be trusted to expend funds in an equitable, transparent and responsible manner. This may take some time.

Another crucial factor for the future success of MA is a thoroughly reformed relationship between MA and the SCBs in relation to operations and funding. A more collaborative MA-SCB relationship is the most likely condition for future success and the source of the most innovative ideas to grow the sport.

During our examination of MA we found there is one glaring and obvious **Fact: 'Governance and management of the sport are not working effectively!'** Following is a summary of the issues and the reality of what is required to correct the current situation:

**Issue 1: 'Conflict of Interest' in decision-making is widespread.**

- Experience shows that good "whole of sport" decision-making is not common when conflicts of interest exist.
- A Board that feels truly independent, is appropriately authorised and properly funded to act will not be hampered by those conflicts of interest and will dramatically improve decision-making.
- The MA Board should be chosen by a Selection or Nominations Panel appointed by the Council (effectively the sports shareholders), supported by both the Council and Board and voted on as a whole. The calibre of person required to provide the necessary credibility will require a selection methodology of this nature. This will require a constitutional change.

**Issue 2: The Council are currently making or significantly influencing too many day to day decisions which cuts across the independence of the Board and confuses staff. There is currently no trust between the Board and the Council and vice versa.**

- This relationship should be improved when the recommended selection process is implemented and an independent appropriately skilled Board is in place. MA must clearly delineate which body does what, but particularly, specify the restricted role the 'conflicted' Council should play.
- The current culture whereby SCBs can adopt a *'take it or leave it'* approach in regard to Board decisions (or CEO directives) is not sustainable, is confusing, will lead to a disjointed market interaction and can't be tolerated in a professional organisation. A requirement that ensures that fulfilment of all Board policies and Chief Executive directives is required either by:
  - Introduction of a License Agreement, or
  - A change in constitutional directive

**Issue 3: Currently the State Associations (or SCBs) do not see MA Head Office as a positive contributor and a vital, essential part of MA State operations.**

- The MA Board and administration are working from a very low funding base provided as 'handouts' from the States and are therefore not able to employ the people needed to turn this situation around. Whilst this lack of service is frustrating for the Council and State Associations, (and incidentally, frustrating to the MA Board as well) the current financial model does not give MA the wherewithal to operate effectively.
- A new "break the mould" funding model must be implemented to correct this situation. Our recommendation is that in the future MA issues all rider licences and consequently, receives all this funding. Based on an agreed distribution model, MA would then retain an agreed amount (or percentage) of this income to operate the national body and finance national programs.
- This would then enable MA to properly resource a commercial/marketing department, which in turn would ultimately generate additional income for distribution, but would also provide much needed economies for the SCBs from centralising licensing operations.
- Additional funding would also be provided to State Associations by MA for a number of national programs.

**Issue 4: The MA Chief Executive (new title) has minimal control, influence or power over the State CEOs.**

- Coordinating national initiatives (e.g. National Database) and bringing about time efficient results is virtually impossible under the current arrangements. Central direction and control is urgently required. The current situation can only be averted by the introduction of a 'Licensing Agreement' and associated 'Membership/Alliance Principles'. One alternate suggested solution was for all staff to be employed by MA, but a Licensing Agreement would render this unnecessary.
- This agreement should stipulate the following:
  - MA and each State Association constitute in effect a single organisation with common objectives
  - Each State Association needs to adhere to the national strategic plan (once finalised)
  - Establish rights for MA to impose rules and penalties if this does not occur
  - Define and protect the use of all Intellectual Property (IP) – logos
  - Outline the new MA 'Funding Model' and the annual distribution of funds

## **Issue 5: There is much duplication in the various operating systems.**

- Some of these operations should be centralised to MA Head Office to improve efficiency and reduce the State's cost structure e.g. Licensing
- MA marketing, sponsorship and promotion needs to be driven by MA head office
- Implementation of the national database is critical, particularly in relation to licensing, revenue collection and access to members
- MA needs to develop and then manage the national Officials Training Framework (or package)
- MA needs to drive and support the technical and regulatory aspects of the sport
- MA needs to develop an enhanced method of allocating and managing national events so that the process is seen as transparent and equitable
- All member insurance should be under the one banner to bring about cost savings

This review has detected a good deal of optimism and enthusiasm from all stakeholders for the much needed reform agenda. A 'One Organisation' approach is desperately needed and all participants have expressed strong support for the development of a national 'Brand' for the sport. The '**Case for Change**' is quite clear. However, rather than move immediately to a 'one company' legal entity we believe the Licensing Agreement model will provide the necessary discipline within the system until members grow confident with the new regime.

On this basis the following '**Imperatives**' or things that **MUST** be achieved to ensure the future growth of Motorcycling Australia are:

- A governance structure that aligns itself closely with the Australian Sports Commission (ASC) 'Mandatory Sports Governance Principles' and provides a single, cohesive national entity for all disciplines of the sport – from juniors through to high performance.
- A governance and management structure where there are no conflicts of interest and where parochial views are not sought or condoned.
- A Board that possesses the authority and skills it needs to drive the reform agenda (including implementation of the WoSR recommendations) and the means to take appropriate action should their efforts be impeded and/or ignored.
- Professional, dynamic leadership and management from the MA Board and head office, with a strong focus on innovation and business development.
- A clear, simple but over-arching national strategic plan that has been endorsed by all the State Associations (and incorporates their input) and one that will take a very aggressive approach to achieving immediate business growth.
- 'One Brand' – a consistent national brand that will enable the organisation to engage in a number of beneficial commercial and corporate partnerships that will provide alternative income streams.
- Decreased duplication of effort across the country to achieve significant administrative cost savings and the generation of additional funds for national programs and new initiatives. For example:
  - Centralise membership/licensing operations at MA's head office
  - Finalise the rollout of the national database (now underway)
  - A centralised merchandising program
- Better communication, consultation and real engagement with all stakeholders, including riders that are not currently members of MA affiliated clubs and all recreational riders.
- Instill confidence in members that the MA insurance scheme is the best available to adequately cover all members and is considered 'value for money' when compared to other products in the marketplace. Incorporate 'Income Protection' cover for sole traders seeking protection.

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- Development of a suite of new national programs that can be rolled out when MA head office staff resources have been bolstered.
- And finally, get the 'fun factor' back into the sport: *'fun for riders – fun for the parents – fun for the officials - and fun for the spectators'*. People originally got involved in the sport for these reasons and this concept needs to be restored, revived and actively promoted!

The future for motorcycling in this country is very bright. MA and the various State Associations must become 'enablers' and work hard **together** on eliminating the numerous impediments to participation. There must be a strong focus on MA's clubs, as they are the basic reason why the organisation exists! Rules need to be much more 'user friendly' and obtaining (and retaining) a licence needs to be simplified so that potential participants don't resort to riding in the bush. MA also needs to encourage research into the economic and health benefits of participation in the sport so that it can advocate to all levels of government with an informed voice.

And finally, all stakeholders need to understand that they are part of the **entertainment industry** and as such, their job is to entertain people and provide opportunities for them to participate responsibly and at a reasonable price.

Following (on the next page) is a one-page summary of the 12 major '**Issues**' identified during the WoSR and the 22 '**Recommendations**' that we believe will ensure an upward trajectory for the sport once they are implemented.



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## MOTORCYCLING AUSTRALIA – the situation in a ‘nut shell’

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| <p><b>Issue</b><br/><b>Governance is dysfunctional</b><br/><b>Solution</b><br/>Appoint a professional and broadly skilled Board and give it the power to implement the WoSR and govern the sport.</p> <p>Develop a ‘Board Charter’ that articulates the power, specific Director responsibilities and independence of the MA Board.</p> <p>Clearly delineate the powers of the Council i.e. what they can and cannot do.</p> <p>Review the revised Constitution (and the implied authority and responsibilities) and initiate a ‘Licensing Agreement’ (or ‘Relationship Agreement’ between MA and the State Associations.</p> | <p><b>Issue</b><br/><b>Need for improved leadership, vision and strategic direction from the national body</b><br/><b>Solution</b><br/>Develop a ‘2020Road Map’ Strategic Plan in conjunction with all the stakeholders and adhere to the agreed timelines.</p> <p>Appoint a full professional ‘team’ at the MA Head Office that all the State Associations can respect and work cooperatively with on a suite of national programs.</p>  | <p><b>Issue</b><br/><b>Funding model is flawed with an over reliance on licence fees</b><br/><b>Solution</b><br/>Utilise the findings and recommendations from the KPMG ‘Finance Review’ to develop a financial strategy that appropriately funds MA and creates growth in the sport via more effective investment of member funds.</p> <p>Target alternative revenue streams such as sponsorship, strategic alliances with selected corporate partners and merchandising. Use such funding to increase/maximise participation, commercialisation and support for elite riders.</p> | <p><b>Issue</b><br/><b>Motorcycling lacks a single national ‘Brand’</b><br/><b>Solution</b><br/>Develop one distinctive national brand and logo for the sport of motorcycling which can include a state identity and strive to ‘make motorcycling a mainstream sport’.</p> <p>The brand and our message must ‘sell’ what the sport offers – lots of fun, multiple motorcycle categories, competitive opportunities and a family activity that is both healthy and safe.</p> |
| <p><b>Issue</b><br/><b>Poor communication with all stakeholders and an associated lack of trust</b><br/><b>Solution</b><br/>Invest more time discussing the issues that confront MA and look at ways to address them. Also, ensure better communication of rule changes to members/riders.</p> <p>Ensure greater ‘connection and engagement’ between riders, MA and the various State Associations.</p> <p>Establish a regular form of communication that will inform the membership.</p>   | <p><b>Issue</b><br/><b>Lack of consultation and poor decision-making</b><br/><b>Solution</b><br/>Ensure all future major decisions are based upon well researched business cases and appropriate due diligence.</p> <p>In the future, MA to place a much higher priority on 5 things:</p> <ul style="list-style-type: none"> <li>• <i>trust</i></li> <li>• <i>transparency</i></li> <li>• <i>accountability</i></li> <li>• <i>communication</i></li> <li>• <i>consultation</i></li> </ul> | <p><b>Issue</b><br/><b>MA insurance coverage and member education</b><br/><b>Solution</b><br/>Use the KPMG review of MAIL to provide members with a far more comprehensive insurance coverage (including income protection). Consolidate insurance across the country under one banner to generate cost savings.</p> <p>Also, provide more user friendly and simple information to riders.</p>  | <p><b>Issue</b><br/><b>Marketing the sport and its top riders is very poor</b><br/><b>Solution</b><br/>In conjunction with the new ‘brand’, adopt an aggressive, innovative, positive and proactive approach to marketing, promotion, merchandising and sponsorship.</p> <p>As a proactive and high profile way of getting past and current top riders back in the fold, establish a national ‘Hall of Fame’ and a ‘MA Foundation’ to support riders in need.</p>           |
| <p><b>Issue</b><br/><b>Lack of national programs</b><br/><b>Solution</b><br/>MA (in conjunction with the State associations) to introduce the following national programs:</p> <ul style="list-style-type: none"> <li>• Junior Development</li> <li>• Quality Clubs Program</li> <li>• Volunteer Recruitment and Retention Program</li> <li>• High Performance</li> <li>• Training &amp; Skills Package</li> </ul>  | <p><b>Issue</b><br/><b>Obtaining a licence is causing frustration and impacting negatively on participation growth</b><br/><b>Solution</b><br/>Work with the CEOs and the Council to streamline the application process and look at online licences, 3-year licences etc</p>  | <p><b>Issue</b><br/><b>Risk management could be improved at the 500+ tracks</b><br/><b>Solution</b><br/>MA needs to ensure better and more regular audits are performed by qualified people.</p> <p>The appointment of a ‘National Track Accreditation Manager’ to ensure consistency across the country and also minimise risks.</p>   | <p><b>Issue</b><br/><b>National database – delays in going live</b><br/><b>Solution</b><br/>Most of the work has been completed and the original committee now has the issue well in hand (apart from the expected odd start up glitch) for a prompt conclusion to the matter.</p>  |

## **RECOMMENDATIONS**

### **Recommendation 1**

Motorcycling Australia (MA) Board and Council to jointly acknowledge and agree that the current governance arrangements will not enable the sport to go forward. As a consequence, the current Board of MA agreed to stand down effective from the next AGM on 29 July 2015 (amended date) in order to facilitate a rethink of the structure. As timing was an issue, the President/CEO sought approval from ASIC to seek an extension for the AGM to enable the Nominations Committee more time to attract suitable applicants to stand for Board positions. ASIC approved the extension on the proviso that the AGM is held no later than 31 July 2015.

### **Recommendation 2**

Council, with the cooperation of the MA Board, to appoint an initial 5 person 'Selection Panel' to recommend the names of candidates to fill the new Board positions as recommended in the Whole of Sport Review Panel paper titled 'Breaking the Mould' dated 23 February 2015. These recommendations include Board members not representing any sectional interests within the sport and that they should possess one or more of the skill sets, as listed in the above mentioned paper. Initially the committee should be a combination of both Councillors and external business people with appropriate credentials. Under approved 'Terms of Reference', the ongoing role of the 'Nominations Committee' will be to manage succession planning and identify and fill gaps by putting forward preferred candidates for the members to endorse.

In the future, the appointment of the Nominations Committee will become the role of the Council to afford the 'shareholders' (as the voting members) a major say in determining who runs their business for them. Gender equity is vital in relation to both the Board and the Nominations Committee.

### **Recommendation 3**

MA Board and Council to agree to the formation of a new 7 person independent Board and assign it the necessary powers for an initial 12 months to implement the recommendations of the WoSR. Ensure that all members meet the selection guidelines, are compatible with each other, can allocate the required time and are totally committed to the reform agenda.

### **Recommendation 4**

The MA Board to approve the 'Board Charter' which can be found in the body of this report. It articulates clearly what the new Board can and cannot do. Such action will ensure that the Board has the power and independence to make the changes recommended in this report.

### **Recommendation 5**

Provide specific formal delegations to the new Board to enable them to implement the WoSR recommendations. Including a funding model that enables them to action all the recommendations.

### **Recommendation 6**

Each State Association (SCB) to undertake an immediate but professional (preferably independent) governance and management review of their respective organisations. When the new MA Board is formed, increased pressure will be exerted on the State Associations to also perform at a much higher and more professional level. MA will need to provide proactive, professional assistance and support to their State Associations. Some will require more assistance than others. Based on the feedback provided during the consultation phase of this review (and the professional opinion of the independent reviewers) there is an immediate need for each State Association to address the following:

- Review Constitution and ensure it has alignment with the updated MA Constitution
- Establish a State 'Nominations Committee' and use the 'Terms of Reference' developed for MA to inform the process
- Articulate the desired mix of skills required – see MA document
- Ensure gender equity on the Board
- Appoint an 'Audit & Risk Committee' – if not already in place
- Introduce accepted governance principles such as maximum terms in office, a staggered rotation system, Board to appoint Chair/President etc
- Initiate annual Board Reviews
- Endeavour to identify young people as potential directors
- Streamline meeting procedures and make them more strategic and less operational
- Ensure that the State Strategic Plan has close alignment with the MA plan, once finalised
- Review the CEO's 'Position Description' and develop a series of high level KPIs that are linked to the organisation's plan.

## Recommendation 7

In conjunction with recommendation 6, MA to arrange ongoing governance training (and induction) for its own Directors but more importantly, for current and incoming Directors at the various State Associations. This will need to be an annual event with considerable turnover expected at each governing body.

## Recommendation 8

Once formed, the new MA Board to address the following priorities:

- (i) Review the MA Head Office staffing structure, particularly the senior positions. The recommended senior positions (and Organisational Structure) are detailed in the body of the WoSR report. The benchmarking exercise with the 4 selected NSOs helped inform this section of the report. It is crucial that the resulting structure enables MA to manage implementation of the WoSR recommendations and also deliver the organisation's new strategic priorities.
- (ii) Develop a set of 'Membership/Alliance Principles' that will articulate the new strategic direction and clarify the respective roles and responsibilities of the MA office and the various State Associations. This should take the form of a 'Licensing Agreement' (or 'Relationship Agreement') between MA and the States.
- (iii) Under the above 'Licensing Agreement', the roles and responsibilities of the MA Chief Executive and the State CEO's need to be clearly defined. The MA Chief Executive needs to be able to exert certain powers over the State Association CEOs. Adherence to the key strategies/priorities in the MA Strategic Plan (once developed and approved) and participation in all national programs is a bare minimum requirement.
- (iv) Develop a 'Limitations Policy' for the Chief Executive that clearly defines his/her boundaries in terms of decision-making. Rather than prescribe how the Chief Executive should do the job, it is recommended that the MA Board should instead identify the specific things that the Chief Executive should not do and leave him or her free to utilise their skills and experience to achieve the main KPIs as articulated in the new MA Strategic Plan. In doing this, the MA Board will need to spell out the specific outcomes it wants the Chief Executive to achieve each year. A measurable set of Key Performance Indicators (KPIs) will need to be developed including one that focuses on fostering a strong relationship with and between State Associations. This will need to form part of the Chief Executives performance agreement.
- (v) Utilise the '2020 Road Map' outlined in the WoSR final report and develop a three-year rolling Strategic Plan with clear and measurable targets, including a detailed operating budget for 2015/2016. The plan should establish organisational purpose and a clear strategic direction.
- (vi) Review the MA Constitution to ensure it allows the Board to operate in an effective, efficient and professional manner. These changes should accommodate the recommended action emanating from this review and also address the ASC 'Mandatory Sports Governance Principles' for good governance e.g. maximum terms for Directors under a staggered rotation system.

## Recommendation 9

Finalise the implementation of the MA National Database (managed by MA) so that MA and the State Associations can work together in the collection, storage and maintenance of membership details for all membership categories. Immediate benefits would be:

- Online registration, renewal and payment – a 'National Licensing' system
- Flexible payment options
- Customised registration forms

## Recommendation 10

MA to work more closely with the State Associations and ensure that the quarterly meetings between the MA Chief Executive and the State CEOs are run on a very professional and strategic basis. The agenda should be developed around the key 'Drivers' in the MA Strategic Plan and 'Task Groups' (involving staff from the States) formed to address any topical issues. Terms of Reference and strict reporting timeframes should be introduced.

## Recommendation 11

MA must develop an 'Officials Development Framework' (or National Training Package) that provides a clear plan to increase the numbers and experience of officials and provide guidance as to how officials fit into the overall growth strategies of the sport and where they are able to apply their newly obtained training and authorisation. The MA plan must target the following:

## Recommendation 11 (continued)

- Courses
- Professional development – ongoing (reason to be involved)
- Resource materials
- Competition schedules
- Selection criteria for major events
- Uniforming

In conjunction with this initiative, MA to investigate the pros and cons of establishing a panel of paid officials (professionals) that would work at all major events. Funding for the panel members would be incorporated into the permit fee.

## Recommendation 12

MA to establish a 'Fixture Task Group' that would meet on a quarterly basis. These would be formal meetings with an Agenda and Minutes. The 'Fixture Task Group' would comprise representatives from manufacturers (6), promoters, race team owners (including contractors). MA to provide secretariat support to the group. The Agenda would be developed around the following:

- Scheduling – annual calendar/fixture of events
- Marketing and promotion – including sponsorship
- Supplementary regulations – consultation

## Recommendation 13

Renegotiate Australian Sports Commission (ASC) funding when the new MA Strategic Plan (or 'Road Plan') has been finalised with a view to placing greater emphasis on 'dirt' disciplines (not just road racing). In these discussions, MA needs to stress the fact that Australia regularly produces a large number of world champions in these disciplines as well.

## Recommendation 14

Consider establishing a 'MA Development Fund' that would enable track owners to apply for grants to enhance and improve existing facilities for members. When the MAIL review is completed, there may be an opportunity to utilise any 'surplus' funds to establish the fund and thus lessen the burden on the State branches. Such an initiative would clearly demonstrate that MA is serious about addressing identified members needs and also, in the provision of practical assistance to grow membership across the country.

## Recommendation 15

Appoint one single 5 person 'Technical Committee' to operate as the key advisory body to the MA Board on operational and disciplinary matters. Use the MA 'Nominations Committee' to identify the 5 individuals. The Technical Director on the MA Board should be a member of this Commission. It would be expected that for the next 12 months, the MA 'Technical Commission' would work closely with the existing 12 Commissions to enhance and streamline their operations and more importantly, their effectiveness and efficiency.

Strong consideration should also be given to moving from 12 Commissions to the following three (3) within 12 months:

Commission 1: Road Race, Historic Road Race and Supermoto

Commission 2: Motocross, Supercross, Enduro, Moto Trials, Classic Motocross, Quad, Womens and Junior Development

Commission 3: Speedway, Dirt Track and Classic Dirt Track

## Recommendation 16

Following the 'MAIL Review (by KPMG)', provide MA members with a far more comprehensive insurance cover and one that consolidates insurance arrangements across the country to bring about significant cost savings for State Associations and hopefully, members.

Look at the inclusion of income protection (for sole traders) and other practical benefits for members, both current and potential. Also, provide more user friendly and simple information for riders and conduct a series of information sessions in each state to educate and update members on all the changes and enhancements. MA Board should appoint one of its number as their representative on the MAIL Board.

## Recommendation 17

Utilising the findings and recommendations from the 'Finance Review' (undertaken by KPMG), work closely with the State Associations in implementing the new MA 'Funding Model'. Particular attention needs to be paid to growth strategies that will diversify MA's revenue streams. These will involve the attraction of potential investors and sponsors to the sport, the development of a range of commercial partnerships and the investigation of merchandising opportunities. Also, review and implement the various cost saving strategies, particularly centralising membership/licensing operations at MA's head office along with other operations identified in the report. Under the oversight of the soon to be appointed 'Audit and Risk Committee', the MA Board to also provide open and accountable reporting to the State Associations on how investment into the sport is being used, why it is being allocated in certain ways and what has been achieved as a result.

## Recommendation 18

In conjunction with the State Associations, MA to develop a suite of sustainable and cost efficient national programs that can be rolled out over the next 2-3 years :

- National Junior Development ('Pee Wee Cyclists')
- Quality Clubs Program
- Elite Support
- Volunteer Recruitment and Retention Program

## Recommendation 19

Adopt a unified and nationally coordinated approach to marketing, promotion, merchandising and sponsorship to generate new revenue streams for MA and its stakeholders. Develop a strong and unified single 'brand' with a consistent logo that must be adopted by all State Associations. The 'brand' must be based on an informed understanding of what the sport of motorcycling really offers as a mainstream activity and what the riders, members, clubs, parents, fans, participants, sponsors, governments, officials, manufacturers, promoters and stakeholders want from the sport as a brand.

## Recommendation 20

Establish an MA Charitable Foundation with a charter to assist members and non-members alike who may need help as a result of injury and its aftermath. In addition, the foundation would raise money to help women and girls achieve their full potential both on and off their motorcycle and also provide funding to enable participation in the sport of motorcycling by disadvantaged or underprivileged young people (both male and female). It would also be expected that the Foundation would ultimately provide training and education in relation to transitioning to post career life and also assist former participants that may be dealing with adversity.

MA needs to appoint a respected/credible 'driver' of the Foundation in order to establish the structure as soon as possible.

NB: On 13 March 2015, Netball Australia (NA), in partnership with the Australian Sports Foundation established the 'Netball Foundation'. Surfing Australia (SA) also have a Foundation called 'Surf for Life'. In just over 2 years it has helped more than 1,300 underprivileged children aged from 5-12 to participate in the SA VEGEMITE SurfGroms program.

## Recommendation 21

Establish an MA 'Hall of Fame' that has alignment with the State versions and announce the inductees at an annual dinner that would become a high profile media event.

NB: the AFL 'Hall of Fame Induction Dinner' is now one of football's most prestigious and highly prized invitational annual events. It seeks to recognise and enshrine players, coaches, umpires, administrators and media who have made a significant contribution to the sport.

## Recommendation 22

MA to establish an annual forum ('Riders in Suits') to enhance stakeholder relationships and provide a loud message to all members that the 'new MA' has a clear and sound plan for ongoing engagement. Invitation only and restricted to 50 participants ('Strategic Thinkers') from the following areas:

- Riders (State/National/International)
- Media
- Sponsors (current and potential)

## **Recommendation 22 (continued)**

- Manufacturers
- Race team owners
- Promoters
- Ride park managers
- State Association representatives
- Other NSOs
- 'Movers and shakers' within the sport industry

This would be a 'blue-sky' thinking event that seeks creative ideas that are not limited by current thinking or beliefs. Expected outcomes would be a range of creative and innovative business and commercial opportunities.