REPORT

REVIEW OF THE

DELIVERY OF THE SPORT OF CANOEING IN AUSTRALIA

Reviewer:

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ACKNOWLEDGEMENTS

The ability of an NSO to provide effective leadership in delivering its products and services to the community on a national basis depends on having the organizational capability in place to do so.

Organisational capability is significantly contingent on possessing effective systems of governance and management and in having leaders who habitually exhibit the skills and behaviours necessary to identify and remove performance problems.

The current systems of governance and management for canoeing in Australia are defective and there is demonstrable evidence that delivery of the sport in a number of areas has been compromised because of this.

The performance of a number of elite athletes in recent years has been achieved despite these defects in part because of their efforts and those of a number of dedicated individuals who have compensated for systemic deficiencies. This is not sustainable in the long-term. The question that should be asked now is: how much better might the sport’s overall performance be if dysfunctional systems and behaviours are able to be changed?

The review has found that virtually everyone who has contributed to the review believes passionately in the future of canoeing in Australia. The consultations have revealed that there is, on balance, strong majority support for many of the recommendations that follow although in some areas there is opposition from those who perceive their interests will be adversely affected, or who believe the interests of the sport will be compromised, by the proposed changes.

Having systematically reviewed all the evidence, I believe that if the recommendations contained in this report are adopted and implemented, the sport of canoeing in Australia, at both the recreational and high performance levels, will be delivered more cost-effectively and in a more sustainable way.

I would like to extend my sincere appreciation to all those who contributed to the review – the survey respondents, submission writers and participants interviewed. The insights offered have been extremely valuable.

My particular thanks go to Dr Camilla Brockett, Manager, High Performance Innovation Management and Systems at the Australian Institute of Sport for her expert contribution towards evaluating the Olympic high performance programs.

Robert Kidston
Canberra
31 July 2006
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ACRONYMS AND ABBREVIATIONS USED IN THE REPORT

AAS Adventure Activity Standards  
ABS Australian Bureau of Statistics  
AC Australian Canoeing Inc  
ACAS Australian Canoe Awards Scheme  
ACE Australian Canoeing Events Limited  
ACE Athlete Career Education  
ACF Australian Canoeing Federation  
AGSTG Australian Government Sports Training Grant  
ACT Australian Capital Territory  
AIS Australian Institute of Sport  
AOC Australian Olympic Committee  
AQTF Australian Quality Training Framework  
ASC Australian Sports Commission  
ASIC Australian Securities and Investments Commission  
ATO Australian Taxation Office  
BAP Beijing Athlete Program  
CDN Club Development Network  
CEO Chief Executive Officer  
CHASE Centre for Healthy Activities, Sport and Exercise, University of the Sunshine Coast  
CSA Canoeing South Australia  
CWA Canoeing West Australia  
DAS Direct Athlete Support  
DTE Daily Training Environment  
EAP Emerging Athlete Program  
ERASS Exercise, Recreation and Sport Survey  
FSLA Funding Service Level Agreement  
GPPP Governance Best Practice Principles  
HP High Performance  
NCE National Centre of Excellence  
NCAS National Coaching Accreditation Scheme  
NOAS National Officiating Accreditation Scheme  
ICT Information Communication Technology  
ICF International Canoe Federation  
IP Intellectual Property  
MOU Memorandum of Understanding  
MWC Marathon World Championships  
NESC National Elite Sports Council  
NSO National Sporting Organisation  
NSWIS New South Wales Institute of Sport  
NT Northern Territory  
NTP National Training Provider  
PEF Performance Enhancement Framework  
PMS Performance Management System  
PWS Penrith Whitewater Stadium  
QA Quality Assurance  
QAS Queensland Academy of Sport  
Qld Queensland  
QC Queensland Canoeing  
RCC Recognition of Current Competency  
RPL Recognition of Prior Learning  
RTO Registered Training Organisation  
SA South Australia  
SASI South Australian Sports Institute  
SCORS Standing Committee on Recreation and Sport
SIS/SAS State Institutes of Sport/State Academies of Sport
SOA Statement of Attainment
SSSM Sports Science/Sports Medicine
SSO State Sporting Organisation
SLSA Surf Lifesaving Association of Australia
SLSQ Surf Lifesaving Association of Queensland
Tas Tasmania
TID Talent Identification and Development
UOC Units of Competency
VET Vocational Education Training
Vic Victoria
WA Western Australia
WAIS Western Australian Institute of Sport
WSAS Western Sydney Academy of Sport
SUMMARY OF MAIN FINDINGS

• The constitutional changes made after the 2002 review of the AC constitution and the consequential changes to the State Association constitutions did not prevent canoeing’s (performance and compliance) problems;

• The whole-of-sport review methodology using program logic and gap analysis proved to be an effective means of problem diagnosis;

• There is a fundamental tension between the mass participation recreational side of the sport funded primarily by State Governments at the State Association level and the numerically much smaller high performance side of the sport funded primarily by the ASC at the NSO level;

• The structure and delivery of the sport of canoeing does not, at present, satisfy the principles used to guide the review, namely, streamlining and simplification, transparency, accountability and cost-effectiveness;

• The quality of canoeing’s national leadership prior to 2006 has been a major contributing factor to the sport’s underperformance in the areas of governance, management and sport development;

• The organisational capability of AC and almost all State Associations is very limited and this militates against AC taking full responsibility for the delivery of the sport from entry to elite competition levels for the foreseeable future until the ASC is satisfied, following review, that the sport has the organizational capability to do so;

• There have been dysfunctional antagonisms between AC and some states which have impeded effective co-operation;

• Canoeing at the state level has, for the most part, developed unevenly and has not been successful in developing a vibrant club structure with a strong talented athlete pool;

• There are good opportunities for AC to form a more effective strategic alliance with SLSA in many areas of the delivery of the sport, especially in the Flatwater high performance program;

• The National Centre of Excellence model for delivering the high performance programs in Slalom and Flatwater is not effective mainly because of blurred management accountability;

• The resolution of canoeing’s problems will require comprehensive constitutional, structural, management, system, resourcing, cultural and behavioural changes;

• The efforts of the interim AC Board, most notably the willingness to communicate, are appreciated by members.

• A phased plan for the implementation of the report’s recommendations will be necessary so that the changes required can be prioritised and managed at a rate that is commensurate with the sport’s organisational capability.
INTRODUCTION

The purpose of this review is to examine how well the sport of canoeing is being delivered in Australia with a particular focus on the role and responsibility of Australian Canoeing Inc (AC) in that service delivery.

The sport of canoeing began in England in the nineteenth century but did not become popular in Australia until after World War Two following the influx of European migrants from countries with strong canoeing traditions at both the recreational and elite competitive levels.\(^1\)

The Australian Canoe Federation (ACF) was formed in 1949 at a meeting initiated by NSW and including Victoria and SA to enable Australian canoeists to compete in the 1956 Melbourne Olympic Games. Application to, and acceptance by, the ICF followed in 1951 and soon after, in 1958, an Australian was elected for the first time to the ICF Board.\(^2\)

In the early years Sprint, which has been in the Olympic Games since 1936, and Marathon, were the most popular disciplines in Australia.\(^3\) The other Olympic Discipline, Slalom, was less well known because apart from its inclusion in the Munich Olympics in 1972, it did not appear again until Barcelona in 1992.

By 1972 all States had become affiliated with the ACF and in 1974, the Commonwealth Government recognized the sport for the first time by providing $11,367 for athlete and team travel. Canoeing in Australia continued to develop rapidly in the 1980s and 1990s with another Australian being elected to the ICF Board in 1985 and with Australia hosting in 1992, the World Marathon Championships in Brisbane and the World Cup in Slalom in Tasmania. In 1996, the ACF changed its name to AC.

Over the years, canoeing has become a complex sport with many technical disciplines involving different types of water characteristics, river gradings, craft design and construction techniques, paddling and training methods and technical rules. Notwithstanding the rapid progress made by canoeing in Australia, without the long-standing cultural involvement in canoeing enjoyed by European countries such as Spain, France, Hungary, Germany and Czechoslovakia,\(^4\) the effective delivery of the sport in this country to levels where it achieves mass participation as well as sustainable international success at the elite level, is a significant challenge.

The task of meeting this challenge resides principally with the legally sanctioned custodian of the sport. AC is the national sporting organisation (NSO) responsible for canoeing in Australia, recognised by the Australian Sports Commission (ASC), Australian Olympic Committee (AOC) and the International Canoe Federation (ICF).

Excellence in the management of NSOs is crucial to helping athletes achieve their goals. The Australian Government is committed to ensuring that all sports subsidised by taxpayers adopt best practice management as indicated by policy announced at the time of the last federal election:

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3 In this report references to Sprint and Flatwater are used interchangeably.
4 It is relevant here to note that as at 11 May 2006, of the five members on the ICF Slalom Racing Committee, three were from France, the Czech Republic and Spain while Hungary, the Czech Republic and Germany were represented on the five member ICF Flatwater Racing Committee. Australia was not represented on either.
To ensure sports funding is spent where it is most needed – on helping athletes to achieve their performance goals – all sports subsidised by the Australian taxpayer are expected to adopt best practice management. Through the Australian Sports Commission, a re-elected Coalition Government will work closely with national sporting organisations to achieve this outcome.  

The efficacy of NSO management is heavily dependent on, and is underpinned by, the effectiveness of NSO governance. It is for these reasons that the ASC Strategic Plan 2006-2009 identifies best practice management and governance of sport within and through national sporting organisations as a critical result area.

BACKGROUND TO THE REVIEW

In August 2005, the ASC became aware that AC was experiencing serious financial problems. In response to this, a number of independent assessments of AC’s financial position, including assessments of the level of risk inherent in the sport’s capacity to trade out of its financial difficulties through a financial recovery plan, were obtained.

One such report dated 26 August 2005 noted that:

- AC had accumulated, since April 2004, a deficiency of funding of $405,594 for 2005-06;
- Operating losses for the 2003-04 and 2004-05 financial years amounted to $208,424;
- Losses of $128,170 would be incurred for conducting events in 2005-06 which should be provided for in 2004-05;
- AC would have a negative cash flow by 1 October 2005;
- ASC and other Government funding for specific purposes was used for other purposes;
- Commitments made by AC to implement ASC requests in 2001 for improved financial management had not been acted on at least in recent times;
- There appeared to be poor risk assessment at the time of entering contractual obligations;
- There were weak internal controls over expenditure and poor reporting of outcomes against budgets;
- The company established by AC to manage events in which AC had rights (Australian Canoeing Events Limited [ACE]) did not maintain audited financial statements;
- Event funding was used for other purposes;
- Operational funding was used for events;
- By-Laws covering financial management were not being applied;
- Receipts were not issued;
- Income and expenditure were not correctly matched for the period they related to;
- The separation of duties, authorisation and monitoring of transactions was inadequate;
- Control over corporate credit cards was inadequate;
- Procurement practices regarding travel and accommodation were inadequate;
- The wages bill had more than doubled between 2003 and 2005;
- There was poor control over the activities of State associations;  

AC’s financial position showed little sign of improvement and by 31 October 2005, AC had a negative net equity of $520,487 with a projected negative $441,073 by 30 June 2006.

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5 The Howard Government Election 2004 Policy, Building Australian Communities through Sport, 10.
6 ASC, Strategic Plan 2006-2009, 7.
AC’s negative net equity included a debt of $140,000 to the ICF for a loan to assist with the construction of the Penrith Whitewater Stadium (PWS) in 1998 and a debt of $107,000 to the PWS for a loan to help pay for the loss-making Slalom World Championships held in 2005.

The independent audit opinion of AC’s financial statements for 2004-05 (dated 1 November 2005) stated that the Association’s ability to continue as a going concern is dependent upon continuous funding from the Government and members. As such there is significant uncertainty whether the entity will be able to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.8

During the second half of 2005, the ASC’s main focus was to work with AC to develop a viable financial recovery plan. On 23 December 2005, AC advised the ASC that unless certain financial assistance was paid by 7 January 2006 as part of a financial recovery plan, the Board would commence proceedings to place AC in voluntary administration. The ASC’s risk assessment of the plan was that it was not financially viable and the Commission proposed convening an urgent Canoeing Forum in Canberra involving the AC Board, the State Association Presidents and the ASC to try to find a solution to the sport’s financial problems.

On 10 January 2006, the AC Board advised the ASC that it had decided to place AC in voluntary administration. The Commission responded by pointing out that there was no legal basis under the Associations Incorporation Act 1991 (ACT) to place AC into voluntary administration and that the only options were to continue as a going concern subject to solvency or winding-up.

Following extensive discussion at the Canoeing Forum on 19 January 2006, involving the AC Board, State Association Presidents and the ASC, the AC Board resigned on 31 January 2006 and a new, three-person, interim Board was appointed to serve until the next AGM.

A risk-assessed financial recovery plan based on the discussions at the Canoeing Forum and incorporating a comprehensive restructure of AC (including the transfer of responsibility for the high performance program to the AIS) was negotiated. As part of the financial recovery plan, the ASC provided a loan of $200,000 to AC on commercial terms as well as other fee-for-service assistance. The loan was conditional on the sport cooperating fully with the present review which was announced as part of the financial recovery plan package.

**SCOPE OF REVIEW**

The scope of the review is dependent on how narrowly or widely the parameters are drawn regarding what is meant by the delivery of the sport of canoeing in Australia.

The key reference points for interpretation are contained in the ASC Strategic Plan 2006-09 which states that the Commission’s mission is to enrich the lives of all Australians through sport.

The strategic plan further states that the mission will be achieved through two key objectives, namely that the ASC will seek to secure:

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An effective national sports system that offers improved participation in quality sports activities by Australians; and
Excellence in sports performance by Australians.

This means that the ASC is committed to advancing all aspects of sport in Australia from mass participation in recreational sport to elite competition and achieving success in international benchmark events. This includes all of the underpinning programs and pathways that link recreational sport to elite competition.

The present examination of how well the sport of canoeing is being delivered in Australia therefore embraces the full scope of what is envisaged in the ASC’s mission and key objectives stated above.

Indeed, this review will argue through the use of program logic modeling (see below) that the ASC’s twin objectives are not mutually exclusive. Rather, they are intrinsically linked.

Assessing how well the sport is delivered depends on gaining a robust understanding of the key performance drivers. In the case of canoeing, these include:

- Governance factors such as the constitutional arrangements, board policies, practices and behaviours;
- Organisational structure and strategic management policies and practices such as planning, resource management, performance reporting and monitoring;
- Sport development, including club development, coaching and officiating support services;
- High performance planning, in particular the sport’s objectives and priorities for high performance success.
- The National Centres of Excellence (NCE) model for program delivery including the contributions made by the AIS and SIS/SAS;
- High performance management, coaching and athlete support services;
- Team selection and opportunities for competition in national and international events; and
- Talent search and development.

Data relating to these drivers will compare “what is” (describing and analysing the current arrangements for the delivery of the sport) with “what ought to be” (describing and analysing how the sport should be delivered).

The key stakeholders consulted included:

- State Associations, clubs and individual members, especially athletes;
- Discipline Technical Committees;
- National Training Providers (NTPs) and Accredited Instructors;
- ASC/AIS;
- SIS/SAS;
- NCE Joint Management Committees;
- BAP Committee;
- ICF; and
- State Departments of Sport and Recreation.

AC’s present governance and management arrangements involving the transfer of responsibility for the high performance to the AIS and the consequential downsizing of the national office which commenced on 31 January 2006 are clearly atypical for an NSO. Hence the focus of the review in terms of diagnosing performance problems and proposing remedies is primarily on the more usual arrangements when AC exercises responsibility for the high
performance program. At the same time, reference will be made to the present governance and management arrangements where this is relevant. The assumption made in this review is that provided the organizational capability of AC can be rebuilt to a level acceptable to the ASC post-Beijing, the sport will be able to take greater responsibility for the running of the high performance program.

References to canoeing include kayaking unless a specific distinction is made.

**TERMS OF REFERENCE**

The terms of reference for the review are to:

- describe and analyse the current arrangements for the delivery of the sport, including the roles of the key stakeholders;
- describe and analyse how 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, will impede the sport’s ability to achieve the goals outlined in the agreed strategic plan;
- recommend changes to remedy any dysfunctional gaps identified; and
- propose a strategy for the adoption and implementation of the report’s recommendations.

**METHODOLOGY**

The methodology will use program logic modeling and gap analysis as the framework to identify performance problems, diagnose their probable causes and recommend performance-enhancing changes that are least likely to produce unforeseen consequences.

According to Schmitz and Parsons, *logic models are a basic element of programming that communicates the logic behind a program, its rationale. A logic model’s purpose is to communicate the underlying “theory” or set of assumptions or hypotheses that program components have about why the program will work, or about why it is a good solution to an identified problem.*

A generic program logic model for a sport with a high performance program and used as a frame of reference in this review is at Appendix 1 *(Program Logic Model for a Sport with a High Performance Program)*.

The methodology provided for consultation to involve:

- Public notification of the review on the AC and ASC websites, giving details of the terms of reference and inviting interested persons to make submissions to the review;
- Circulation of a structured survey questionnaire to stakeholders; and
- Face-to-face interviews with representatives of the key stakeholders.

The review commenced on 6 March 2006. The questionnaires were made accessible to the 6,700 individuals listed on the AC database. Sixty one persons responded. Face-to-face meetings were held with some 176 persons representing the organisations listed in the interview schedule at Appendix 2 *(Interview Schedule)*. In addition, seventeen written submissions were made to the review.

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[9] Connie C Schmitz and Beverly A Parsons, *Everything you wanted to know about Logic Models but were afraid to ask*, 1. (Refer [http://www.insites.org/documents/logmod.htm](http://www.insites.org/documents/logmod.htm))
Data collected were analysed using appropriate quantitative and qualitative research methods. Details of this analysis are summarized later in the report in the chapter *Results of Stakeholder Consultation*.

The ASC appointed a Steering Committee to oversee the management of the review. The membership comprised:

- Mr Brent Espeland, Director, Sport Performance and Development, ASC (Chair);
- Mr Phil Borgeaud, Assistant Director, Sports Programs, AIS; and
- Mr Peter Heeley, Director, Interim AC Board.

The review team comprised Dr Robert Kidston, Senior Consultant, Governance and Management Improvement, Sport Performance and Development Division, ASC who was supported by Dr Camilla Brockett, Manager, High Performance Innovation, Management and Systems, AIS in the evaluation of the Olympic high performance programs.

The review report has been prepared having regard to the following guiding principles:

- Streamlining and simplification;
- Transparency;
- Cost-effectiveness; and
- Accountability.

For the purposes of this report, these principles have the following meanings:

**Streamlining and Simplification**

If a genuine high performance organisational culture is to be fostered, a streamlined and simplified organisational structure is essential. For a national body the size of canoeing, the organisational structure should, as a guide, incorporate the following features:

- a matrix design with top to bottom alignment incorporating centralised parameter setting (corporate focus) and decentralised service delivery (client focus);
- consistent with “span of control” limitations, national co-ordination should be at the CEO level;
- direct reports to the CEO should cover all substantive corporate and service delivery functions, avoiding service delivery reports to the CEO coming via national corporate/program managers;
- the organisation should be as flat as possible with management layers kept to the bare minimum;
- the organisation culture should respect decentralised service delivery as much as centralised parameter setting and, where feasible, this should be reflected in remuneration; and
- establishing separate legal entities to perform functions should be avoided

**Transparency**

If a genuine high performance organisational culture is to be fostered, decision-making must be transparent. Trust and confidence in office holders is only possible if there is transparent decision-making by those office holders.

Transparent decision-making means starting from the proposition that all aspects of AC’s operations, with the exceptions of personal staffing matters, commercial-in-confidence matters and potential loss of competitive advantage through public disclosure, ought to be open to scrutiny by members.
The only qualification to this is that AC directors must have full authority to direct the entity’s affairs without members “second-guessing” Board decisions. In this connection, if members have serious objections to the direction the Board is taking, they can take action to remove the Board through constitutional means.

**Cost-effectiveness**

If a genuine high performance organisational culture is to be fostered, AC must be cost-effective. For every dollar spent, there is an “opportunity cost”, that is, that dollar is not available to be spent on some other project that might have been able to make a greater contribution to the achievement of AC’s goals.

This review has therefore been guided by a search for opportunities through governance and management structural reform and through the use of evidence-based diagnostic tools (such as performance management systems) that aim to liberate resources currently being applied to relatively unproductive activities so they can be reallocated to areas capable of making greater contributions towards canoeing’s goals.

**Accountability**

If a genuine high performance organisational culture is to be fostered, the CEO must be the single-point, unambiguous, locus of accountability and he/she must have the constitutional or board-sanctioned authority to fully discharge his/her responsibilities either directly or through proper instruments of delegations. Accountability in this context envisages legally binding employment agreements that leave no scope for “wriggle room” when assessing performance.

Following consideration of the report by the Steering Committee, the AC Board will be briefed on the recommendations. Arrangements will also be made for the review team to brief key stakeholders, including all state associations, on the recommendations.

Feedback from the briefing sessions will be reported back to the Steering Committee and to the AC Board and the outcome of this process will be communicated to all key stakeholders. An implementation plan is included at the end of the report.

**GOVERNANCE BEST PRACTICE PRINCIPLES**

The terms of reference required reference to governance best practice principles (GBPP). The principles used to guide the review are those published by the ASC as summarized at Appendix 3 (National Sporting Organisations Governance Principles of Best Practice).

**CURRENT GOVERNANCE AND MANAGEMENT STRUCTURE**

**AC Governance Structure**

AC is recognised as the responsible authority (NSO) for canoeing in Australia by the AOC, ICF\(^{10}\) and the ASC. As part of the formal NSO recognition process undertaken by the ASC in 2004-05, all NSOs, including AC, were assessed against a range of criteria. One criterion involved AC confirming that it has formally committed to a governance structure that is consistent with the ASC’s governance principles of best practice.\(^{11}\)

The sport of canoeing in Australia is administered through a complex web of governance and management structures as well as agreements with external organisations. Canoeing

\(^{10}\) Australia is one of 139 countries whose NSO held membership of the ICF as at 11 May 2006.

comprises one NSO, an events management company (ACE), six independent State Associations, 19.30 FTE staff, 115 affiliated clubs, 7,685 members\(^{12}\), an estimated 1,250 volunteers, six disciplines, 28 discipline committees and two NCEs, one comprising the AIS and NSWIS and the other involving the AIS, NSWIS and QAS, operating through two Joint Management Committees. (Refer Appendix 4 Australian Canoeing Inc Organisational Structure [April 2005])

The NCEs have a further 5.50 FTE staff attached to them plus part-time SSSM professional support costing $116,000. In addition, AC has funding agreements with SASI and WAIS plus the local State Associations for the management of Flatwater underpinning programs and elite coach/athlete support, articulated with the Flatwater NCE, in SA and WA respectively. As well as this, the ASC employs a dedicated talent search coordinator for canoeing. Finally, canoeing has an MOU with SLSA aimed at regulating and strengthening relations between the two sports.

Before examining the management structure, it is appropriate to review the main elements of the AC constitution and to comment on the degree to which these are harmonized with State Association constitutions.

AC has modified its constitution twice in the last 10 years, in 1996 and 2002. The 1996 changes focussed on forming a portfolio-based Board. The 2002 review originated because the AC Board was concerned over the blurring of responsibility between the AC Council and the portfolio-based Board\(^{13}\) and, in addition, because the seven standing committees covering the various disciplines, recreation and education had tended to exercise a management role rather than a delegated governance role on behalf of the Board\(^{14}\). This was not helped by the fact that the General Manager (CEO) was also a member of the Board. Confusion between the respective roles of volunteer office bearers and management was impeding the effective delivery of the sport.

The current AC constitution was the product of the 2002 review. It was adopted on 20 October 2002 and amended on 18 October 2003.

AC is an incorporated association pursuant to the Associations Incorporation Act 1991 (ACT) (the Act). AC is also a “registered Australian body” under the Corporations Act 2001 (Commonwealth) meaning that it can legally operate Australia-wide.

The constitution states that AC is the peak body for the administration of the sport of canoeing in Australia. The objects (Rule 2) require AC to:

(a) promote competitive and recreational canoeing;
(b) unite the recognised canoe organisations of each State;
(c) issue rules and regulations to be followed in national competitions;
(d) arrange for national championships and the selection of national teams and training squads;
(e) recognise canoeing values and the implications of canoeing in recreational and natural resource planning and management;
(f) be a means of liaison between affiliated State Associations;
(g) represent and promote the interests of members to the International Canoe Federation;
(h) pursue high standards of safety, education and training in all aspects of the sport.

\(^{12}\) This figure relates to 2004-05. It is inflated by 989 “triallists”, that is, persons who become members for very limited periods of time, such as a single day, to participate in “one-off” events usually to obtain insurance cover. If triallists are not included, membership is only 6,696.

\(^{13}\) The portfolio-based board involved constitutional provision for office bearers such as a finance director, a competition director, a communications and marketing director and an education and recreation director.

\(^{14}\) ASC Minute, 1 July 2002.
The organisations recognised as comprising the sport of canoeing in Australia are the State Associations and the affiliated clubs. Rule 5.3 provides that AC and the State Associations are bound by the AC constitution and that the AC constitution operates to create uniformity in the way AC’s objects and the sport of canoeing are to be delivered in Australia.

Rule 6 provides that State Association constitutions shall clearly reflect AC’s objects.

Rule 7 prescribes that the members of AC shall be:

(a) The State Associations which are represented by their delegates (one per State) who have the right to attend, debate and vote at General Meetings for and on behalf of the State Associations;

(b) Life members who may attend and debate but not vote at General Meetings;

(c) Affiliated clubs which may appoint a representative to attend General Meetings but have no right to debate or vote at General Meetings;

(d) Individual members who may attend General Meetings but have no right to debate or vote at General Meetings;

(e) Registered instructors and guides who may attend General Meetings but have no right to debate or vote at General Meetings;

(f) Corporate members who may appoint a representative to attend General Meetings but have no right to debate or vote at General Meetings;

(g) Such new categories of members created by the Board with the condition that no new category may be granted voting rights.

Rule 24 states that subject to the Act and the constitution, the business of AC shall be managed by the Board. Rule 25 prescribes that the Board shall comprise:

(a) the President (an Interested Director) elected by the State Associations;
(b) four Interested Directors elected by the State Associations;
(c) two Independent Directors appointed by the Interested Directors.

The CEO ceased to be an *ex officio* Director on 31 October 2002.

Nominees for the Interested Director positions must meet the qualifications prescribed by the Board as set out in the By-laws. By-Law 18 prescribes the qualifications nominees for election as Interested Director must meet. They include possession of an extensive knowledge of canoeing. Interested Directors elected as an office bearer or employee of a State Association must resign from the latter position.

Independent Directors may have specific skills in commerce, finance, marketing, law or business or other skills which complement the Board’s composition but need not have a background in canoeing or be members of AC. (Rule 27.2)

Interested and Independent Directors hold office for two years. (Rules 26.3 and 27.3)

Rule 32 provides for an annual Strategic Forum in lieu of the “Australian Council” provided for in the pre-2002 constitution. The forum exists to perform the same functions as the former Australian Council, namely, to advise the Board on planning and other issues as well as to
provide feedback on the results of governance decisions in practice at the member level. With minor variations, the forum has a similar membership to the Australian Council, namely:

(a) State Association Delegate or representative;
(b) Technical Committee Chair or representative;
(c) Directors.

Rule 33.3 provides for the establishment of the following technical committees under its power of delegation:

- Education;
- Canoe polo;
- Marathon Racing;
- Flatwater Racing;
- Slalom Racing;
- Wildwater Racing;
- Freestyle.

A description of each discipline is contained on the AC and ICF websites – [www.canoe.org.au](http://www.canoe.org.au) and [www.canoeicf.com](http://www.canoeicf.com) respectively.

AC technical discipline committees operate pursuant to instruments of delegation containing terms of reference issued in accordance with Rule 33.3 of the AC constitution. Each instrument varies slightly to reflect the particular circumstances of the individual discipline but they typically specify common responsibilities to the Board for:

- Advising on racing competition rules, craft and venue specifications;
- Advising on ICF technical discipline matters;
- Advising on the training, accreditation and development of coaches and officials;
- Conducting Australian Championships;
- Conducting selection processes for Australian team representation;
- Assisting in developing bids for World Championships; and
- Acting as a resource for State Association technical discipline committees.

Appointments of members to the technical committees including the chairs are made by the Board following the calling of nominations.

Rule 34 provides for the Board to make By-Laws for the advancement, management and administration of AC, the advancement of the objects of AC and the sport of canoeing as it thinks necessary or desirable, subject to them being consistent with the constitution. There are currently 15 By-Laws dealing with such matters as anti-doping, discipline, member protection, selection procedures, role and function of the chair of the board, interested director qualifications, competitions, new categories of members and the Athletes Commission.

The Athletes Commission By-Law was adopted by the Board on 26 October 2001 pursuant to Rule 26 of the AC Statement of Purposes and Rules to govern the election of competitor representatives and members of the Athletes Commission. The Commission was to include, *inter alia*, the elected representatives from each discipline technical committee with the function of advising the Board on any matters relating to Australian canoeing.

In the 2002 constitutional review, consideration was given to including the Chair of the Athletes Commission on the AC Board but this did not happen because the GBPPs counsel against representative boards unless exceptional circumstances apply. The current Athletes Commission By-Law, although still listed on the AC website, has now effectively lapsed but has not to date been repealed.
AC Management Structure

Immediately prior to the AIS taking responsibility for the high performance program in January 2006, the organisational structure of AC took the form shown at Attachment 4.

The main functions performed by AC were:

- Directing the Slalom and Flatwater high performance programs in collaboration with NCE partners;
- Developing national underpinning programs and pathways in collaboration with State Associations, AIS and SIS/SAS to support athletes from entry level to elite competition level;
- Ensuring that there is a sufficiently large talent pool of athletes and a sufficiently large pool of accredited coaches and officials;
- Coordination and sanctioning of national events;
- Selection of teams to represent Australia in international competitions;
- Supporting the development of all technical disciplines, including the non-Olympic ones;
- Developing the sport through the provision of the Australian Canoeing Award Scheme (ACAS) for the training of instructors and guides and through the National Coaching Accreditation Scheme (NCAS) and the National Officiating Accreditation Scheme (NOAS);
- Managing the national ICT website to facilitate communication to State Associations, clubs and individual members through the weekly E-News with the State and national network being linked to affiliated club websites via a product called The Cascading News;
- Providing member services such as:
  - An integrated ICT product called MyClub, MyWebsite and MyRecord free-of-charge to State Associations to assist them to better manage their relationships with affiliated clubs and their members;
  - Member insurance covering all State Associations and affiliated clubs for public liability, directors and officer’s professional indemnity and personal accident; and
  - A member benefits scheme giving discounts when purchasing AC business partner products and services;
- Managing the sport’s affiliation with the ICF and the AOC;
- Managing the sport’s relationship with its major funder, the ASC;
- Seeking national sponsorships and managing national sponsorship relationships;
- Representing and advocating on behalf of the sport to government at all levels; and
- Ensuring that the governance requirements prescribed in the Act and constitution are complied with (including the maintenance of financial solvency) as well as adhering to all other legal obligations.

AC’s role in the Olympic high performance program, as a consequence of the NCE arrangements, is somewhat more limited compared with other NSOs without a formal NCE-type agreement between them and AIS/SIS/SAS partners. In the latter non-NCE cases, the high performance program is primarily the responsibility of the NSO, having regard to periodic BAP Committee input and the sport’s FSLA obligations to the ASC.15

The staff establishment employed by AC to perform these functions was 8.30 FTE. There were two vacancies in January 2006 leaving 6.30 FTE staff available as summarised below:

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15 Refer to email from Andrew Collins to ASC Sports Services staff for an examination of the roles of boards, CEOs, national performance directors and BAP committees, 24 March 2006. The degree of control exerted through the BAP process depends on the BAP Committee’s assessment of the organizational capability of the individual sport.
• CEO;  
• National Performance Director;  
• Program Coordinator High Performance Slalom program (50%);  
• Program Coordinator High Performance Flatwater program (vacant);  
• Education/Development Manager (vacant);  
• Development Coordinator (80%);  
• Membership Services/Database Officer;  
• Administrative Officer (Finance);  
• Receptionist;  

AC has not employed a staff member with accounting qualifications for some time and a firm of accountants was contracted to prepare financial statements for the Board. ICT support was outsourced to a private firm. An employee on contract was engaged to run major events such as the 2005 World Championships. A legal firm is also retained to provide legal services.

Following the AIS’ assumption in February 2006 of responsibility for the high performance program and the scaling back of AC’s remaining activities, staff numbers were reduced to two FTE, namely:

• Executive Officer; and  
• Membership Services/Database Officer;

The preparation of financial statements, ICT support and legal services continue to be outsourced and there is no longer any major events staffing.

With the exception of the high performance function and the associated roles of developing underpinning programs and pathways and utilising talent search, AC retains the other responsibilities although the service level in discharging them is obviously restricted by the reduced staffing. The AIS has outsourced to AC, a limited support role for the high performance program.

Appendix 5 (Summary of Canoeing Technical Disciplines in Australia in 2005) summarises the canoeing disciplines in Australia operated by AC and the States in 2005. This summary is aligned with the technical committees operated by the ICF although at present no Australian jurisdiction operates canoe sailing or dragonboat technical committees. In Australia, the disciplines are administered by 28 technical committees.

**Australian Canoeing Events Limited**

Australian Canoeing Events Limited (ACE) was the company limited by guarantee set up by AC on 17 July 2003 on a not-for-profit basis for the purpose of managing competitions and events. The company’s intended role in the first instance was to manage the World Slalom Championship at Penrith and the World Marathon Championship in Perth in 2005 using a project manager contracted to AC and reporting on a day-to-day basis to a two person Board “operational committee”.

Because ACE never effectively operated (see later), AC has initiated the necessary processes with ASIC for the deregistration of ACE as a company and for deregistration with the ATO for taxation purposes.

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16 AC entered into an agreement to purchase one ordinary share in ACE at $1.
National Centres of Excellence

AC’s high performance programs for the Olympic disciplines are managed through two National Centres of Excellence (NCEs).

The management of each NCE is governed by a Performance Enhancement Framework (PEF) agreed to by the program partners.

The main provisions of each PEF are:

Flatwater NCE

Partners

AC, AIS, NSWIS and QAS. The PEF states, however, that the partners formally acknowledge that they accept the leadership and direction of Australian Canoeing’s National Performance Director.

As a result of work undertaken under the auspices of NESC some years ago, there is now a more systematised approach taken by SIS/SAS and the SSO in each State and with the NSO in trying to achieve a more nationally coordinated approach to high performance program delivery involving Olympic disciplines. A standard template called a “Four Year Sport Agreement” and resembling the NCE PEF agreement, is executed by the parties in each State. The Agreement sets out how each State (meaning primarily in resource and expertise terms the relevant SIS/SAS) intends to articulate its State-based programs to the NCE arrangements. In each case there is an express commitment, as with the NCE partners above, to accept the leadership and direction of the AC National Performance Director.

In the case of SA, the Flatwater program involves funding of between $140,000 (2004-05) and $180,000 (2007-08) with up to two-thirds coming from SASI. AC was to provide $60,000 per annum while the CSA contribution was to be in-kind only. With WA, the Flatwater program involves funding of between $96,000 (2005) and $100,000 (2008) with around 60% coming from WAIS. AC was to provide $35,000 per annum while the CWA contribution was fairly minimal at $5,000 annually.

Overview

To maximize the collective expertise and resources of the AIS, QAS, NSWIS and AC in a partnership to achieve medal winning performances and sustainable international success.

Performance Goal

To win four medals at the 2008 Olympic Games, including one gold.

Purpose

The program is coach driven and athlete centred and targets elite and potential elite athletes to fast track their development by providing world-class facilities, infrastructure and support services in an intensive daily training and camp based environment as well as provide elite level international training/competition opportunities.

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18 Refer to SASI-CSA-AC Four Year Agreement 1 January 2005-30 June 2009; WAIS-CWA-AC Four Year Agreement 1 January 05-31 December 2008. Both of these cover the Flatwater high performance program.
The program also provides a clearly identified athlete pathway for underpinning and talent identification programs and other development programs.

Program Description

Up to 24 NESC scholarships are offered and NESC policy on dual recognition applies. Following the mid-year selection regatta and selection of the 2006 senior Flatwater team, NCE scholarship arrangements were updated for 19 athletes with 13 Tier 2 scholarships (seven men and six women) and six Tier 3 scholarships (three from each gender). The criteria are: Tier 2 – athletes selected for the world championship team as winners of national selection events in 2006 and/or “A” finalists at World Cups 1 or 2; Tier 3 - athletes selected to the world championship team.\(^\text{19}\)

The NCE operates an Athlete Performance and Development Tracking Program to monitor the progress of NCE scholarship holders. This program generates an Athlete Performance Agreement signed by the athlete and the coach. Each criterion is assigned annual priority targets, outlining improvement strategies and specifying key performance indicators. Ratings by coaches are given on a five point scale from unacceptable (1) to well above expectations (5) against five criteria - physical, technical, attitude, life skills and performance.

Progress assessments by coaches are completed mid-year and at year-end. These ratings are entered into a program tracking summary spreadsheet and a formula converts them to percentage indices for each criterion. These indices show the “athletes on track”, that is, the number of athletes who receive an overall rating of meeting expectations (a score of 3 or above). A summary of the percentage of “athletes on track” in relation to the 19 Flatwater scholarship holders as at 1 November 2005 is shown below:

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Physical</th>
<th>Technical</th>
<th>Attitude</th>
<th>(\text{ACE})(^{20})</th>
<th>Performance</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flatwater</td>
<td>100</td>
<td>100</td>
<td>89</td>
<td>89</td>
<td>21</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 1: Flatwater Athlete Performance: Percentage of “Athletes on Track”, 1 November 2005

QAS and NSWIS deliver agreed elite development programs. The position of the NCE within the national elite pathway is at Attachment 6.

Joint Management Committee

AIS (Chair) Director (or nominee)
AC CEO (or nominee)
AC National Performance Director
NSWIS CEO (or nominee)
QAS Executive Director (or nominee)
ASC Senior Sports Consultant.

The AIS Group Sports Manager provides secretariat support. The committee meets twice annually and is responsible for approving plans and budgets, monitoring program performance and ratifying selections for NCE scholarships.

\(^{19}\) Minute prepared by Richard Fox, 5 July 2006.

\(^{20}\) \(\text{ACE}\) is the acronym for athlete career education sometimes referred to as life skills.
**Staffing**

<table>
<thead>
<tr>
<th>Position</th>
<th>Status</th>
<th>Employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Performance Director</td>
<td>Full-Time</td>
<td>AC</td>
</tr>
<tr>
<td>NCE Coach</td>
<td>Full-Time</td>
<td>NSWIS</td>
</tr>
<tr>
<td>NCE Coach</td>
<td>Full-Time</td>
<td>QAS</td>
</tr>
<tr>
<td>AIS/NCE Program Manager</td>
<td>Full-Time</td>
<td>AIS</td>
</tr>
</tbody>
</table>

**Program Management**

The overall day-to-day management of the NCE program is the responsibility of the AIS/NCE Program Manager reporting to the National Performance Director on *national matters* and to the AIS Director on *AIS/NCE matters*. *Issues management* is the responsibility of the National Performance Director. The QAS and NSWIS NCE coaches report to the National Performance Director on all *national and technical related matters* and to their respective SIS/SAS Director on *specific Institute/Academy matters*. The National Performance Director manages the *Management Committee approved budget through the AIS/NCE Program Manager*. The National Performance Director, in consultation with the relevant SIS/SAS Director...and NCE Coach, collectively manages the approved annual SIS/SAS budget.

The PEF provides that any matter of concern from AIS, NSWIS, QAS or AC management must be raised at the Management Committee meeting and, where appropriate, be documented through the evaluation process.

**Funding**

The PEF specifies the annual contributions from program partners to be endorsed by the Management Committee prior to the commencement of each financial year.

Direct minimum operational base annual funding is:

<table>
<thead>
<tr>
<th>Partner</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIS</td>
<td>344,000</td>
</tr>
<tr>
<td>AC</td>
<td>752,000</td>
</tr>
<tr>
<td>NSWIS</td>
<td>150,000</td>
</tr>
<tr>
<td>QAS</td>
<td>120,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,366,400</td>
</tr>
</tbody>
</table>

These notional sums are subject to adjustment at the commencement of the four year agreement and throughout the period as determined by State and Australian Government funding appropriations and internal budget decisions made by the NCE partners as well as a range of other conditions including performance against the agreed annual operational plan.

Included above is a provision for the AIS to allocate $24,000 for *DAS/Individual Athlete Allowances* and $85,000 from AC as a contribution to the WAIS and SASI programs.\(^{23}\)

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\(^{21}\) This is indicative only. AIS capital and SSSM allocations are based on annual assessment of need and the AIS’ overall funding capacity. The notional capital budget was $106,300 (additional to above) and the notional SSSM budget was $87,500 (included in above).

\(^{22}\) This is indicative only. It includes $50,000 contribution to NSWIS and $50,000 to QAS.

\(^{23}\) The actual operational base annual funding of $85,000 was in fact increased by $10,000 according to the four year sport agreements with SASI and WAIS referred to earlier. The total AC annual contribution of $95,000 in those agreements was $60,000 to SASI and $35,000 to WAIS.
Services

The PEF provides for the partners to develop an agreed list of services to be documented in the administration and services plan within the PEF annual operational plan. These services are funded through annual financial contributions by the partners to the NCE central budget managed by the AIS. The notional provision for 2004-05 was $87,500 comprising $36,500 to employ a Strength and Conditioning Coach and $51,000 for SSSM. 24

Underpinning Programs

The PEF specifies that QAS and NSWIS will conduct effective programs to underpin the NCE. The PEF further provides that AC, QAS and NSWIS will liaise with the State Associations regarding these programs.

Recognition

The PEF provides that partners will acknowledge and recognise each other’s roles and contributions to the achievement of NCE program outcomes in accordance with NESC recognition policy.

Slalom NCE25

The Slalom PEF is essentially the same as the one used for Flatwater with the following exceptions.

Partners

AC, AIS and NSWIS.

Performance Goal

To win a medal at the 2008 Olympic Games.

Program Description

Up to 20 NESC scholarships will be offered and NESC policy on dual recognition applies. The program is centralized at the Penrith Whitewater Stadium (PWS) with feeder programs from the NSWIS Emerging Athlete Program, Western Sydney Academy, PWS and Talent Search Programs.

NSW registered athletes sign only one NCE (NSWIS/AIS) agreement and are dual-badged NSWIS/AIS. Other State-based athletes not resident in NSW but linked to a SIS/SAS are able to access the DTE provided by their SIS/SAS and receive NCE support through NCE camps and other benefits documented in the Schedule of Scholarship Benefits. The latter athletes sign both a SIS/SAS and an NCE agreement.

The current Slalom scholarship period extends from April 2006 until following the national senior selection team events in March/April 2007. A scholarship review will occur in September 2006. As at July 2006, the scholarship levels for the 16 NCE athletes were one Tier 1 scholarship (male), 10 Tier 2 scholarships (seven men and three women), three Tier 3

24 The SSSM budget breakdown was: Physiology/Nutrition ($10,000), Performance Psychology ($7,500), Biomechanics ($8,000), Medical/Physical Therapies ($10,000), Athlete Gap Allowances ($9,000) and Additional Servicing Expenses ($6,500).

scholarships (all men) plus two athletes who were not given a tier rating (one from each gender).

The criteria were: Tier 1 – athletes/crews who achieved a top 5 performance at 2005 World Championships and are selected for the 2006 national senior team or athletes who achieve a medal at a 2006 World Cup event; Tier 2 – the top 3 ranked athletes/crews in each class in the 2006 senior national selection ranking, subject to meeting the relevant NCE Tier 2 scholarship performance standard at two out of the four national team selection events; Tier 3 - after awarding the Tier 1 and Tier 2 scholarships, the balance remaining from the 20 total NCE scholarships are awarded to the 4th ranked athlete/crew in the 2006 national senior team selection ranking in K1, C1 or K1W subject to meeting the NCE Tier 2 scholarship standard referred to above or 2006 Team 22 athletes/crews meeting the NCE Tier 3 scholarship performance standard at two out of the four national team selection events.

As at July 2006, the SIS/SAS affiliations of the 14 athletes resident and training at Penrith and the 2 athletes resident and training elsewhere were NSWIS (9), VIS (4) and WAIS (3).

The NCE arrangements relating for the Athlete Performance and Development Tracking Program described earlier for Flatwater are common also to Slalom. A summary of the percentage of “athletes on track” in relation to the 15 Slalom scholarship holders as at 1 November 2005 is shown below:

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Physical</th>
<th>Technical</th>
<th>Attitude</th>
<th>ACE</th>
<th>Performance</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slalom</td>
<td>80</td>
<td>93</td>
<td>87</td>
<td>93</td>
<td>67</td>
<td>93</td>
</tr>
</tbody>
</table>

Table 2: Slalom Athlete Performance: Percentage of “Athletes on Track”, 1 November 2005

The position of the NCE within the national elite pathway is at Attachment 7.

Joint Management Committee

AIS (Chair)  Director (or nominee)
AC  CEO (or nominee)
AC  National Performance Director
NSWIS  CEO (or nominee)
ASC  Senior Sports Consultant.

Staffing

<table>
<thead>
<tr>
<th>Position</th>
<th>Status</th>
<th>Employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Performance Director</td>
<td>Full-Time</td>
<td>AC</td>
</tr>
<tr>
<td>AIS/NCE Head Coach</td>
<td>Full-Time</td>
<td>AIS</td>
</tr>
<tr>
<td>NSWIS/NCE Senior Coach</td>
<td>Full-Time</td>
<td>NSWIS</td>
</tr>
<tr>
<td>NCE Coach</td>
<td>Casual</td>
<td>AC</td>
</tr>
<tr>
<td>NCE Program Coordinator</td>
<td>Full-Time</td>
<td>AIS (50% funded by AC)</td>
</tr>
</tbody>
</table>

Program Management

Refer to description of Flatwater NCE above, amended mutatis mutandis.

Funding

The PEF specifies the annual contributions from program partners to be endorsed by the Management Committee prior to the commencement of each financial year.

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26 ACE is the acronym for athlete career education sometimes referred to as life skills.
Direct minimum operational base annual funding is:

<table>
<thead>
<tr>
<th>Partner</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIS</td>
<td>313,200</td>
</tr>
<tr>
<td>AC</td>
<td>308,700</td>
</tr>
<tr>
<td>NSWIS</td>
<td>110,000</td>
</tr>
<tr>
<td>Total</td>
<td>731,900</td>
</tr>
</tbody>
</table>

These notional sums are subject to adjustment at the commencement of the four year agreement and throughout the period as determined by State and Australian Government funding appropriations and internal budget decisions made by the NCE partners as well as a range of other conditions including performance against the agreed annual operational plan.

Included above is a provision for the AIS and NSWIS to allocate $35,000 and $5,000 respectively for DAS/Individual Athlete Allowances.

**Services**

Refer to description of Flatwater NCE above. The notional provision for 2004-05 was $28,500 with $22,500 coming from AIS and the balance from NSWIS with allocation for SSSM as per the footnote below.

**Underpinning Programs**

The PEF specifies that AC will ensure that State Associations in WA, Victoria and NSW will work with their respective SIS/SAS to deliver effective underpinning programs.

**Recognition**

Refer to description of Flatwater NCE above.

**State Associations**

Action was taken by AC in February 2003 to require State Associations to adopt a model constitution based on the revised AC constitution by 1 November 2003 pursuant to Rule 6.2(b) which obliges State Associations to amend their constitutions in accordance with the new constitution. At the time of writing this report, all States that amended their constitutions, mutatis mutandis, to harmonise with the AC constitution.

State Associations employed a further 13 FTE staff in 2005 with numbers ranging from zero in the case of Tasmania (later increased to 0.20 FTE) to five in Queensland. The functions performed by these staff focussed primarily on governance and financial management/compliance, supporting volunteers and technical discipline committees in the preparation for, and the conduct of, events and team selections, membership services and club support, sport development and education/accreditation. In some cases, for example in Victoria and WA, dedicated funding from non-sport and recreation State Government sources (such as VicHealth and Healthway respectively), supplemented their capacity to employ staff on a fractional pro-rata basis to promote small, “active community”, health-related programs.

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27 This is indicative only. AIS capital and SSSM allocations are based on annual assessment of need and the AIS’ overall funding capacity. The notional capital budget was $104,550 (additional to above) and the notional SSSM budget was $28,500 (included in above).

28 This is indicative only. It includes $20,000 contribution to NSWIS and $24,000 towards employment of the Program Coordinator.

29 The SSSM budget breakdown was: Physiology ($4,000), Nutrition ($3,200), Biomechanics ($6,000), Medical Therapies ($2,000), Physiotherapy ($7,500), Athlete Gap Allowances ($3,500) and Additional Servicing Expenses ($2,300).
Surf Life Saving Australia

The relationship between AC and Surf Life Saving Australia (SLSA) is regulated by an MOU executed in March 2005 and due to expire on 30 June 2009. The objective of the Agreement is the delivery of a co-ordinated approach to athlete and coach talent identification, skill development and education. The Agreement sets out the respective obligations of AC and SLSA regarding:

- Talent identification and athlete development;
- Athlete skills development;
- Sports Science;
- Competition;
- Coach education;
- Drugs in sport education; and
- Canoe and surf lifesaving clubs joint membership program.

The Agreement is essentially a comprehensive check-list of all the things that both parties consider are necessary to promote better cooperation, collaboration and communication between the sports.

However the Agreement, to a significant extent, is expressed in fairly general terms such as “assist”, “facilitate”, “promote”, “support”, “endorse”, “develop” and “work with”. This generality is not inappropriate for an MOU that is nothing more than a statement of intent and which is not legally enforceable. The key to giving the MOU substance is to translate the obligations into the business plans of both parties and for them to implement proper performance monitoring.

In recognition of this, the AC-SLSA Agreement provides for bi-annual review of activities and outcomes and requires the parties to establish Key Performance Indicators for each of the seven (7) project areas as a basis for systematic review. However, the performance of the MOU has not been reviewed to date because of the intervention of AC’s financial crisis and also because SLSA’s priority is now more focussed on taking over the management of the Flatwater program.

CANOEING SERVICE DELIVERY

In order to be in a position to make well-informed recommendations regarding how well the sport of canoeing is being delivered in Australia, it is necessary to go beyond governance and management structures. Hence, this chapter describes how the various components of the sport have operated and interacted over recent years. To put this into context, the starting point is to review participation in the sport.

Participation in the Sport

In 2001, according to ERASS research, there were 108,000 canoeists in Australia participating for exercise, recreation and sport comprising 34,000 in organised activities and 74,000 in non-organised activities. By 2004, this number had grown to 151,000 with 48,000 and 103,000 in organised and non-organised participation respectively, a 39.81% increase.

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30 2005/09 Co-operative Agreement between SLSA and AC, 1.
31 Email AC to ASC, 11 July 2006.
32 Exercise, Recreation and Sport Survey (ERASS) Participation in Canoeing/Kayaking, ASC, 2001-04. Note that to be considered a participant in ERASS, persons need only to have participated in the activity once in the 12 months prior to interview. Organised activities cover people participating in activities (including sport) that are organised by a club, association, fitness centre, school, work or other type of organisation.
over 2001. Increased participation rates were distributed fairly evenly between organised and non-organised over the three year period at 41.18% and 39.19% respectively.

While this increase looks, *prima facie*, encouraging, the amount of participation (see footnote definition below) fell significantly between 2001 and 2004 from a median of 25 in 2001 to 6 in 2004.

In comparative terms, Sweeney notes that in 2004-05, 22% of the population reported an interest in canoeing. This ranked canoeing 30th out of the 42 sports that rated above 17%, on a par with hockey and marginally ahead of such sports as triathlon and indoor volleyball, both of which rated 21%.  

In terms of the percentage of the total population who participate, canoeing at 15% ranked 14th out of 37 sports rated above 5%, on a par with surfing and ahead of such sports as soccer and touch football, both of which rated 11%. Sweeney suggests that participation in canoeing increased from 10% to 15% between 2000 and 2004.

Despite these moderately healthy interest and participation levels, canoeing did not figure among the 38 sports where the percentage of the total population who watch particular sports on TV was 10% or more. In this context, canoeing rated 8% which put it equal second lowest among 11 watersports.

One of the biggest challenges reported during the review consultations is the urgent need to persuade more existing and potential canoeists to join clubs, the so-called “conversion rate” which virtually every observer thinks is lamentably low. Without more young people entering the sport via clubs and enlarging the potential talent pool, the more there must be reliance on exogenous interventions such as ASC/SIS/SAS-controlled talent search. For canoeing to reclaim a larger role in the conduct of the sport, much will depend on the quality of the sport’s planning.

**Planning**

The quality of canoeing’s planning leaves room for substantial improvement. Although much of the sport’s planning documentation is very detailed, it is not linked to a proper performance management system (PMS). As a minimum, a PMS must link:

- Strategic planning to business planning, incorporating risk management;
- Planning to the management of resources;
- Management of resources to management reporting;
- Management reporting to monitoring by the Board.

AC does not have a PMS along these lines. Rather, in the years prior to 2006 at least, it had a number of planning documents but with no systematic means of executing them in a nationally coordinated way. A 2004 review by the consulting firm, Amarna, made a number of findings, including that:

- *there are no planning linkages established within the AC framework*;
- *there are no references to a national structure of canoeing or the roles and responsibilities of each stakeholder in any planning documents*; and

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34. Ibid, figure 2. Caution needs to be exercised in interpreting these Sweeney data given that the survey population is small, is capital city focused and the definition of participation is open-ended.
35. Ibid, 7.
• there is a lack of interest from staff/volunteers or clubs in developing or reviewing plans and a lack of skills to facilitate and develop a plan.\textsuperscript{36}

• AC key stakeholders are not aware or/either don’t understand the AC priorities.\textsuperscript{37}

The mission of AC is currently expressed as \textit{Creating the environment and motivating people to get involved in canoeing}.\textsuperscript{38}

In discharging its mission, AC has identified a number of performance measures including the following key ones:

• Results at world championships and Olympic Games;
• Participation rates of competitors in canoeing events;
• Growth in canoe club membership; and
• Membership retention in canoe club membership.\textsuperscript{39}

The AC Strategic Plan for 2005-09 was produced as a result of the Amarna Consultancy review. While AC set itself some challenging targets, the NSO did not have the required national authority within the sport to be held accountable for achieving them.

The wording of the strategic plan illustrates very well the constraints placed on the NSO in trying to play a genuine leadership role in delivering the sport nationally. After identifying the need to establish a business model to position canoeing as a successful, viable and relevant organization, the business model chosen simply focused on the need to cooperate within the Australian Canoeing Framework, leading to a reduction in duplication with each organisation contributing its own “piece of the puzzle”.\textsuperscript{40}

The difficulties that were about to engulf the sport and the feedback obtained during the course of the present review suggest that canoeing at the time should not have been content with developing a business model that merely had the various components of the sport contributing (their) own “piece of the puzzle”. Rather, what will be demonstrated from this review is that what was badly needed was:

• A proper alignment between the organisation’s form (constitution and structure) and the organisation’s functions (sometimes referred to as “form follows function”);
• A proper alignment between the organisation’s external environment and the organisation’s capacity; and
• A proper alignment of responsibility and authority for achieving agreed outcomes.

This did not happen and to that extent the strategic plan did not address one of the sport’s fundamental problems, that is, the serious lack of organisational capability. (see later) Because the strategic plan was flawed in this way, the very detailed draft operational plan covering 2005-06 that was designed to implement the strategic plan could, had it not been superseded by the imminent financial crisis, gone the way of many operational plans – very efficiently implementing strategies that were worthy enough but which missed the underlying problems because they were omitted from the strategic plan.

While it could be argued that these plans were not able to be executed because of the financial crisis AC discovered it was in, a more realistic assessment is that they were incapable of fixing the problems identified in this report because there was no clear articulation of the sport’s performance problems and no proper risk assessment. Without such articulation,
systematic prioritisation and project management to fix the problems within the resources available, and within a reasonable period of time, were not possible.

Moreover, as this report will show, the links between planning and the management of resources, between the management of resources and management reporting and between management reporting and monitoring by AC leadership, were, in the reviewer’s opinion, extremely defective and have contributed directly to the position canoeing now finds itself in.

AC does not currently possess an agreed strategic plan to replace the version referred to above although it does have a draft strategic plan prepared by the former CEO in February 2006. This document outlines a vision, in very broad terms, of how AC might seek to regain its position as a fully functioning NSO. It is instructive to note that the vision states that AC should:

- Be recognized as Australia’s leading authority on canoe/kayak safety, education and training;
- Be the first, second or third ranked Olympic sport in Australia; and
- Increase the number of Australian Canoeing members to that equivalent to 1% of Australia’s population.\(^{41}\)

The target of 1% of Australia’s population (approximately 200,000) will be quite challenging for a sport that currently has around 7,000 members and is struggling to service them at a level that is likely to retain their loyalty and, at the same time, accommodate a significant increase in members.

While this draft adumbration provides appropriate exhortations to do better and describes a number of “meaningful outcomes”, it is not very useful as a management tool because it is not problem-resolution oriented and is expressed in such vague and general terms. For example, strategic objectives are expressed in non-measurable terms such as Australian Canoeing is committed to outcomes in education, training, competition and participation in all forms of paddle sport and recreation.

As a strategic objective, most stakeholders would be interested in what AC intends to achieve rather than discover that AC “is committed to outcomes…” Moreover, under the heading “structure/management” the document states that one of the “meaningful outcomes” is to employ the best people for the roles required to achieve our strategic objectives and meaningful objectives.

A draft Management Plan for 2006-07 was produced by AC in February 2006. In this document, the “meaningful outcomes” from the draft strategic plan were translated into the draft operational plan as “initiatives” with blank columns for performance measures, responsibility, time-frame, priority and a rating (0-5) to record the extent to which implementation of the initiative was in line with expectations arising from the operational plan. Unfortunately, it is not technically possible to use this sort of material to design a PMS that can drive measurable improvements in performance in any sort of systematic way.

When the review is completed and the recommendations are considered by the sport, there will be an urgent need to revisit the planning process and to incorporate it into a proper PMS appropriate for an organisation of the size necessary to play a whole-of-sport leadership role in the delivery of the sport nationally.

\(^{41}\) AC, Our Future, Strategic Plan, 2006-09.
**Information Management**

It is now well-accepted that modern knowledge-based organisations are increasingly dependent on cost-effective information management for their economic survival.

Information management is defined as the production, storage, organisation, processing, retrieval, distribution, exchange and application of information. Stakeholder perceptions about whether an organisation’s communications are effective or not are really judgments about how effective an organisation’s information management is.

Information communication and technology (ICT) is a major productivity tool that is designed to make the flow of information, that is, communications, more streamlined, transparent, accountable and cost-effective.

The results of the review consultations showed conclusively that most survey respondents and other stakeholders believe that communication exchange between AC and State Associations has not been effective. This perception is despite the fact that AC has made considerable efforts in recent years to improve communications and information sharing through the use of ICT in the following innovative ways:

- the national website giving web-based, multi-level access to the national database for members and NTP’s;
- on-line competition entries;
- electronic publications (E-News); and
- assistance with the development of state and club websites.

AC has recently identified a number of opportunities to further exploit ICT with the view to delivering the sport more cost-effectively. These opportunities include:

- educating clubs and NTP’s on using their BvIT website more effectively to assist with the promotion and development of the sport at the grass roots level; (priority 1)
- refining the on-line event entry system to make it more user-friendly and adapting it to work with regatta management software; (priority 2)
- developing a members area on the website, including member benefits such as Bikely.com; (priority 3)
- developing on-line membership surveys aimed at responding better to member needs; (priority 4)
- developing a clubs forum for secretaries and presidents to improve information exchange and better member service; (priority 5)
- developing a coaches and officials area on the website;
- developing an instructors and assessors area on the website;
- completing the roll-out of remaining club websites;
- developing an audit function database for ACAS;
- developing an on-line database of retailers and tour operators; and
- developing individual tour websites.

AC recognises that the sport faces a number of practical constraints in taking these ideas further at the present time. First and foremost, the ability of AC to fund any ICT initiatives in the foreseeable future is likely to be very limited; second, AC’s modest staff resources place severe restrictions on the support the NSO could offer at the regional and club levels; and third, there is perceived to be a lack of ICT expertise across the sport at grass roots level.\(^{42}\)

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\(^{42}\) Email AC to ASC, 21 July 2006.
Notwithstanding these constraints, it is encouraging to see that AC has been giving some thought to the sport’s information needs and to the ICT functionality required to meet those needs.

The ASC’s assessment of the above is that AC’s current thinking on possible future ICT initiatives can be grouped under the following functional areas:

- Online communities, for example, members, coaches, volunteers;
- E-commerce for event registration and member services;
- On-line education;
- Secure gateway to provide a private/secure members area; and
- Data driven content for the organisation’s web presence, that is, pulling content from databases.

Useful though this picture is, it is important that information management needs are driven by client service delivery requirements rather than ICT considerations. A solid conceptual framework is now needed within which to undertake a broad scoping exercise to define how best practice information management (especially information flow) can improve delivery of the sport and then, and only then, assess the type of ICT architecture best suited to support this.

Before AC proceeds any further with examining ICT options, therefore, it is vital (especially given the principles guiding the review), that the sport has a proper philosophical debate on an over-riding threshold issue concerning the most cost-effective way of delivering services via the web.

This debate turns on whether AC moves to a “Web 2”- based approach (that is, collaborative and less regulated) or maintains a “Web 1”- based approach (that is, based on pushing content out while providing little scope for members to contribute and own content).

**Financial Management and Internal Control**

Financial management and internal control have been weak spots for AC for some years. On 6 August 2001, the ASC wrote to AC regarding the outcome of a review undertaken by Peter Beames, Chartered Accountant, on AC’s financial position. The review found that AC had poor financial management systems and practices which had contributed to a substantial loss during 2001 and had almost completely eroded its balance sheet reserves. The report recommended a number of changes aimed at restoring AC’s financial position and preventing a recurrence of its financial problems.

As stated earlier in the background to the present review, similar problems recurred only a few years later and reached a crisis during the course of 2005. Perhaps one of the clearest case-study illustrations of AC’s internal control problems and how AC’s business practices need to be changed for the future concerns what reportedly occurred in the lead-up to, and during the conduct of, the Marathon World Championship (MWC) in Perth in 2005. One estimate of the loss sustained by the MWC is that, for the financial year-to-date as at 30 April 2006, it could be as high as $237,000. This loss contributed significantly to the sport’s serious financial difficulties. The question is, how did this happen and what are the lessons to be learnt to prevent a recurrence.

The company ACE was established (quite legally) by AC to manage major canoeing events such as the MWC. ACE was legally a controlled entity of AC and hence its accounts were to be consolidated with AC provided its transactions were financially material.

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43 Email AC to ASC, 11 May 2006.
The ostensible reason for the company’s establishment was based on “efficiency” considerations, namely, to appoint a small, skills-based Board that would be able to give undivided attention to the demands of managing major events thereby mitigating the risk of the larger and more diverse AC Board, with its wider responsibilities, not being able to give the necessary attention to these time-consuming tasks. The other, perhaps more substantive, reason for establishing ACE (as suggested by a knowledgeable insider) was that the “corporate veil” was a dominant consideration in establishing ACE to quarantine financial losses that, if incurred directly by AC, could jeopardise the latter’s financial solvency.

While the corporate veil strategy is commonly used by entities in an attempt to protect the parent body from financial loss, parent bodies risk losing that protection if the Board of the parent body does not exercise reasonable care in ensuring that there are appropriate measures in place, such as periodic reporting, aimed at preserving solvency and hence protecting the interests of creditors and employees.

Without in any way seeking to “second guess” ACE Board decisions (this could cause the AC Directors to be seen to be shadow directors and expose them directly to legal liability in the event of ACE insolvency), there was nevertheless a responsibility on the AC Board to ensure that there were appropriate corporate governance procedures in place in its controlled entity and that these were being observed. The evidence suggests that neither the AC nor ACE Boards were effective in exercising their responsibilities in this area.

The internal control problems experienced with the MWC were systemic, structural and behavioural. According to recent ground-breaking research by Richard Leblanc of York University in Canada, board performance is at least as likely to be influenced by director behaviour as it is by governance and management structures and systems. In the case of AC and its relationship with ACE, leadership behaviour as well as governance and management systems and structures were, in the reviewer’s opinion, both important in understanding what went wrong with the MWC and what lessons can be learnt.

Of course the first level of responsibility was with the ACE Board but it seems that the AC Board may have relied excessively on the ACE Board to oversee the event. In this connection, the AC Board did not satisfy itself that there were realistic regular budgets, risk assessments or variance reporting in relation to this major event. Indeed, the reviewers were advised that much of ACE’s work was overseen by a two-person “operational committee” comprising the Perth-based AC President (who was also a Director of ACE) and the contract Project Manager employed by AC to manage the event. (It is relevant to note here that the immediate past CEO of AC was appointed to the ACE Board but resigned within one month on legal advice that there was no constitutional ability for him to perform that role and because of perceived personal financial risk.)

Responsibility for overseeing the MWC was further blurred by CWA having a host-state organising committee role. Coordination was to be through the President of CWA who was also a Director of ACE. All of the Directors had Marathon backgrounds and one was said to possess financial credentials but unfortunately this person (the President of CWA) passed away early in 2005.

Information provided to the review indicated that early MCW budgets forecast small profits but these were based on some unrealistic assumptions. For example, a budget dated 16 September 2005, was showing as projected income “sponsorship xyz $100,000” only weeks

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45 The four-person ACE Board comprised the AC President, an AC Director, the part-time WAIS Flatwater coach and the President of Canoeing WA.
46 Email Robert Barnes to Robert Kidston, 17 July 2006.
out from the event.\textsuperscript{47} The contract with Eventcorp required 1,400 competitors for the full sponsorship dollars to be paid ($250,000) but only around 400 competitors attended. This should have been apparent well before the event. The contract stated that Eventcorp could reduce its sponsorship and that if total participation was under 1,000, the sponsorship could be cancelled altogether. Given that participation rates were based on European experience where paddlers typically drive in from nearby countries and because teams coming to Australia needed to be kept small to contain travel costs, the income estimates appeared to be unrealistic.

Moreover, income estimates for program sales and catering assumed significant spectator attendance when it should have been recognised, had the AC leadership received the budgets and debated the assumptions, that spectator attendance at canoeing events such as Marathon usually result in only small spectator numbers. On the other hand, budgeted expenditures were typically underestimates. It appears that attempts to risk manage the contingency of reduced sponsorship income were essentially to budget for reduced expenditure but unfortunately these reductions were in areas where savings of that magnitude were unlikely.

The AC Board was reportedly not advised of the magnitude of the World Championship losses until late 2005 and AC’s financial statements for the year ended 30 June 2005 (signed off by the AC Board on 1 November 2005) provide for losses of $35,000 and $172,000 on the Marathon and Slalom World Championships respectively. In the case of the MWC, it would appear that this provision may have been an underestimate.

Only two meetings of the ACE Board were held in the three years of the company’s operations (the company was in the process of being deregistered on the application of AC in June 2006) and the company reportedly did not hold any AGMs and nor were its finances audited. AC estimates that less than $50,000 was transacted on behalf of ACE but this is difficult to verify in the absence of audit as the MYOB system set up for ACE was never used.\textsuperscript{48}

There were a number of personnel changes and breaks in continuity at critical times could have affected these events. For example, the AC CEO resigned in April 2005 and his replacement did not take up duty until 6 June 2005. Moreover, two AC Board members resigned during 2005.\textsuperscript{49} In addition, no one on the AC Board during 2004-05 appears to have held formal accounting qualifications. Further, at least two AC Board members were from Marathon canoeing (the President and one Director who was also a member of the ICF Marathon Racing Technical Committee) and both were on the ACE Board. At a time when dispassionate assessment of commercial risk was necessary, it is possible that passion for the discipline clouded commercial judgment.

Canoeing and indeed many other sports are faced with the dilemma of needing to engage unpaid volunteers to serve as directors and to make available their passion and expertise while at the same time avoid placing themselves in potential conflicts of interest. It is not possible nor appropriate to recommend a “one-size-fits-all” solution to this dilemma so it is probably a matter of “each case on its merit”. In this connection, directors with known passions should continue to be encouraged to volunteer and to offer their expertise. At the same time, key stakeholders should require boards of events companies, as well as their parent bodies, to have effective corporate governance procedures in place that as a minimum involve proper disclosure and regular reporting.

It has gone largely unremarked that the parent body, an incorporated association established under the \textit{Associations Incorporation Act 1991}(ACT), set up (quite legally) a company limited by guarantee under the \textit{Corporations Act 2001} (Commonwealth). This meant

\begin{itemize}
\item[47] “Sponsorship xyz $100,000” means that there was no sponsor for that money at that time.
\item[48] Email AC to ASC, 21 June 2006.
\item[49] Graham Halford and Gai Ness resigned early 2005 and mid-2005 respectively.
\end{itemize}
therefore that a parent body operating under a lesser standard of reporting disclosure and director liability established a controlled entity that was supposed to be operating under a higher standard of reporting disclosure and director liability. Under such a model, it would be conceivable in the event the controlled entity’s financial transactions were material and therefore had to be consolidated with the parent entity’s financial statements, that financial reporting to AC members on the controlled entity’s activities at the consolidated (whole-of-enterprise) level could be at a lower standard of disclosure.

For the future, it would be desirable for entities of the significant size of AC to be constituted pursuant to the Corporations Act rather than under a State/Territory Associations Incorporation Act. This higher accountability status is consistent with ASC best practice governance principles. AC should also avoid setting up other companies unless there is appropriate monitoring that provides an assurance that they possess effective systems of corporate governance while at the same time avoiding any suggestion that AC Directors are acting as shadow directors of the subsidiary company.

Resources

For AC for the financial year ending 30 June 2005. AC had total income of $2,294,520, including $1,492,786 (65.06%) as grants from the ASC ($1,335,000), AIS ($146,606) and ASF ($11,180). In addition to, and separate from, this grant income, the AIS spent $657,000 on the provision of support for the canoeing high performance program. It can be seen from this that AC and the sport generally are very heavily reliant on the ASC/AIS for financial support. AC spent $2,710,608 yielding a loss of $416,088 and contributing to a negative net equity of $461,073 as at 30 June 2005.

References above to the high performance program relate to the Olympic disciplines of Slalom and Flatwater only and do not include the four non-Olympic disciplines. AC provided up to $25,000 annually for each of the non-Olympic disciplines which supplemented the funds raised by the discipline committees to cover such things as international tours, selection events and committee expenses.

The financial results of the State Associations in 2005 are summarized in the following table:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>SA</th>
<th>WA</th>
<th>TAS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>192,237</td>
<td>345,841</td>
<td>429,015</td>
<td>332,076</td>
<td>225,848</td>
<td>19,489</td>
<td>1,544,506</td>
</tr>
<tr>
<td>Expenditure</td>
<td>179,455</td>
<td>427,464</td>
<td>457,313</td>
<td>318,953</td>
<td>272,858</td>
<td>17,764</td>
<td>1,673,807</td>
</tr>
<tr>
<td>Surplus/Loss</td>
<td>12,782</td>
<td>(81,623)</td>
<td>(30,735)</td>
<td>13,122</td>
<td>(47,010)</td>
<td>1,724</td>
<td>(129,301)</td>
</tr>
<tr>
<td>Net Equity</td>
<td>151,500</td>
<td>29,172</td>
<td>60,522</td>
<td>58,368</td>
<td>27,441</td>
<td>48,268</td>
<td>375,271</td>
</tr>
</tbody>
</table>

Table 3: State Association Financial Results 2005

50 The 2004-05 acquittal statement shows that AC acquitted a total of $1,354,455 comprising $1,235,000 (high performance program), $100,000 (sport development program), $3,971 (talent identification program 2003-04 allocation) and $15,484 (talent identification program 2004-05 allocation). There was a minor discrepancy of $3,411 in this acquittal as shown in a separate source document as follows: $1,194,773 (high performance program, including 50% of the CEO’s salary and 100% of two other positions - the High Performance Director and Program Manager roles), $129,137 (sport development program, including 100% of 2 AC staff salaries), $11,513 (talent identification program: 2003-04 allocation) and $15,621 (talent identification program: 2004-05 allocation).

51 Email AC to ASC, 16 June 2006.

52 For interstate comparison purposes, total income includes $53,406 membership capitation fees and $11,419 ACAS registration fees. Queensland Canoeing accounted for these amounts in its balance sheet rather than in the income and expenditure statement.

53 For interstate comparison purposes, total expenditure includes $53,406 affiliation fees paid to AC and $8,982 ACAS registration fees paid to AC. Queensland Canoeing accounted for these amounts in its balance sheet rather than in the income and expenditure statement.

54 The loss of $30,735 is as per the audited income and expenditure statement and compares with a loss of $28,298 if expenditure of $457,313 is subtracted from income of $429,015. The difference of $2,437 is accounted for in the timing difference in receiving ACAS registration fees and remitting them to AC.
It is of interest to note that NSW (including the ACT) and Victoria with 35.20% and 24.50% of
the national population, generate 12.45% and 22.39% of the combined income for all
States respectively. At the other end of the scale, Tasmania with 2.40% of the population
accounted for 12.86% of the combined net equity of the States. Victoria on the other hand
held only 7.77% of the combined net equity of the States.

These data indicate that:

- Canoeing in 2004-05 was in a very weak position at the NSO level and that, virtually
  without exception, was in a weak position in all States;
- The financial performance and financial position of the various jurisdictions were
  very uneven, especially when measured against the benchmark of percentage of
  national population.

At the same time, if the constitutional separations between the legal entities that make up the
sport are put to one side for a moment, the resources available to the sport nationally in 2004-
05 were quite significant. Canoeing had $3,839,026 total income from which, with equity
draw-downs, the sport expended $4,384,415. The resultant total loss for the year of $545,389
contributed to an Australia-wide net equity position for the sport of negative $85,802 as at 30
June 2005. The net equity position of canoeing in 2004-05 indicates that the sport’s overall
financial situation is quite fragile. Across the jurisdictions, the sport is, to a greater or lesser
degree, vulnerable to the potential impact of even quite small errors of commercial judgment.

In addition to financial resources, the sport had considerable human resources available to it
during 2004-05. Australia-wide, Canoeing employed 19.30 FTE staff including 13 at the State
level. It is estimated that up to 70% of these State human resources (the figure varies from
State to State) are absorbed in office administration functions such as financial, membership
services and governance compliance and that, with a couple of exceptions, only modest
resources are able to be directed towards sport development or high performance sport
matters.

A summary of State Association staffing in 2005 is shown in the following table:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>SA</th>
<th>WA</th>
<th>TAS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff (FTE)</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>Nil</td>
<td>13</td>
</tr>
</tbody>
</table>

Table 4: State Association Staffing 2005

Queensland’s relatively strong performance in proportional terms in relation to income
generation, membership, coaches and officials share is likely to be at least partly attributable
to the fact that this State employed 5 FTE staff (38.46% of staff employed by the States) even
though it has only 19.30 % of the population. NSW on the other hand with 35.20% of the
population employed only 1 FTE staff (7.69% of staff employed by the States). It is noted that
NSW was also a relatively poor performer in national percentage terms in relation to the
measures referred to above for Queensland.

The work earlier this year in developing a financial recovery plan for canoeing has provided a
better understanding of AC’s cost structure. This had previously been masked somewhat by
the cross-subsidisation from the ASC high performance grant.

The review showed that AC had a structural budget imbalance, namely:

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55 Staff numbers fluctuate over time and FTE calculations include numbers of part-time staff. Tasmania has a 0.20
FTE staff resource in 2006.
- a high fixed cost component of servicing members in a sport with a relatively low member base and the difficulty in reducing costs below a certain minimum threshold; and
- a difficulty in meeting the cost of running the AC office when it no longer had access to up to $250,000 from the high performance grant to subsidise general overheads.

One of the underlying structural budget issues faced by Canoeing is that while the marginal cost of servicing additional members is relatively low, the fixed costs (e.g., minimal staffing, member database, directors insurance), are relatively high. With sports such as canoeing, the cost profile is therefore skewed and expenses are spread over a relatively small membership base. Unless membership numbers grow significantly, attempts to increase affiliation fee income by increasing membership fees so that member servicing costs can be fully offset can be challenging.

Under the current financial recovery plan, costs have been reduced to the maximum extent consistent with running the office and continuing to provide basic member services. Affiliation fees of $198,000 budgeted for 2005-06 were not sufficient to fully offset the cost of service delivery and hence affiliation fees are budgeted to increase to $250,000 in 2006-07.

The level of affiliation fees to be paid by the States has become a contentious issue in canoeing and a source of tension sometimes between the NSO and SSOs. (see later) State Associations tend to see individual members as their members and the fees those members pay as their fees. The affiliation fees paid by the States are perceived therefore effectively as a tax to be paid grudgingly. The present constitution makes the States, as the only voting members, the owners of the sport and AC tends to be viewed simply as their instrument for providing services on a national basis where this is considered appropriate. There is evidence that some States expect “Rolls Royce” quality services for “Hyundai” costs. Who controls the individual membership is therefore a key driver in how the sport can be delivered and at what cost.

**Membership**

The composition of AC’s individual membership in 2005 is summarized below:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>NSW</th>
<th>NT</th>
<th>QLD</th>
<th>SA</th>
<th>TAS</th>
<th>VIC</th>
<th>WA</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comp Adult</td>
<td>906</td>
<td>19</td>
<td>391</td>
<td>358</td>
<td>104</td>
<td>1,193</td>
<td>475</td>
<td>3,446</td>
</tr>
<tr>
<td>Comp Junior</td>
<td>352</td>
<td>1</td>
<td>189</td>
<td>192</td>
<td>37</td>
<td>204</td>
<td>73</td>
<td>1,048</td>
</tr>
<tr>
<td>Comp Pensnr</td>
<td>28</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total Comp</strong></td>
<td>1,286</td>
<td>20</td>
<td>580</td>
<td>550</td>
<td>141</td>
<td>1,397</td>
<td>567</td>
<td>4,541</td>
</tr>
<tr>
<td>Rec Adult</td>
<td>538</td>
<td>2</td>
<td>1,095</td>
<td>-</td>
<td>-</td>
<td>182</td>
<td>-</td>
<td>1,817</td>
</tr>
<tr>
<td>Rec Junior</td>
<td>39</td>
<td>-</td>
<td>195</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>238</td>
</tr>
<tr>
<td>Rec Pensnr</td>
<td>21</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total Rec</strong></td>
<td>568</td>
<td>2</td>
<td>1,290</td>
<td>-</td>
<td>-</td>
<td>186</td>
<td>-</td>
<td>2,076</td>
</tr>
<tr>
<td>Social</td>
<td>24</td>
<td>-</td>
<td>55</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>79</td>
</tr>
<tr>
<td>Triallist</td>
<td>377</td>
<td>-</td>
<td>234</td>
<td>46</td>
<td>53</td>
<td>230</td>
<td>49</td>
<td>989</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,285</td>
<td>22</td>
<td>2,159</td>
<td>596</td>
<td>194</td>
<td>1,813</td>
<td>616</td>
<td>7,685</td>
</tr>
</tbody>
</table>

Table 5: Membership Australian Canoeing 2004-05

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56 Australian Canoeing Annual Report 2005, 18. Note that ACT canoe club members are members of the NSW Canoeing Association and that the NT Canoeing Association resolved at the 2005 AGM to wind-up. It is understood, however, that legal winding-up has not yet occurred and that NT canoe clubs now liaise directly with AC regarding affiliation fees. (Refer Emails AC to ASC, 10 July 2006)
Unfortunately, AC’s membership database only commenced in 2004 so there are no reliable records from earlier years to enable comment on long-term membership number trends. AC claims, however, that membership numbers increased by 13.70% from 2002-03 to 2003-04 and by 20% from 2003-04 to 2004-05. While these increases seem, *prima facie*, to be impressive, they are off a small base. Moreover, unless proper allowance is made for triallists (short-term members who join often for day for a particular event and for the purpose of obtaining insurance cover), the underlying trend may not be so positive.

The following table shows that, with the exception of Queensland and NSW, the other States’ share of total membership is roughly in line with their shares of the national population.

<table>
<thead>
<tr>
<th>NSW (%)</th>
<th>QLD (%)</th>
<th>SA (%)</th>
<th>TAS (%)</th>
<th>VIC (%)</th>
<th>WA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Popln</td>
<td>M’ship</td>
<td>Popln</td>
<td>M’ship</td>
<td>Popln</td>
<td>M’ship</td>
</tr>
<tr>
<td>35.20</td>
<td>29.73</td>
<td>19.30</td>
<td>28.09</td>
<td>7.70</td>
<td>7.76</td>
</tr>
<tr>
<td>2.40</td>
<td>2.52</td>
<td>24.50</td>
<td>23.59</td>
<td>9.80</td>
<td>8.02</td>
</tr>
</tbody>
</table>

*Table 6: State Share of National Population Compared with State Share of AC Membership 2004-05*

Queensland on the other hand with only 19.30% of the population had 28.09% of the national membership while NSW with 35.20% of the population had only 29.73% of the membership. Because the States control members, they have traditionally taken the leading role in trying to develop the sport and to grow the membership. Some States have obviously been more successful than others but there has been little opportunity for the NSO to take the lead role in directing the States to achieve uniformly high growth rates through coordinated marketing and service provision aimed at generating higher fee income.

A download from AC’s database revealed the following distribution of financial member numbers across the 120 affiliated clubs in 2006:

<table>
<thead>
<tr>
<th>Member Range</th>
<th>Number of Clubs</th>
<th>Av Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>26</td>
<td>7</td>
</tr>
<tr>
<td>11-20</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>21-50</td>
<td>32</td>
<td>36</td>
</tr>
<tr>
<td>51-99</td>
<td>23</td>
<td>66</td>
</tr>
<tr>
<td>100-350</td>
<td>18</td>
<td>165</td>
</tr>
</tbody>
</table>

*Table 7: Financial Memberships of Affiliated Clubs 2006*

This table shows the small size of many clubs (39.17% with fewer than 21 members) and could go some way towards explaining why many clubs with very modest financial resources are said to operate along “kitchen table” lines and why an estimated 70% do not have club house facilities.

A member joins a club by completing an application form and by signing an AC declaration acknowledging that, if their application is accepted, they will automatically become members of the State Association and AC and will be bound by, and comply with, the constitutions, regulations and policies of those entities.

When applicants join clubs, they do not specify which discipline they will paddle in. They specify their member type, for example, competition, recreational or social and whether they are junior and senior. So a member registered for competition could compete in Marathon events one day and in Slalom events the next. AC is unable to confirm whether there is a general trend for AC members to paddle in more than one discipline although AC staff

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57 The population shares total 98.90%, the difference being the NT share of 1.10%. (see later)
believe *that quite a few do compete in more than one discipline*.\(^{58}\) Certainly, many clubs are multi-disciplinary as shown at Appendix 8 (*Canoe Clubs by Discipline: 2006*).

Only AC members may compete in AC events at any level (club, state or national) and only AC members are eligible for selection in state or national touring teams. AC membership is required to compete internationally in ICF officially sanctioned events or training.

Applicants pay a fee which includes the State Association membership fee. The club sends the AC declaration and the State Association fee to the State office for input to AC’s online database. The database automatically creates a list of new/renewed members which is downloaded weekly or fortnightly by AC so that AC membership cards can be issued. Some States also have direct memberships whereby applicants are able to join the State Association and AC without joining a club.

The fee structures vary significantly from State to State as summarized below:

<table>
<thead>
<tr>
<th>NSW(25)</th>
<th>QLD (16)</th>
<th>SA (7)</th>
<th>TAS (8)</th>
<th>VIC (9)</th>
<th>WA (25)</th>
</tr>
</thead>
<tbody>
<tr>
<td>L($)</td>
<td>H($)</td>
<td>L($)</td>
<td>H($)</td>
<td>L($)</td>
<td>H($)</td>
</tr>
<tr>
<td>Nil</td>
<td>72</td>
<td>128</td>
<td>Nil</td>
<td>50</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Table 8: State Association Membership Fee Structures 2006(^{62})</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These fee structures are reflected in the income generated by each State and affect each State’s capacity to pay affiliation fees to AC as well as provide for their own service delivery needs as indicated below:

<table>
<thead>
<tr>
<th>NSW</th>
<th>QLD</th>
<th>SA</th>
<th>TAS</th>
<th>VIC</th>
<th>WA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inc</td>
<td>Cap</td>
<td>Inc</td>
<td>Cap</td>
<td>Inc</td>
<td>Cap</td>
</tr>
<tr>
<td>70,429</td>
<td>49,427</td>
<td>95,051</td>
<td>37,977</td>
<td>17,525</td>
<td>15,840</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7,630</td>
<td>6,870</td>
<td>85,023</td>
<td>53,816</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23,971</td>
<td>21,946</td>
</tr>
<tr>
<td>Table 9: State Association Membership Fee Income and Affiliation (Capitation) Fee Payments, 2004-05(^{62})</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Affiliation fees paid in 2004-05 amounted to $192,364.\(^{62}\) Part of the financial recovery plan negotiated between AC and the ASC earlier this year involved agreement between AC and State Associations on their respective contributions towards the estimated $250,000 required by the NSO to service the States in 2005-06 and in each year to 2008-09. The 2005-06 figure represents a 30% increase over 2004-05.

Under this model, the new affiliation fee contributions, compared with the old, would become:

<table>
<thead>
<tr>
<th>NSW</th>
<th>QLD</th>
<th>SA</th>
<th>TAS</th>
<th>VIC</th>
<th>WA</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>Old</td>
<td>New</td>
<td>Old</td>
<td>New</td>
<td>Old</td>
</tr>
<tr>
<td>66,080</td>
<td>49,427</td>
<td>50,775</td>
<td>37,977</td>
<td>21,175</td>
<td>15,840</td>
</tr>
<tr>
<td>9,185</td>
<td>6,870</td>
<td>71,945</td>
<td>53,816</td>
<td>29,340</td>
<td>21,946</td>
</tr>
<tr>
<td>Table 10: Projected State Association Affiliation Fees, 2005-06(^{62})</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These affiliation fees are based on the following national population shares:

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58 Email AC to ASC, 7 July 2005.
59 Membership categories by State.
60 L=Low; H=High.
61 State Association Financial Statements 2004-05 and Email AC to ASC, 5 July 2006.
62 This figure includes $5,000 for the NT not included in the table. The NT Association ceased to operate during 2005-06.
63 The NT contribution of $5,000 based on a 2.60% national population share has been apportioned across the other States except for an amount of $1,500 to be paid by NT canoeing clubs through direct club affiliation with, and membership of, AC. As a consequence of this apportionment, the actual increase for each State is 33.69% rather than the 30% originally intended.
Affiliation fees have been a source of contention ever since the formula was changed from one based on an agreed per capita membership figure to one based on State share of national population. Under the current model, AC determines the budget it needs to provide the required member services to the States and this sum is divided among the State members according to their proportion of the national population. This change was made about four years ago because at least one State was said to be “hiding” members in order to avoid paying its proper share of per capita affiliation fees.

NSW (which includes the ACT) in particular has objected to this formula because of the population – membership share discrepancy referred to earlier. In addition, NSW received only $20,000 from the NSW Government in 2005 compared with the other mainland States which received between $65,773 to $129,497 in that year from their State Governments. Moreover, the NSW Board claims that some 30% of their members have indicated that they would not renew their membership if fees rise by more than what they consider to be a reasonable amount. The NSW Board further contends that it is currently in the untenable position of being expected to remit virtually all of the income it raises from member fees to AC for affiliation purposes leaving very little to invest in providing enhanced member services.

If NSW were to contribute its proportional share of affiliation fees in 2005-06, the figure would be $88,000. As this would represent a 24.95% increase over 2004-05 fee income, the other States acknowledged that this would be unconscionable and therefore agreed to the NSW contribution being phased in on a sliding scale over several years. The effect of this is that each of the other States is contributing a disproportionately large share of national affiliation fees.

In this context, it is relevant to note the result of dividing affiliation fees by the number of members (excluding triallists) in each State:

<table>
<thead>
<tr>
<th>NSW ($)</th>
<th>QLD ($)</th>
<th>SA ($)</th>
<th>TAS ($)</th>
<th>VIC ($)</th>
<th>WA ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-91</td>
<td>19-73</td>
<td>28-80</td>
<td>48-72</td>
<td>34-00</td>
<td>38-71</td>
</tr>
</tbody>
</table>

Table 12: Affiliation Fees per Member by State 2004-05

It is clear from this that Queensland is by far the greatest beneficiary of the current formula by virtue of its relatively high membership rate compared with its share of population. On the other hand, Tasmania is the most disadvantaged State largely because of its small membership numbers and the impact of the State’s larger share off a low base. At the same time, NSW has been sympathetically treated under the phasing-in formula as evidenced by a per capita affiliation fee that is below the national weighted average of $27-85.

The per capita affiliation fees compare with per capita fee income in each State as follows:

<table>
<thead>
<tr>
<th>NSW ($)</th>
<th>QLD ($)</th>
<th>SA ($)</th>
<th>TAS ($)</th>
<th>VIC ($)</th>
<th>WA ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>36-91</td>
<td>49-38</td>
<td>31-86</td>
<td>54-11</td>
<td>53-71</td>
<td>42-28</td>
</tr>
</tbody>
</table>

Table 13: Fee Income per Member by State 2004-05

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64 The proportion 35.20% comprises NSW (33.69%) plus the ACT (1.60%).
65 The ABS proportions do not include the NT figure of 1.10%. The formula proportions total 97.40%, the difference being the NT share of 2.60% which has been apportioned across the other States.
66 Total membership for 2004-05 excluding triallists and the NT is 6,674.
67 The per capita figures are based on a total membership for 2004-05 excluding triallists and the NT of 6,674.
This shows that Tasmania, Victoria and Queensland are the most effective States in generating fee income from their members. All of these States are well above the national weighted average of $44.90.

Given that the demographics across the States are not that dissimilar, the table suggests, *prima facie*, that those States below the national weighted average have to date not been able to market the value of membership successfully and/or have not provided services that are sufficiently valued by existing or prospective canoeists.68

The differences between affiliation fees per member and per capita fee income are shown in the following table:

<table>
<thead>
<tr>
<th>NSW ($)</th>
<th>QLD ($)</th>
<th>SA ($)</th>
<th>TAS ($)</th>
<th>VIC ($)</th>
<th>WA ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.00</td>
<td>29.65</td>
<td>3.06</td>
<td>5.39</td>
<td>19.71</td>
<td>3.57</td>
</tr>
</tbody>
</table>

Table 14: Differences between Affiliation Fees per Member and Per Capita Fee Income by State 2004-05

The weighted average difference was $17.05 in 2004-05. This shows that Queensland is currently in the most advantageous position by a big margin as a consequence of having relatively low affiliation fees per member and relatively high per capita fee income.

The above differences highlight one of the biggest problems faced by federated models, namely, the potential for very uneven development across the States because of highly variable resource bases, highly variable board and management capabilities, highly variable membership bases and highly variable service delivery standards.

It is, after all, not unreasonable to argue that NSW, as the largest State with comparatively good waterways, ought to have been much more successful in growing its membership and being able to pull its weight as a member of a federated structure rather than being subsidized by much smaller States. It could be that if NSW were able to encourage greater participation in the sport, the Association might be more successful in attracting additional support from the State Government.

To some extent, the phasing in of the current affiliation fee structure (which would see NSW contributions rise from $66,080 in 2005-06 to $90,417 in 2008-09) and with consequential reductions and adjustments to the contributions from the other States, will provide a powerful incentive for NSW to improve its performance in the areas of growing the sport and generating greater fee income. Of course, these issues would cease to be so relevant under a unitary model where members remit fees direct to AC and AC distributes income to the States on an agreed formula basis.

It ought to be well within the ability of a professionally mounted marketing campaign to persuade significant numbers of people, especially those who are already actively paddling, to take the next step and join canoeing clubs and reap the benefits of AC membership. Certainly the above figures show that cost, of itself, should not present a significant barrier for many people to join.69

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68 It is acknowledged that access to suitable waterways varies State-to-State and that this could potentially have some bearing on membership numbers.

69 Total membership for 2006-07 excluding triallists and the NT is forecast by AC to be 6,691. This compares with 6,674 in 2004-05. This very modest forecast increase is appropriate given AC’s current circumstances and does not provide for any significant marketing effort.
Marketing and Sponsorship

As well as competing with other organized sports, AC is having to compete with a relatively new phenomena sometimes called “pay and play” sport and “fast food” sport where sport is attractively packaged by commercial entrepreneurs on a for-profit basis. Under this delivery model, participants can compete and then walk away without the ties associated with being a club member.

For example, organizations such as AROC Sport, Rapid Ascent Adventure Event Management and Sleepmonsters are outdoor event management operators specializing in multi-sport adventure racing. They, and others, provide well-run, fun events that are attracting increasing numbers of persons who once might have sought to participate in canoeing via a club.

A major challenge for canoeing is how to persuade more existing and potential canoeists to join a club and, as a consequence, become a member of AC. AC has already publicised the benefits of joining a club and becoming a member of AC. In short these benefits, typically provided for the most part through quite low membership fees, are:

- Access to a wide range of disciplines, including two Olympic ones, via structured athlete development pathways from club to state, national and international competition levels for junior, under 21 and senior age ranges for both genders;
- A safe, fair, harassment-free and ethical environment supported by a well developed member protection policy with well-structured grievance and appeal processes;
- Access to gaining accredited qualifications as instructors, guides, officials and coaches;
- Access to paddling skills and technique development;
- Access to recreational and social paddling;
- Insurance cover;
- Membership benefits such as buyer discounts for a range of goods and services;
- Information and news on all aspects of canoeing provided electronically on a regular basis (monthly average number of AC webpage requests in 2004-05 numbered 166,846);
- Representation to many government and private organizations on a range of matters including sport funding, environmental protection, access to waterways, maritime safety and risk management (to avoid death and injury and to contain insurance costs).

Despite these relatively low-cost and valuable benefits, most clubs, with the exception of the more adventure-oriented ones such as ocean kayaking, have failed to attract enough new members nor stem the loss of volunteers.

There is no marketing plan for canoeing based on systematic market research involving any clear segmentation of the sport’s products and services and there appears to be little appreciation of proper brand management. There seems to have been for some time, a cultural mind-set within AC and most State Associations that placed a premium on trying to satisfy what they perceived to be member needs but inevitably being frustrated by the sport’s very fragmented resource pool. If this interpretation is correct, this attitude failed to value sufficiently, the need to stimulate demand for existing and new products and services under a unified national brand and to form commercial alliances with external organizations as a means of mitigating risk.

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70 It could be argued that an exception to the low cost reference is the cost of canoe education. (see later)
One of the main findings to come out of recent joint Monash University-ASC research is that an organized sport’s ability to be commercially successful partly depends on being able to grow its numbers and to adopt a strategic, unified, national-brand, approach that is capable of exploiting the sport’s advantages in dealings with potential sponsors. Canoeing has not done this and the record in seeking to attract sponsorship suggests that AC has not marketed the sport as effectively as it should have.

Over the last three years, the only ongoing cash sponsorship secured by AC has been Energy Australia (EA) involving $50,000 plus GST annual payments for the three year period ending June 2006. This sponsorship afforded EA naming rights for the Australian Flatwater Championships and the Australian Slalom Championships if held in Sydney or a Sydney-based selection regatta. In 2005, AC was able to secure a number of sponsorships from Penrith businesses amounting to about $70,000 in-cash or in-kind for the Slalom World Championships. In addition, AC has enjoyed purely in-kind support from time-to-time from several businesses for equipment and magazine space. Finally, for the last four years, AC has obtained a rebate from HBA Health Insurance calculated in accordance with the number of AC members successfully applying for discounted insurance with that company and AC is able to promote this arrangement as part of its member benefits scheme.

Even though some canoeing disciplines are not considered by many observers to be inherently exciting to participate in or to watch and are not conducive to mass television broadcasting, other disciplines such as Sprint, Slalom, Wildwater, Ocean Kayaking and multi-sport events which incorporate canoeing are. Moreover, other canoeing events such as the Murray Marathon conducted under the auspices of the Australian Red Cross in Victoria and the multi-disciplinary Avon Descent in WA have excellent potential to develop genuine iconic status if promoted to their fullest potential with resultant positive spill-over for recruitment to the rest of the sport.

Compared with many other sporting and recreational activities canoeing has the advantages of being a healthy, outdoor, non-body contact activity, suitable for people of all ages, in touch with the natural environment, with a choice of safe to moderately dangerous disciplines and with the additional cachet of Olympic affiliation. These factors should make this sport very amenable to professional marketing. Opportunities for a more formal strategic alliance with SLSA, given the latter’s considerable commercial and marketing expertise, ought therefore to be explored further. Commercial franchise opportunities with private event management companies and with private canoe education providers should also be examined but only within the context of a marketing plan that has been subject to careful risk assessment.

Volunteers and Club Development

According to virtually every person consulted during the course of the review, canoeing has not been successful in retaining or growing volunteer numbers. Indeed, AC had difficulty in providing the review with accurate volunteer numbers but, after some research, was able to supply a best estimate of 1,250. This figure included all of the unpaid persons who were presently performing board, committee, coaching, instructing, officiating or administering roles. In this regard, canoeing is no different to many other sports globally that have also witnessed a serious decline in volunteer numbers in recent years as attested in the considerable scholarly literature on this topic, including research undertaken by the ASC.

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There is a considerable volume of published advice available on what needs to be done to try to reverse this decline. Much of this is focused on club development and the ASC’s Club Development Network (CDN) is central to this effort. AC is a member of the CDN along with 44 other canoeing associations and clubs but apart from a meeting between AC and the Commission on 15 April 2005 to discuss coaching and officiating developments including support for volunteers, there has been no formal discussions between AC and the ASC on how the Commission’s CDN might assist the sport to deal more effectively with this issue.\textsuperscript{74}

The AC website does include a section on club development activities in the form of “useful tips” and these tips incorporate reference to volunteer support but there appears to be little by way of a strategic approach to systematically increase and retain the numbers of accredited coaches, officials and instructors as part of an integrated national strategy that is led by the NSO and is supported by all SSOs.

In the training of coaches and officials, canoeing is part of the Commission’s NCAS and NOAS respectively. For a course to be accredited under NCAS or NOAS, the content and competency assessment materials developed by the provider must be approved by the ASC. In the case of canoeing, AC has had registered the following:

**Coaching**

- Level 1 Canoe Polo;
- Level 1 Whitewater;
- Level 1 Flatwater;
- Level 1 Outrigger;
- Level 2 Slalom.

**Officiating**

- Level 1 Marathon;
- Level 1 Canoe Polo;
- Level 1 Sprint;
- Level 2 Slalom.

In addition, coaching programs in Level 2 Flatwater and Marathon and Level 1 Freestyle are currently being resubmitted and reviewed.

The distribution of coaches taken from the AC database is as follows:

<table>
<thead>
<tr>
<th>DISCIPLINE AND LEVEL</th>
<th>NSW</th>
<th>VIC</th>
<th>TAS</th>
<th>SA</th>
<th>WA</th>
<th>QLD\textsuperscript{75}</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canoe Polo 1</td>
<td>7</td>
<td>11</td>
<td>5</td>
<td></td>
<td></td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Flatwater 1</td>
<td>27</td>
<td>9</td>
<td></td>
<td></td>
<td>14</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Outrigger 1</td>
<td>22</td>
<td>2</td>
<td>1</td>
<td></td>
<td>66</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>Whitewater 1</td>
<td>8</td>
<td>4</td>
<td>2</td>
<td></td>
<td>14</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Sub-Total 1</td>
<td>64</td>
<td>26</td>
<td>6</td>
<td>2</td>
<td>80</td>
<td>178</td>
<td></td>
</tr>
<tr>
<td>Canoe Polo 2</td>
<td>1</td>
<td></td>
<td>3</td>
<td></td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Flatwater 2</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td>1</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Marathon 2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td>1</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Sprint 2</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Whitewater 2</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{74} ASC Minutes of Meeting: Ian Dewey and Natalie Menzies, Canberra, 15 April 2005; Email Marcia Endacott to Robert Kidston, 26 May 2006.

\textsuperscript{75} The Queensland figure includes a total of 5 coaches from the NT. The NT figures comprise 2 level 1 Outrigger coaches and 3 level 2 coaches in Flatwater, Whitewater and Wildwater.
The distribution of coaches does not reflect population shares and there is a heavy skewing in favour of Queensland (albeit with 75% in the non-traditional discipline of Outrigger) and a paucity in Victoria and WA in particular.

The figure of 211 coaches recognized by AC compares with a total of only 175 on the NCAS database. The discrepancy is primarily because the accreditation of a number of AC’s courses has lapsed because AC has not had the resources since 2002 to update them. As a consequence, some NCAS accredited coaches have not been able to renew their accreditation. Because those coaches are currently active within the sport, however, AC has continued to recognize them. 76

The remedy for AC to manage the NCAS reaccreditation process within the resources available is to rationalize its course offerings and develop a curriculum and assessment package that, for the most part, is common across all of its courses and then modularize specializations for each discipline.

The shortage of level 2 coaches is seen as an impediment to growing and developing the sport’s talent pool. In response to this, the National Performance Director is giving attention to further developing the Level 2 programs in Flatwater and Slalom to provide better support for the high performance coaches. However, this has not progressed very far because of commitments associated with the Northern Hemisphere summer competition season and because of other priorities arising from the recent restructuring of AC.

According to ABS data (2001), the number of sports officials actively participating in Australia declined by 26% between 1997 and 2001. For canoeing, the AC database reveals that there were only 115 persons registered as officials or referees nationally in July 2006.

The distribution of officials taken from the AC database is as follows:

<table>
<thead>
<tr>
<th>DISCIPLINE AND LEVEL</th>
<th>NSW</th>
<th>VIC</th>
<th>TAS</th>
<th>SA</th>
<th>WA</th>
<th>QLD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canoe Polo Official 1</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Canoe Polo Referee 1</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td></td>
<td>20</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Sprint 1</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Marathon 1</td>
<td>3</td>
<td>24</td>
<td></td>
<td>2</td>
<td>5</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Slalom 1</td>
<td>17</td>
<td>10</td>
<td>2</td>
<td>8</td>
<td>5</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Sub-Total Level 1</td>
<td>32</td>
<td>40</td>
<td>2</td>
<td>8</td>
<td>5</td>
<td>20</td>
<td>107</td>
</tr>
<tr>
<td>Marathon 2</td>
<td>2</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>46</td>
<td>2</td>
<td>8</td>
<td>5</td>
<td>20</td>
<td>115</td>
</tr>
</tbody>
</table>

Table 16: Distribution of Officials and Referees as at 14 July 2006

Of the total, 107 (93%) were level 1 with only 4 in Sprint and none in Wildwater. Only 14% of level 1 officials were located outside the eastern mainland States while all level 2 officials were concentrated in NSW and Victoria.

76 Email AC to ASC, 14 July 2006.
The figure of 115 officials recognized by AC compares with a total of only 32 on the NOAS database.\textsuperscript{77} The discrepancy is primarily because the accreditation of a number of AC’s courses has lapsed and some former NOAS accredited officials have not been able to renew their accreditation.

Some courses have lapsed following the NCAS/NOAS accreditation review in 2004 because AC claims it has not had the resources to update packages that meet the needs of the sport and also satisfy what AC considers to be NOAS’ stringent requirements. This has resulted in some courses, for example, Canoe Polo Referee, being developed and conducted completely under the auspices of AC rather than NOAS.\textsuperscript{78}

The remedy for AC to manage the NOAS reaccreditation process within the resources available is the same as referred to earlier for NCAS.

It is relevant to note that there are also 44 persons who have completed ICF accreditation requirements. Many of these, but not all, have also completed NOAS requirements. The biggest exception is WA where there are 25 officials with ICF accreditation (including 24 in Marathon) but only 5 with NOAS accreditation. ICF accreditation is, of course, highly desirable but difficult to achieve because assessment only occurs at international events.

It is interesting to note that, on the face of it, there appears to be a loose positive correlation between the perceived vibrancy of disciplines (such as Marathon in Victoria and WA, Canoe Polo in Queensland and SA and Slalom in NSW) and the number of officials in those States.

The lack of accredited officials in Sprint (only 3.48\% of the NOAS total) could mean that this discipline is able to “piggy-back” to some extent on the vibrant competition scene with surf.

Canoeing’s capacity to attract and retain officials would be strengthened by devoting more resources to training them and making them feel more valued. It would also strengthen canoeing’s capacity to run events in a more professional way and, in so doing, to help grow the sport.

The canoeing situation bears out Hoye and Cuskelly’s finding that there is a significant problem in the retention of officials and that the resources devoted to sports officials development are disproportionately low compared with coach and player development.\textsuperscript{79}

\textbf{Guide and Instructor Education}

Guides and instructors are often described as the “shop front” to canoeing because these are the persons who have the most initial contact with individuals considering taking up the sport. There were 897 guides and skills instructors registered with AC in 2005. Their distribution is shown below:

<table>
<thead>
<tr>
<th>Level</th>
<th>NSW</th>
<th>VIC</th>
<th>TAS</th>
<th>SA</th>
<th>WA</th>
<th>QLD\textsuperscript{80}</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guide</td>
<td>29</td>
<td>6</td>
<td>1</td>
<td>39</td>
<td>9</td>
<td>36</td>
<td>120</td>
</tr>
<tr>
<td>Instructor</td>
<td>161</td>
<td>208</td>
<td>23</td>
<td>130</td>
<td>33</td>
<td>222</td>
<td>777</td>
</tr>
<tr>
<td>Total</td>
<td>190</td>
<td>214</td>
<td>24</td>
<td>169</td>
<td>42</td>
<td>258</td>
<td>897</td>
</tr>
</tbody>
</table>

\textbf{Table 17: Distribution of AC Accredited Guides and Instructors 2005}\textsuperscript{81}

The table indicates that, on the basis of their national population shares, SA, Queensland and Tasmania have achieved much more in training guides and instructors that the other States.

\textsuperscript{77} The NCAS figure was obtained on 29 May 2006.
\textsuperscript{78} Email AC to ASC, 14 July 2006 and 21 July 2006.
\textsuperscript{79} Hoye and Cuskelly, \textit{op cit}, 53.
\textsuperscript{80} The Queensland figure includes 25 from the NT – 6 guides plus 19 instructors.
\textsuperscript{81} \textit{AC Annual Report 2005}, 35. The instructor figures include 8 skills awards – 5 in SA and 3 in Victoria.
For example, Queensland with 19.30% of the population had 26.72% of accredited instructors. On the other hand, NSW with 35.20% of the population had only 21.79%.

The AC website provides a full list of the names of its accredited guides and instructors together with their locations, specializations and the levels of awards attained in order to facilitate access by persons seeking to gain or upgrade their skills.

By 1978, following the establishment of separate Boards of Canoe Education, all of the State Associations were conducting canoe award examinations based on curriculum and assessment materials developed by the States.\(^{82}\) In 2000, AC took over responsibility for the overall management of canoe education from the State Boards. What is now known as the Australian Canoeing Awards Scheme – ACAS, is a piece of intellectual property (IP) owned by AC which it licenses to National Training Providers (NTPs) for an annual license fee.\(^{83}\)

In 2000, AC opened up the delivery of ACAS by building a national network of NTPs to make training more accessible and to grow the sport nationally. AC also sought to integrate ACAS into the VET scheme and this was achieved in 2002. Today ACAS awards are acknowledged nationally as the industry standard for people seeking employment as a canoe/kayak instructor in the outdoor recreation industry.

By 2005, AC had licensing agreements with 60 NTPs in every State and territory for them to deliver ACAS qualifications. The NTPs comprise mainly private for-profit companies operating in the outdoor recreation industry covering such things as training, tours or equipment hire. In addition, each State Association is a NTP.

ACAS awards are competency-based qualifications in the following disciplines at both introductory and advanced levels:

- Flatwater;
- Whitewater; and
- Sea Kayaking.

NTPs provide AC with documentation certifying that students have met prescribed competency standards and, on receipt, AC issues certificates directly to the successful candidates. Until 31 May 2006, AC operated under an auspicing agreement with Regency Institute of TAFE, a Registered Training Organisation (RTO), in Adelaide. This enabled units undertaken as part of an ACAS award to be included in a Statement of Attainment (SOA) issued pursuant to the Australian Quality Training Framework (AQTF) under the VET scheme. Following the expiration of the Regency Agreement, AC has contracted with another RTO (Australian Training Company) and, as part of AC’s current review of ACAS, is examining the possibility of becoming a RTO itself.

The present AC review of ACAS is timely. In its financial recovery plan, AC forecasts earning significant increased income from ACAS ($88,000 per annum in 2006-07 and beyond) including NTP registration renewal fees of $1,000 per NTP. AC believes that ACAS is a key element in the recovery of AC and that it is *arguably the only tangible product wholly owned by Australian Canoeing Inc that is of commercial value.*\(^{84}\)

Some knowledgeable observers consider that many of the decisions to set up ACAS in its current form were far sighted. The following reasons are cited:

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82 The first canoe education courses were conducted by a State Association in 1975.
83 A license fee is not charged to NTPs when they are State Associations.
ACAS is a true award scheme where only assessors accredited by AC and working for NTPs can deliver the courses and assess candidates for awards as opposed to a candidate simply presenting a SOA, possibly based on Recognition of Prior Learning (RPL) or Recognition of Current Competency (RCC) for recognition under the VET scheme;

The alignment of ACAS with the VET scheme which allows articulation of ACAS awards to VET awards recognized under the AQTF;

The choice of ACAS Units of Competency (UOC) that define the skills and competencies that candidates must attain was appropriate and in line with other outdoor leadership qualifications; and

Appointing a national network of NTPs extended ACAS far more widely than could have been achieved from within AC’s own resources or by the former State-based Boards of Canoe Education.

However, despite these sound initial decisions, there have been a number of significant problems that have militated against ACAS’ effectiveness. These include:

- The systemic relationship between AC, the RTO and NTPs make it difficult for the RTO to exercise appropriate quality control over NTPs because the RTO normally does not become aware the existence of candidates until AC advises it that course requirements have been completed and that a SOA can be issued;
- The current ACAS learner resources are currently based on the VET “Sport and Recreation Outdoors” 1999 competency standards (SRO99) whereas they should be based on the 2003 revision (SRO03). Under the AQTF, AC should not accept new enrolments until ACAS is compliant with SRO03;
- AC has allowed State Associations to become NTPs without having to pay license fees to access learner resources unlike other NTPs. This, together with the privileged position State Associations enjoy within the AC governance structure, places them at a competitive advantage;
- There have been criticisms that some NTPs, including some State Associations, have not maintained acceptable quality standards in assessing candidates. It is claimed that this could potentially jeopardize ACAS’ reputation in the outdoor leadership education marketplace;
- It has been argued that AC does not properly understand what should be involved in delivering ACAS through what is essentially a franchisor-franchisee relationship between it and private for-profit NTPs. In this connection, a franchisor should seek to protect the business interests of its franchisees by providing current resources and by avoiding appointment of competitor businesses with the service areas of existing franchisees. It has been claimed that AC is in breach of both of these franchising principles;
- ACAS course structures have become excessively complex. There is said to be a need for reconfiguring ACAS by streamlining and simplifying award requirements;
- The cost of gaining ACAS awards and the requirements for renewing registration are said to be excessive;
- Promotion of ACAS as the industry standard to Government (Federal, State and Local) has been underdone and there is a risk that other competing awards offered by other organizations could overtake ACAS’ share of the market;
- The management of ACAS records is considered to be less than efficient and the present system is even unable to generate automatic reminders to trigger renewals of accreditation.

The AC website sets out the fee schedule. Fees vary according to the award but a new instructor pays $140 for a first award plus $47 for a SOA. NTP tuition fees are additional. Awards are valid for three years with renewal for a further three years costing $140, subject to the applicant holding a current first aid certificate plus 100 points of logged activity/continuing professional development.
Given that ACAS is regarded by many as AC’s only piece of intellectual property with recognisable asset value and that it has the potential to generate significant income on which AC’s financial recovery plan depends, not to mention ACAS’ pivotal position in developing the sport, it is vital that the scheme be reformed where this is appropriate.

AC’s current review of ACAS is about to be concluded. This review appears, on the face of it, to have addressed the “first rule of reconfiguration”, namely, to try to achieve better alignment between internal systems and the external environment. In this connection, the AC review has found that the general structure of the scheme no longer fits the paddling industry. The scheme is also said to be out of step with club activities.

By way of illustration, since the 1980s, sit-on-top kayaks have begun to dominate the market with 80% of retail sales. They are lighter and more manoeuvrable than previous craft and give greater access to paddling than was previously possible. They have spawned a short trip "eco tourism" industry. They can handle moderate sea and whitewater conditions without the requirement of more complex skills such as rolling and bracing. Most guides nowadays do not require traditional canoeing skills and nor can they attain those skills in sit-on-top craft. Moreover, the AC review has found that clubs no longer want outdoor recreation managers; they want on-water leaders. Club do not want the cost of SOAs and commercial providers do not want club leaders to have the same qualifications as commercial guides and instructors.36

These findings suggest that AC is actively taking steps to make ACAS more relevant to contemporary needs. At the same time, it is important to acknowledge that consideration of proposed reform needs to be carefully assessed. For example, while there may be scope for some streamlining of course structures, the present quality of canoe education in advanced countries on which much of ACAS has been modeled, is the result of lessons learnt from canoeing tragedies in Australia and overseas over the last 50 years.

Insurance premiums take account of risk mitigation factors and the quality of canoe education is central to this. The sport’s exposure to legal liability could be higher in the event of loss litigation should efforts to streamline compromise adherence to the Adventure Activity Standards (AAS). The fact that AC’s Education Committee is now called the Education and Safety Committee and that the new committee is responsible for the current ACAS review, suggests that the AC Board fully recognizes this.

One knowledgeable sport insider noted that, in his opinion, the major factor for ACAS not growing the sport as well as it should have was not because of any inherent failure in the scheme but rather it was due to the federation model of AC Inc and the lack of solid support and cooperation from the States which often had individual interests rather than the best interests of the sport across Australia.

Perhaps the biggest problem facing AC now in the management of ACAS is the NSO’s lack of capacity to revamp the scheme to fix the problems that are known to exist. It is to be hoped that the present AC review has also given consideration to:

- Reviewing and possibly rationalizing the number of NTPs and examining the option of requiring those that remain to each execute an MOU with an RTO;
- Developing proper franchise agreements between AC and NTPs that protect the interests of both parties in accordance with well established franchise principles;
- Updating learner resource materials so they are compliant with SRO03;

36 Email AC to ASC, 11 July 2006.
• Auditing the quality of ACAS delivery by NTPs and enforcing compliance with QA standards to be published by AC so that national consistency is achieved;

• Streamlining and simplifying the number and complexity of awards but not at the expense of compromising sport safety; and

• Modifying the ICT system on which ACAS resides to improve functionality and achieve greater interactivity via the AC website between AC, NTPs, existing and prospective candidates for awards as well as current guides and instructors who are required to periodically renew their registrations.

Given that AC currently has minimal staff resources, the interim Board will need to continue to rely heavily on the Education and Safety Committee for support in implementing urgently needed changes. This Committee has already initiated action to rationalize the range of awards and to update learner resources to make them SRO03 compliant.

In a worse-case scenario, if the Committee is not able to complete this work satisfactorily and within a short period of time, it may need to consider contracting with a suitable NTP to undertake the necessary work. This might be done by AC paying a fee for this work and with AC retaining the rights to the IP. Alternatively, AC could assign the IP rights to an appropriate NTP so the latter could do the necessary compliance work at its cost and then pay licence fees to AC for the use of those materials.

The Education and Safety Committee has also recently recommended to the interim AC Board that State Associations no longer act as NTPs but that instead, they exercise a QA audit function. This proposed change addresses the concern mentioned earlier whereby AC is selling the right to for-profit NTPs to deliver ACAS but gives State Associations the opportunity to compete in the same market without having to pay. 87

**Canoeing in Schools**

If canoeing is ever to become a major sport in Australia, it will have to improve the sport’s profile in schools very substantially. Whereas rowing is a force in the private school sector, there is no obvious reason why, as a strategic goal, canoeing could not achieve, over time, a similar degree of penetration in government schools.

At present, there is no co-ordinated national strategy to achieve this. Rather, there are a series of disjointed programs of widely varying scale and quality in a number of the States. Where canoeing is offered, it tends to have an experiential focus, where children and young people spend only very limited time paddling. In some cases there is a small-scale inter-schools competition.

AC needs to provide national leadership in seeking to extend this kind of experience into some form of organised training and competition to expose children and young people to competition. This exposure could lead to any of the disciplines and programs could be designed to suit juvenile age development and interests.

As with any strategic project, there needs to be a retro-fitting process starting with the end in mind, as Stephen Covey exhorts, and working back to the underpinning elements. 88 If this is done, it quickly emerges that attention will need to be given to the supply of inexpensive entry-level boats suitable for rough use by children and young people and capable of providing service over many years. Such boats, at the price of a child’s bicycle, do not presently exist but there is an opportunity here for a commercially minded AC Board and

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87 Email AC to ASC, 10 July 2006.
88 Stephen R Covey, *op cit.*
CEO to look for a strategic alliance with a manufacturer and a sponsor to develop such a product.

Some State Governments provide capital assistance funding for community related initiatives and some businesses might find it attractive to sponsor a significant number of boats especially if there were a national program involving a large-scale inter-schools competition. This is where professional marketing can help with the development of a saleable, branded sponsorship product.\textsuperscript{89}

The AC Board would, of course, need to be aware of the “knock-on” effects of such an initiative in terms of having to train more accredited instructors nationally in locations accessible to schools. But this presents another opportunity for legitimate income earning through a reconfigured ACAS.

**Supporting Paddlers with a Disability**

The ASC administers “Project Connect” which provides assistance to NSOs in meeting the needs of people with a disability within their sport. The two main areas of focus are creating athlete pathways for people with a disability and breaking down the barriers within disability and non-disability specific sport structures for people with a disability.

Canoeing is not currently included in Project Connect and there has been little contact to date between the sport and the ASC. Canoeing is not one of the sports targeted for preparation of a disability action plan.

AC currently does not have any formal policies or programs for paddlers with disabilities and it is left to clubs to make arrangements for them. In this connection, the ASC is aware of some clubs that assist disabled athletes but there are no comprehensive data on this. It is known, however, that adapting boats to suit the particular requirements of individual disabled paddlers can be expensive. AC advises that the American Canoe Association has published material on modifying canoes and kayaks for disabled users and the NSO has undertaken to examine this material to assess its relevance for the sport in Australia.\textsuperscript{90}

Rowing Australia and Yachting Australia both have some very innovative programs for disabled athletes and there would be advantages in AC contacting those sports to explore the feasibility of adapting such programs for canoeing. In addition, AC should consider accessing the ASC’s Disability Education Program to participate in the workshops on offer. This should assist AC staff to broaden their networks and help in formulating appropriate strategies.

**NSO Office and High Performance Program Facilities**

**NSO Office**

The AC office is currently located in Sydney at Sports House, Glebe. The office is due to be relocated later this year following the NSW Government’s decision to encourage sporting organizations currently occupying Sports House to relocate to a new Sports House being constructed at Homebush.

There could be advantages in the AC office relocating to Penrith when the time comes to move. This would enable the CEO and the National Performance Director to meet face-to-face on a regular basis and leverage off each other’s skills to remove obstacles (many of which are managerial in origin) to the success of the Olympic high performance programs.

\textsuperscript{89} Email Peter Heeley to Robert Kidston, 29 July 2006.
\textsuperscript{90} Email AC to ASC, 25 July 2006.
Slalom NCE, Penrith

The Slalom NCE operates from the Penrith Whitewater Stadium (PWS). The PWS is 100% owned by the Penrith City Council. Construction cost $6.50 Million in 1998 of which $1.50 Million came from the Council, $1.50 Million from the ICF with the balance coming from the NSW Government. ICF’s contribution included donations from around the world with $300,000 coming from AC. AC currently has an outstanding debt for $140,000 for a loan provided by the ICF to assist with the construction of the PWS.91 AC has one seat on the PWS Board and pays commercial rates ($40,000 per annum) for using the facility.92

For a very modest capital outlay, the Slalom NCE has access to a world-class facility although the recurrent charges seem high and should be renegotiated given that AC is supposed to have “preferred client” status.

Flatwater NCE, Gold Coast

The Flatwater NCE currently operates through a facility at Pizzey Park next to a canal on the Gold Coast in a building built by the AIS on land that is leased from the Gold Coast City Council for a peppercorn rent under arrangements that were renewed in 2004 for 20 years.93

It has been argued by some observers that the Flatwater NCE should be relocated to Penrith because consolidation of NCE operations to Penrith would enable much more efficient management. The Penrith facilities include a first-class Flatwater course that, unlike the Gold Coast facility, is not tidal and can, therefore, be used for competitions. If the Flatwater NCE were to be relocated to Penrith, it would enable the management of the two Olympic disciplines to be conducted from within the physical precinct of the AC office. This could potentially yield savings while, at the same time, enable additional support to be provided for the program’s management functions which are reportedly overstretched. The more administrative support provided for the program’s management functions, the less coaching staff would be called upon to do the administrative work they presently perform.

While there would almost certainly be efficiencies to be gained from such a move, these would be more than offset by losses in program cost-effectiveness. The most critical factor in the success of the Flatwater program is its ability to attract and retain the best athletes and coaches. The Flatwater facility and especially its location on the Gold Coast excite much envious comment from international elite athletes that it is one of the best in the world. The Gold Coast location is much closer to the surf culture than Penrith and closer to the other talent search hot-spots of the Sunshine Coast and Northern NSW.

The problems with the Flatwater NCE would not be solved by moving the program to Penrith. These problems are better able to be dealt with by the urgent appointment of a highly skilled National Head Coach capable of leading cultural change and through organisational changes to the NCE structure. (see later)

Proposal for an NCE on the Sunshine Coast

A submission from the Quad Park Corporation94 was made to the review for the possible establishment of a NCE for Sprint canoeing at Lake Kawana on the Sunshine Coast. This would involve a commercial venture promoted by the Corporation through a strategic alliance with AC and the AIS.

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92 Email AC to ASC, 21 June 2006.
93 The lease rental for 2006 is $68-02. (Refer Gold Coast City Council tax invoice 147768, 16 December 2005.)
94 Quad Park Corporation operates the Sunshine Coast’s premier event venue for sport, recreation and entertainment with 13 sports fields, the Kawana Aquatic and Leisure Centre and other facilities. Refer http://www.quadpark.com.au/
The proposal is for the NCE to play a key role in the lead up to the 2008 and 2012 Olympic Games and envisages the development of a Sports Lodge for use by local and international athletes attending camps as well as a Sports Education Centre for the training of NCAS accredited coaches for the delivery of NCE programs.

The Corporation has held discussions with the University of the Sunshine Coast’s Centre for Healthy Activities, Sport and Exercise (CHASE) where a nationally accredited sports science laboratory is located and CHASE has undertaken to provide the NCE with SSSM on a needs basis.

The Corporation claims that the concept has the support of the Caloundra City Council and the Kawana Waters Canoe Club, the latter having strong links with local surf clubs and local schools. Athletes from these sources are already participating in Club activities and the establishment of an NCE is seen as a developmental pathway for the best of these athletes.

The NCE concept is still in the early stages of development and the resource implications as well as the exact nature of any business relationships for the various parties are far from being settled. Nevertheless, this is a proposal that, prima facie, warrants closer examination and discussion with the Corporation. It has the potential to strengthen talent search and development on the Sunshine Coast and provide a structured program from entry to elite levels in this important canoeing region.

Moreover, further examination of the proposal is consistent with the exhortations contained in this report for AC to explore strategic alliances with commercial operators wherever growth opportunities for the sport are possible, provided that any proposed relationship is the subject of proper business planning and risk assessment.

**High Performance: Olympic Disciplines**

The Olympic High Performance Programs conducted through the Slalom National Centre of Excellence (NCE) at Penrith and the Flatwater (Sprint) NCE on the Gold Coast aim to provide the best training environment and conditions for athletes to achieve success in international benchmark competition.

The objectives of the NCEs are to:

- Target and attract elite and potential elite athletes;
- Fast-track the development of these athletes by providing world-class coaching, facilities, infrastructure and support services in an intensive daily training and camp based environment;
- Provide elite-level international training/competition opportunities.

A detailed analysis of the operations of the Olympic High Performance Programs has been compiled primarily in terms of how the two NCEs function within the wider AIS/SIS/SAS and SLSA contexts. This analysis is at Appendix 9 (*Olympic High Performance Programs*).

Summarised below is commentary on certain high performance matters that were not the focus of that analysis:

- Medal Performance;
- Performance Monitoring;
- Talent Search;
- Australian Government Sport Training Grant (AGSTG); and
- High Performance Kayak Fleet.
Medal Performance

There are significant medalling opportunities available in Slalom and Flatwater in international benchmark events (Olympics, World Championships and World Cup). In the case of Slalom, there are 4 medalling events and Australia competes in them all. (C1, C2, K1, K1W). In Flatwater, there are 12 events:

- C-1 1000 m (canoe single) Men
- C-1 500 m (canoe single) Men*
- C-2 1000 m (canoe double) Men
- C-2 500 m (canoe double) Men
- K-1 1000 m (kayak single) Men*
- K-1 500 m (kayak single) Men*
- K-1 500 m (kayak single) Women*
- K-2 1000 m (kayak double) Men*
- K-2 500 m (kayak double) Men*
- K-2 500 m (kayak double) Women*
- K-4 1000 m (kayak four) Men*
- K-4 500 m (kayak four) Women*

Australia competes in 9 of these 12 events identified with an asterisk above.

In World and European Championship Flatwater competitions, C-4 races are also held, as well as women's races in all classes. 200 m races are also held although not for juniors.

An assessment of how well Australia performs in international benchmark events depends on whether the reference is to Slalom or Flatwater. Since the reintroduction of Slalom to the Olympics in 1992, Australia has won one medal (a silver in 1992) and two medals at the World Championships (a silver in 1999 and a gold in 2005). This performance placed Australia 6th in the Olympic medal count in 1992 with no result since then. In the World Championships since 1949, Australia ranked 9th in 1977, 8th in 1999 and 5th in 2005 with no results in the intervening years. In 2006, Australia slipped back to 10th.

Australia has had greater success in Flatwater. At the Olympics in this discipline since 1936, Australia has won 15 medals (one gold, six silver and eight bronze) with seven of these being won since 1996. Furthermore, in the Flatwater World Championships, Australia's haul since 1938 was a total of 32 medals (9 gold, 10 silver and 13 bronze). Twenty-one of these World Championship medals were awarded since 1996.

In Flatwater, Australia’s Flatwater world rankings since 1997 are as follows:

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>14</td>
<td>Nil</td>
<td>7</td>
<td>6</td>
<td>28</td>
</tr>
</tbody>
</table>

Table 18: Australia’s World Rankings in Flatwater: 1997-2006

These data show that Australia, for the most part, has been a top ten performer for most of the last decade. This is quite an achievement given the oft-remarked turmoil in the discipline prior to departure of the controversial National Head Coach at the end of 2003 and the loss of two other well-regarded senior coaches reportedly because of the negative culture which is said to being turned around only since the beginning of this year.

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95 The Barcelona Olympics (1992) were the second to include Slalom, the first being Munich (1972).
96 World ranking is based on the highest number of gold medals. After all gold medals are taken into account, then silver and bronze are counted in that order.
97 There are no world championships in Olympic years.
**Performance Monitoring**

The BAP process has identified many of the problems highlighted during the course of the present review and reported on in the chapter *Results of Stakeholder Consultation*. These include:

- Poor understanding by stakeholders of overall direction;
- Lack of technical leadership in Flatwater coaching;
- Lack of sports science application in Flatwater;
- Inadequate tracking of injury and recovery;
- Deficiencies in staff accountability;
- Inadequate financial control;
- Lack of athlete depth across Slalom and Flatwater;
- Inadequate underpinning programs;
- Lack of DAS adversely affecting quality and quantity of training;
- Lack of resources within AC to develop officials;\(^98\)

Some of these, and other, concerns were also raised at earlier meetings of the relevant NCE Management Committees. For example, on 3 November 2005, the NCE Slalom Management Committee noted a number of weaknesses in the program including the lack of DAS and defective underpinning development structures. Moreover, on 18 November 2005, the NCE Flatwater Management Committee drew attention to weaknesses in the availability of coaching expertise at the NCE and within feeder programs, the culture of mistrust and lack of cooperation within the program affecting coaches and athletes, coaches and other coaches and athletes and other athletes and, in addition, the inadequate application of sports science and technology in athlete preparation.

The process of compiling the BAP Risk Register on 18 May 2006 identified four risks (classified as “high”) for canoeing. These were:

- The potential for destabilising athletes, coaches and other staff as a consequence of the uncertainty arising from the restructure of AC’s high performance program following the NSO’s *major financial crisis* earlier this year;
- The ineffective functioning of the Flatwater NCE;
- The lack of depth in the Slalom athlete pool with few athletes emerging from underpinning programs;
- The lack of DAS which is compromising athlete training and threatening the loss of elite athletes from the sport.

Action is being taken to treat these risks. For example, the BAP-NCE 2006 Mid-Year Management Committee meeting held on 10 July 2006 initiated action to recruit the Flatwater National Head Coach and to conduct an internal strategic forum to plan program direction, coaching, scholarships and servicing in September 2006.\(^99\)

These measures are proceeding at the same time, or in conjunction with, other recent initiatives. For example, in addition to the AIS taking over the high performance program and AC being restructured, a comprehensive talent search program is being implemented and successful representations were made by the ASC to the Australian Government for the provision of DAS, now called the Australian Government Sport Training Grant (AGSTG).

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\(^99\) BAP-NCE Management Meeting, Action and Outcome List, 10 July 2006.
Talent Search

Talent search for potential elite athletes is a critical performance driver in high performance sport. The role of talent search in the athlete pathway in the Olympic disciplines is summarised in Appendix 6 (Flatwater Elite Athlete Pathway) and Appendix 7 (Slalom Elite Athlete Pathway).

With some exceptions canoeing clubs, often because of their small size, modest resources and spread across a diverse range of disciplines, have not been able to produce a large talent pool of potential elite athletes in the Olympic disciplines. Most canoeing clubs simply do not have a genuine high performance culture nor the coaching facilities nor infrastructure to produce and develop a significant talent pool. In the case of Flatwater, surf clubs have become the de facto canoe clubs in terms of providing the source for so much of the talent.

While there may be opportunities for canoeing clubs to form sister club relationships with nearby surf clubs or for canoeing to work with the AIS/SIS/SAS to rebuild a few carefully selected clubs in different regions to become vibrant “super clubs” and perhaps to be endorsed by these bodies as being special training centres, these arrangements would take time to develop. Given these circumstances, there has been a general acknowledgement that it is more cost-effective to use AIS/SIS/SAS expertise and infrastructure to search for, and to develop, athletic talent in a targeted and systematic way.

The AIS involvement in talent identification and development (TID) commenced in 1988 with the sport of rowing. The rowing TID program was outstandingly successful, fast-tracking representatives to the 1992 and 1996 Olympic Games. Inspired by this success, a number of other sports, including canoeing, took it upon themselves to systematically look for talented athletes in their sports.

In order to avoid the duplication of effort and the inefficient use of school time from several sports undertaking repeated mass screenings in schools, a nationally coordinated Talent Search Program, involving a number of sports testing students only once, was implemented in 1994. This program was expanded in the lead-up to the Sydney Olympics in 2000 to eight sports, including canoeing, with a focus on children 14-16 years of age. A National Talent Search Coordinator was located at the AIS in Canberra and State Talent Search Coordinators were placed in each SIS/SAS.

The talent search and development role (now the responsibility of the National Programs Division of the ASC rather than the AIS) has evolved since then to provide a national focus on initiatives and to maintain consistency in testing protocols and selection procedures throughout Australia. The ASC continues to provide general and technical advice to NSOs and maintains a national database on athlete testing.

Selected athletes who pass successfully through the three-phase testing program are invited to join a Talented Athlete Program organised by a SIS/SAS and/or NSO/SSO to obtain specialised coaching and other support to fast-track their development. The athlete is provided with an individualised program, structured to the athlete’s stage of development and goals are set and monitored by the relevant NSO/SSO and/or SIS/SAS.

In late 2005, three Senior Talent Search Coordinators were appointed to work specifically with the sports of canoeing (in Brisbane), cycling (in Adelaide) and rowing (in Canberra). In the case of canoeing, projects run in both Flatwater and Slalom disciplines, initially targeting junior athletes for progression to the 2009 Junior World Championships. In addition, and in

conjunction with SLSA, athletes in the open-age category will be targeted for a nation-wide Surf to Flatwater sprint kayaking project.\(^{101}\)

As well as these measures, assistance in the form of education and information is being provided to clubs and coaches who wish to run their own talent identification programs to ensure the best possible outcomes are achieved and that all projects are working towards a national goal.

Prior to the AIS assuming responsibility for the canoeing high performance program, the talent search program was to be jointly funded by the AIS and the AC high performance program as follows:\(^{102}\)

<table>
<thead>
<tr>
<th>Funds Source</th>
<th>2005-06 ($)</th>
<th>2006-07 ($)</th>
<th>2007-08 ($)</th>
<th>2008-09 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry Forward</td>
<td>19,400</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIS</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>AC</td>
<td>10,000</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Total</td>
<td>60,000</td>
<td>94,400</td>
<td>75,000</td>
<td>75,000</td>
</tr>
</tbody>
</table>

Table 19: Funding Allocation Canoeing Talent Search Program 2005-06 to 2008-09

In many, but not all respects, the ASC talent search business plan is a model of good planning practice. Information is provided on the rationale for each project and on the resources allocated to it. There are, for the most part, clear and measurable performance targets expressed, where relevant, in terms of forecast medal or place outcomes in domestic and international benchmark events.

The program is spread over 17 projects – Junior Flatwater (4), Open Flatwater (2), Junior Slalom (5), Assistance with External TID projects (1), Regional (1), Multi-Sport School Holidays (1) and Research and Development (3). Depending on the type of project, some are linked with particular SIS/SAS while others involve a number of SIS/SAS. Given the range of projects and their geographic distribution, resources are currently spread very thinly.

Program management in all fields where resources are scarce, including talent search, needs to consider the trade-off between breadth and depth of coverage in order to work-out where the balance of advantage is to achieve the greatest impact. At a briefing on the talent search program to ASC staff on 12 May 2006, the question was asked whether it might be better to take a more targeted approach and to concentrate resources on fewer projects. In response to this, the National Talent Search Coordinator is reworking the business plan to reallocate resources in favour of the Green and Gold 2009 and the Surf and Kayak to London Projects which are considered to be the highest priorities.

It is much too early to provide any evidence-based assessment of how the present program is being delivered. All that can be offered is very provisional comment on what is a work-in-progress at the initial implementation phase.

Implementation is generally proceeding well. Significant numbers of prospective elite athletes have participated in the first testing sessions in June 2006:

- Green and Gold 2009 Project, Gold Coast: 40 athletes attended the session and 10 were selected;
- Green and Gold 2009 Project, Northern NSW: 30 athletes attended and 5 were selected;

\(^{101}\) No kayaking experience is required to participate in these programs. Media advertisements in April this year under the ASC, AIS, AC banner asked the question: Could you be the next Olympic Champion?


\(^{103}\) Ibid.
• Green and Gold 2009 Project, Sunshine Coast: This project is on hold pending the availability of coaches and equipment in this region.\textsuperscript{104}

• Surf and Kayak to London Project, Gold Coast (in collaboration with SLSA): 40 athletes attended (approximately half with a surf background) and up to 14 are being selected with 12 of these being kayaking novices;

• National Junior Development Camp Slalom Project, Penrith: The top junior paddlers nation-wide attended this camp and feedback has been very positive.

There has been excellent support from the QAS, AC and QC in the provision of equipment and information and the links with SLSA and SLSQ are said to have been very beneficial in terms of identifying and recruiting athletes.

The biggest issues facing these projects at the present time include lack of equipment and lack of local competition in which the selected athletes can compete. The program has purchased some equipment but this will need to be upgraded as athletes develop. The ASC Senior Talent Search Coordinator is investigating options for the program to run its own regattas in addition to those run under the auspices of AC, QC and clubs so that these novice athletes are exposed to a competitive environment in addition to regular training.\textsuperscript{105}

The issue of lack of competition opportunities was raised a number of times in the consultations with athletes and coaches. The point was made that regular competition broke the repetitive grind and social isolation of individual training and provided a great motivation to improve performance. There is a challenge here for AC, State Associations and clubs, in collaboration with SLSA, to mount more competitive events to give canoeing the vibrancy some observers feel it presently lacks.

Unless this happens, the talent search program might be forced to go its own way and organise more of its own events. If this happens it could reinforce the common perception in the sport that there is a strong divide between the elite side (which is said to represent exclusivity and separatism) and club development (which is claimed to be more inclusive). There is a body of opinion in the clubs that the talent search and development program should make a bigger effort to fit its operations around the club structure more than presently happens.

It is relevant here to note that a positive spin-off from the present review, has been that better communication channels have opened-up between the ASC talent search program and the AC interim Board to discuss the paucity of coaches in canoeing at the club level and to assess the feasibility of providing some limited access to talent search program coaches for existing canoe club paddlers who exhibit talent but are not contenders for the program. Opportunities to do much here may be limited, however, because the focus of the talent search program is to inject new talent into canoeing who meet the cut-off rather than develop existing talent. At the same time, the recent testing process has already identified a pool of some 85 persons who were not selected but who could be encouraged to join canoeing clubs if they were able to access coaching there. These persons, and others who fail to meet the cut-off in future testing, could add much-needed depth to the athlete pool.

It is encouraging to note that the business plan includes provision for research to build the knowledge base. It is further noted that the national database contains valuable data to assist in evaluating talent identification and development as well as athlete progress as a means of refining selection procedures for the future. It would be good if the results of this research were clearly expressed in the next iteration of the business plan in the form of a clear

\textsuperscript{104} The AIS Senior Talent Search Coordinator is holding meetings with the Quad Park property developers on 17 July 2006 to assess the feasibility of forming a commercial alliance with them to support the development of canoeing on the Sunshine Coast, including a possible extension of the Surf and Kayak to London Project for senior athletes.

\textsuperscript{105} Email Elissa Morley to Robert Kidston, 14 July 2006.
articulation of any performance problems diagnosed and the resultant changes to the program based on the research evidence. For the program to be amenable to systematic evaluation in a few years, it will be important for data collection protocols to be designed as soon as practicable for the inclusion of these data in future business planning.

**Australian Government Sport Training Grant (AGSTG)**

In the 2005-06 budget, the Australian Government announced a new direct athlete support initiative to assist athletes in their preparations for the Olympics in Beijing. Under this initiative, funds were to be provided to targeted elite athletes, selected on the basis of medal potential and individual need, to assist with their training needs as they move forward toward the Beijing Olympics. The scheme is designed to deliver $14 million to eligible athletes over the next four years.

The ASC is currently awaiting final details concerning Australian Government requirements regarding the use of these funds but it is anticipated that the following arrangements will apply.

NSOs will play a central role in implementation of the AGSTG Scheme. Eligible NSOs will be invited to make a submission to the AGSTG Moderating Group outlining the athletes they wish to target based on medal potential and including the nominated athlete’s performances at benchmark events and other relevant information taking into consideration the NSO’s high performance plan.

Subject to the outcome of the moderating process, it is anticipated each notional allocation will be a minimum of $10,000 per nominated eligible athlete. This notional allocation will exclude any athletes who fall outside the income threshold of the AGSTG Scheme. AGSTG eligibility is restricted to athletes of medal potential who can show they earn less than $60,000 per annum averaged over the past four years.

It is envisaged that the next round of consideration for AGSTG funding will be made towards the end of the 2006 calendar year, with any payments made early in 2007. It is anticipated the AGSTG will be available to eligible NSO medal potential athletes annually.

Subject to eligibility, these new arrangements can be expected to go some way towards addressing the concerns expressed by elite canoeing athletes and coaches during the review consultations regarding the perceived lack of financial support.

**High Performance Kayak Fleet**

The acquisition of high performance kayaks of the latest and best international standard design is of critical importance to Australia’s efforts to do well in international benchmark events. Such acquisition could potentially be very costly for AC at a time when the NSO has been experiencing severe financial difficulties. Given that the present review has been critical of AC’s overall governance and management, it is pleasing to be able to comment positively on what appears, *prima facie*, to be the exercise of commercial acumen.

AC has maintained a fleet of kayaks overseas for use at international regattas. The fleet has been stored free of charge at the Bloso Centrum in Mechelen, Belgium. Some craft were returned to Australia in 2005, while others have remained in storage in Europe for use as training boats.

The fleet is no longer competitive at a senior team level as design and construction methods have changed. The remaining boats will be disposed of or returned to Australia during 2006-07 for use in development programs. The value of the boats has been written-off on the AC
asset register. (In 2004-05, high performance equipment written off at cost was valued at $487,013.)\textsuperscript{106}

An arrangement with the leading kayak manufacturing company, Nelo in Portugal, has enabled the Australian team to use competitive designs at international events without a capital outlay. In this connection, Nelo supplied 14 boats valued at $118,360 to the Australian team in 2006. These boats are in storage in Belgium and are being used at the 2006 World Championships.

Under the Nelo arrangement, the high performance program pays a service fee, equivalent to the cost of a container shipment to Australia (approximately $7,500) for the use of the boats during the international season.

Following the world championship, the boats are returned to the Nelo factory and shipped to Australia by the Nelo agent. Some of the boats are purchased by training centre programs involving the AIS, WAIS or SASI at a 30% discount while the rest are purchased by private customers.

The advantage of this arrangement is that the national team can use the latest designs at major events and take advantage of any new developments while the discounted purchase price of boats returned to Australia assists local training programs.

In 2006-07, the Australian team will relocate its equipment to the ASC European training centre on Lake Varese, Italy.

While these arrangements appear to be extremely advantageous to the high performance program, the reviewers are concerned that there could be a significant and unexpected cost to the sport if the arrangements suddenly changed. As a contingency plan, the National Performance Director has indicated that if Nelo notifies the AIS or AC in the future that it is unable to supply equipment, the team would be able to rent boats from the competition organisers and/or ship boats from Australia for use in Europe. There is clearly a risk in this and in order to reduce the program’s exposure, the National Performance Director has advised that he will seek to negotiate a formal agreement with Nelo through to 2008.\textsuperscript{107}

**High Performance: Non-Olympic Disciplines**

In the case of the non-Olympic disciplines, the ICF only maintains individual athlete placings for international benchmark events. Unlike some sports such as Tennis, the ICF does not aggregate and average individual rankings on an annual basis nor does it maintain country rankings for these disciplines.\textsuperscript{108} It is therefore not possible to provide a reliable picture of how Australia’s performance compares with other nations in these disciplines.

**RESULTS OF STAKEHOLDER CONSULTATION**

The review has obtained feedback from stakeholders in three main ways:

- Questionnaire survey;
- Meetings and interviews; and
- Written submissions.

The results of this information gathering are summarised below:

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\textsuperscript{106} Refer Note 7, *AC Annual Report, 2005*, 62.

\textsuperscript{107} Email Richard Fox to Robert Kidston, 23 June 2006. The intention is that this agreement will be settled in August 2006.

\textsuperscript{108} Email AC to ASC, 11 July 2006.
Questionnaire Survey

The questionnaires were distributed electronically on 28 March 2006 to 6,700 individuals listed on the AC database. There were 61 responses, a response rate of 0.91%. The response rate, although relatively low, was not dissimilar to some other surveys involving other sports.

In the case of Canoeing, it may reflect nothing more than the possibility that most paddlers who are part of the organised sport simply want to paddle. Provided basic member services such as insurance, education, competitions and events are accessible to them at an acceptable cost, they are reasonably content. Alternatively, many non-respondents may simply not have the time, energy or knowledge to complete and return a very comprehensive survey.

Although the response rate was not particularly high, the responses were from a good cross-section of persons. Indeed, judging from the comments made in many of the responses, it is not unreasonable to conclude that those who did take the time required to complete the survey are keenly interested in, and knowledgeable about, the sport and in how its delivery might be improved.

The data analysis (Appendix 10 Results of Stakeholder Consultation Questionnaire Survey) shows the quantitative and qualitative responses in aggregate and, in addition, it includes a segmented data analysis of the various categories of respondents.

The results of the survey are summarised below:

Governance and Management

The survey responses suggest there is:

- A strong lack of confidence in the ability of the sport’s governance and management arrangements at the national and state levels to deliver excellent outcomes for recreational and HP canoeing.
- Poor cooperation and communication between AC and state associations in both directions.
- Ineffective planning, risk management, financial management, marketing and event management.
- A poor regard for the efficiency and effectiveness of state associations.
- A 50/50 split in perceptions regarding the delivery of ACAS.
- Substantial support for a unitary structure with direct membership of AC rather than indirectly via state association capitation fees.

Sport Development and High Performance

The survey responses suggest there is:

- A strong lack of confidence in canoeing’s sport development and HP arrangements at the national and state levels to deliver excellent outcomes for recreational and HP canoeing.
- Ineffectiveness at national and state levels in developing recreational canoeing and in developing links between recreational and competitive canoeing;
- Ineffectiveness in developing links between recreational and competitive canoeing and surf lifesaving at national and state levels.
- Ineffectiveness in striking an appropriate balance between competitive and recreational canoeing at the national level.
- Ineffectiveness in developing the overall links between sport development and HP canoeing at national and state levels.
• Ineffectiveness in striking an appropriate balance between elite competition and other levels of competition.
• Ineffectiveness in the sport’s TID processes.
• An insufficiently large pool of talented athletes at all stages of the athlete pathway.
• An insufficiently large pool of coaches, officials and administrators at all stages of the athlete pathway.
• A leadership problem in high performance coaching and management.
• Inadequate targeting and coordination in the provision of athlete and coach support services.
• Room to improve athlete selection processes.
• Modest (but much less than majority) support for proposition that the Slalom NCE model is the best model for delivering the most effective elite athlete development programs and pathways.
• Little support for the proposition that the Flatwater NCE model is the best model for delivering the most effective elite athlete development programs and pathways.

To sum up, the respondents believe that at the national and state levels, canoeing has dysfunctional governance and management arrangements as well as serious deficiencies in the areas of sport development and high performance. Respondents have painted a picture of a sport that has a sharp recreational - elite competition split, requires urgent attention in the areas of coach training and recruitment, needs to do more to enlarge its talent pool, has to develop its club structure and grow the sport, must improve coordination and communication at all levels, has to improve its financial management and, in addition, should either remove or remedy what appears to be a dysfunctional layer of governance at the state level.

At the same time, most respondents appreciate the efforts made by the current interim Board to communicate with them. While some are unhappy with the lower levels of operational service delivery over the past few months, this is understandable given the recent financial cut-backs and consequential staff reductions from 6.30 FTE to 2 FTE.

It is also clear that respondents give a high priority to wanting to grow the sport so it can become more vibrant and be more sustainable. Much of the focus appears to be on recreational paddling including non-elite competition. A major challenge for the sport will be an internal cultural one - to strike an appropriate balance between the attention it gives to the Olympic disciplines vis a vis other disciplines, including some emerging disciplines, which have commercial potential to grow the sport.

Meetings and Interviews

The following comments summarise the detailed notes set out in Appendix 11 (Results of Stakeholder Consultations Meetings and Interviews). This appendix was prepared from notes compiled over the period 28 March 2006 to 2 May 2006 during 71 hours of meetings and interviews in all State capitals involving approximately 176 stakeholders.

The comments are summarized under the following headings:

• Governance and management;
• Sport development;
• High performance;
• National Centres of Excellence;
• Flatwater National Centre of Excellence; and
• Slalom National Centre of Excellence.
Governance and Management

Canoeing is an over-governed, fragmented and poorly coordinated sport governed by a constitutionally-weak national body and constitutionally-strong State Associations. Canoeing presently sits on the federated-unitary continuum close to the federated pole of that continuum. It is not a unified sport with a nationally agreed view capable of being implemented nationally in a cost-effective or coordinated manner.

One of the main issues for the present review has been to identify which governance/management model will best fit the needs of canoeing at its present stage of development and which will best deal the environmental changes expected to impact on the delivery of the sport over the next 10 years. A major issue here is that Canoeing is not at a uniform stage of development. Rather, the sport is at very different stages of development depending on the discipline, function or geographical area being considered.

In addition to having different funding sources and resource dependencies, recreational and elite competition paddling have different cultures, objectives, levels of resourcing, levels of expertise and, to a significant degree, different stakeholder affiliations. The Olympic high performance disciplines are conducted in a goal-oriented, relatively sophisticated way whereas the non-Olympic disciplines are in the very early stages of transition from being essentially “kitchen table” sports slowly and rather unevenly developing across the States towards becoming more corporately-organized, commercially-oriented sports.

In addition to these differences, the variability between the disciplines within the Olympic high performance program and among the other non-Olympic disciplines are substantial. This variability has not been well managed in the past largely because of defective governance and management structures and dysfunctional behaviours and this has led to considerable concern among many stakeholders about the way the sport as a whole is being delivered.

The recent financial mismanagement which took AC to the brink of insolvency was a symptom, not the cause, of the sport’s problems. The overall impression taken from these discussions is that the principal cause of the financial crisis was poor leadership over several years prior to mid-2005, especially with regard to decisions to host two world championships within a few months of each other. It appears that the Board comprised too few persons with significant commercial expertise and too many persons who allowed their passion for canoeing to excessively influence decisions that demanded rigorous assessments of commercial risk.

Overlaying this concern is a structural issue, namely, the disjunction between the NSO being funded by the ASC primarily to achieve high performance outcomes and independent State Associations being funded primarily by State Governments, members and service-users to advance predominantly mass-participation, recreational outcomes.

The lack of a clear definition of roles and responsibilities for AC and State Associations has impeded effective planning for, and execution of, initiatives that could improve the delivery of the sport but efforts to develop a charter to define roles and responsibilities failed because of objections from some States.

There was a general recognition among stakeholders consulted that the present governance/management arrangements were not performing well but some uncertainty over whether it would be better to try to make the present federated structure work better or to adopt some form of unitary structure.

After reviewing the thousands of words uttered during the consultations on Canoeing’s governance and management, the issues canvassed can best be distilled into the following propositions:
- A unitary model with a strong NSO supported by a State branch structure will produce better coordinated, more cost-effective outcomes for the sport than a federated model but this may be achieved at the expense of alienating the grass-roots members on whom canoeing depends for the supply of volunteers to grow and run the sport; and
- A federated model with more clearly defined roles and responsibilities between the NSO and State Associations providing for a more effective working relationship between them will produce more sustainable levels of service delivery for the sport by better engaging the volunteer base to grow and run the sport.

Of course, there are variations of the federated and unitary models that could be proposed and which aim to compensate for the alleged deficiencies of the pure models. Indeed different models could be applied to the sport as a whole or to the entities managing the Olympic disciplines on the one hand and to the non-Olympic disciplines on the other.

While areas of consensus in governance/management matters were generally limited in number, some areas attracted more support than opposition. For example, some form of strategic alliance with surf lifesaving that would give Canoeing access to the latter’s resources and expertise in areas where Canoeing is weak in return for surf lifesaving having a say in the management of the Flatwater program so surf paddlers can have better access to the Olympic pathway was seen as something that should be accommodated within a reformed governance/management structure. However, there was no consensus regarding the organizational form such an alliance might take.

Another area of consensus was the need to strengthen canoeing clubs, many of which had small membership numbers, few physical facilities and little income. An alliance with surf lifesaving that linked selected canoeing clubs with selected surf clubs was seen as a means of promoting membership growth and closer collaboration in sharing facilities and other resources.

This consensus was linked to the general desire for Canoeing to grow substantially and become a more vibrant sport by better meeting the diverse needs of the many people who enjoy the sport, or who could possibly be attracted to the sport, if it were more professionally marketed. There was, on balance, more support than opposition for the proposition that the sport would need to become more commercial and “business-like” for the sport to grow and for revenue coming into the sport to rise as opposed to continuing to operate along “kitchen table”, non-commercial lines. There was a recognition that, depending on how far this proposition was taken, this would have implications for the type of governance/management structure that would best support these changes.

If these challenges are not confronted and effectively dealt with, the sport will not be in a position to reclaim a more substantial role in the management of the Olympic high performance programs and will face the prospect of being a marginal sport always on the brink of financial difficulties.

While many paddlers had little interest in Olympic high performance canoeing, they recognized that reclaiming the sport’s former role in the high performance program was very important symbolically for “sport owns and runs sport” reasons and, at a more practical level, because the ASC funding for this program provided essential cross-subsidisation for the running of the national office. There was a general recognition among those interviewed that for Canoeing to reclaim this role, the sport’s governance/management arrangements would require substantial reform to demonstrate that it now has the capacity to avoid past problems.

Unfortunately, this recognition did not translate into a consensus on whether the Olympic high performance programs should be managed:
• as a separate business unit within AC; or
• by a separate legal entity controlled by AC.

Stakeholders saw advantages and disadvantages with both approaches.

Without a stronger financial base to support innovation and reform, Canoeing will continue to experience declining numbers of trained coaches, officials and other volunteers, will be unable to afford to remunerate staff with the necessary skills to rebuild the sport, will miss opportunities to build strategic alliances with other sports and, in addition, will fail to exploit emerging commercial opportunities. Achieving a stronger financial base will require reform aimed at streamlining and simplifying the sport’s governance and management arrangements.

**Sport Development**

Stakeholders generally agreed that the criteria for effective sport development in canoeing are:

- A strong club system;
- Achieving a satisfactory conversion rate from the general paddling community to the organized sport;
- A strong volunteer base;
- Sufficient numbers of accredited coaches, officials and instructors;
- Sufficient numbers of athletes;
- Clear programs and pathways from entry to elite competition levels; and
- Sufficient well-run competitions and events.

The challenge is to meet these criteria, where feasible, on a national basis roughly in proportion to each State’s share of the national population.

For the most part, canoeing does not have a strong club system. With some exceptions, clubs tend to be small, have few financial resources, often have no clubhouse facilities and typically have very few accredited coaches. In the case of Flatwater, the club focus is usually more on surf clubs. Surf clubs offer a “way-of-life” culture backed up by substantial facilities, considerable financial resources, beachfront locations, a well-developed (albeit non-Olympic) coaching and high performance system, regular and well-organized competitions and the camaraderie that comes from shared experiences often built up over many years.

Canoeing in Australia, unlike in Europe, has not been developed to its full potential as a large and vibrant organized sport. While there are large numbers of paddlers, only a small percentage of these, said to be around 10%, choose to become members of canoeing clubs. There is a poor understanding of the benefits of being members of clubs, State Association and the national body and, where the benefits are understood, in many cases they are not highly valued.

Growing the sport and making it more vibrant is seen by the majority of those interviewed as being the biggest single issue in canoeing and there is a widely held view that the national body and most State Associations have been unsuccessful in progressing this objective. The serious shortages of accredited coaches, instructors and officials are perceived to be major impediments to developing the sport and there are concerns that the national body has not provided sufficient leadership in the past to make the necessary changes.

There was a consensus regarding the importance of enlarging and strengthening the volunteer pool and agreement that this required outstanding leadership skills to make people feel valued and to offset the socio-economic pressures that are said to be causing a decline in volunteer numbers in the sport.
The ACAS is considered to be an important means of growing the sport and making it more vibrant but the course and assessment materials are out-of-date and there is concern among some NTPs that they are being disadvantaged by having to pay AC for the use of accreditation materials that are provided to competitor State Association NTPs free-of-charge.

There is large support for the proposition that unless the ACAS is reengineered to streamline and simplify course offerings to make the process of gaining qualifications less onerous and less expensive, Canoeing will fail to maintain its present position in outdoor and leadership education and will be overtaken by other providers. This will have a negative impact on the Canoeing’s revenue and on the sport’s ability to attract more club members.

Because of the poor development of Canoeing as an organized sport capable of producing a sufficiently large pool of potential talented athletes, there is a need for Canoeing to compensate for this by working more closely with the ASC and SIS/SAS to develop and implement targeted TID programs. There is an emerging, albeit sometimes reluctantly accepted view within parts of the sport, that targeted TID programs, rather than traditional sport development measures, will become increasingly important in the future in seeking to enlarge the talented athlete pool.

Given the importance of surf paddlers as a source of talented Flatwater athletes, there was support for a closer collaboration between canoeing and surf lifesaving that went beyond the fairly loose arrangements embodied in the present MOU. A more formal alliance, incorporating some form of structural linkage between surf lifesaving and canoeing, as a means of developing the sport and identifying talented athletes without having to invest money that canoeing does not presently have, was considered by a majority as possibly a price worth paying. However, the nature and extent of such a structural linkage is likely to be a more contentious issue.

There was more support than opposition to the proposition that Canoeing should become more entrepreneurial in seeking to grow the sport, especially in the so-called adrenalin or adventure disciplines. If the organized sport did not do this, there was a fear that external providers would step in to fill the void by offering well-run canoeing experiences on a commercial basis thereby denying Canoeing a substantial revenue opportunity.

Promotion of the sport in schools was another area of potential growth and source of talented athletes that was presently underdone. Some, but not all disciplines, held national schools championships and there is a degree of envy over Rowing’s position as a well-established aquatic sport especially in private schools. Significant numbers of interviewees would like Canoeing to be far more proactive in promoting the sport in schools either separately or in some form of alliance with Rowing.

**High Performance**

Olympic canoeing disciplines are expensive to operate so resources need to be carefully targeted to achieve the most cost-effective outcomes. While the present outlays on SS/SM, travel and equipment replacement are essential, virtually all of the elite athletes and coaches placed the highest priority on rationalizing the present scholarship arrangements and offering sufficient DAS to enable athletes to train without feeling exhausted from having to work excessive hours.

Despite the appearance on paper of well-developed pathways, in reality a lot of work needs to be done to plug gaps especially in the transition from junior to senior and in female participation.
AC needs to play a greater leadership role in developing pathways. This should be done in consultation with State Associations, the AIS and with all, rather than only some, SIS/SAS so that there are seamless transitions irrespective of whether the points of entry are clubs, schools, surf lifesaving or targeted TID.

Perhaps one of the greatest needs in high performance canoeing is to recruit and retain more top coaches and to train more accredited coaches who can work at all levels of the pathways. To gain the maximum advantage from AIS and SIS/SAS investment in SS/SM, it is vital that all, and not just some, coaches are able and willing to exploit the knowledge yielded from these support services in tailoring individualized training programs for elite athletes.

National Centres of Excellence

The NCE model is an innovative concept designed to improve cooperation, communication and collaboration between AC, AIS and SIS/SAS partners. The NCE operates through the medium of a Joint Management Committee pursuant to an MOU specifying the arrangements for the AIS and SIS/SAS partners to provide the DTE for elite athletes who have successfully navigated through the relevant athlete pathways developed by the sport.

While the aims of the NCE model are entirely appropriate, there are a number of management problems that have been prevented it from achieving its full potential. This is not surprising given that the model has been in operation for only about 18 months.

The main challenge with the NCE concept is that it attempts to provide a structural solution for one of the most fundamental problems in sport governance and management, namely, how best to reconcile the needs of who owns and runs the sport with the needs of who provides most of the funding and who possesses most of the expertise and resources.

On the one hand there is the NSO representing the custodians of the sport but with a strong funding dependency on the ASC/AIS. On the other hand, there are the AIS and SIS/SAS that together possess the technical expertise and resources needed to make the sport successful and, crucially, are accountable to their respective governments for achieving results for their investments. Add to this mix the not always creative tensions between the AIS and SIS/SAS regarding their respective roles and responsibilities based on widely differing funding contributions and differing national and state political imperatives that sometimes affect perceptions of how the high performance program should be delivered.

The present MOU represents a fairly loose, rather collegial way of promoting cooperation, communication and collaboration between AC, AIS and SIS/SAS partners. This looseness and collegiality has some advantages because it allows for lots of flexibility and provides scope for exercising goodwill but, in the long run, it is likely to lead to confusion and inefficiency.

Because the NCE has no separate legal standing from the partners, because the NCE Joint Management Committee has a purely representative composition, because the NCE is not the employer of staff attached to it, because there is very little that resembles a distinct NCE culture and, finally, because MOUs have no legal enforceability, there is a blurring of accountability and authority and uncertainty in decision-making that has made proactive management and even day-to-day administration more difficult and complicated than it need be.

The result is that there is an excessive reliance on the skills and dedication of individual staff to compensate for systemic deficiencies. It would be better to harness this skill and dedication within an organizational model where accountability and authority are more clearly specified and accepted by the partners. Such considerations give rise to a number of questions, for example:
• As a means of neutralising the AIS/SIS/SAS tensions concerning the ‘ownership’ of the high performance program, should the NSO (as the lead agency) retain all management and technical leadership of the high performance program and simply contract the various AIS/SIS/SAS to provide the DTE (i.e. coaching, facilities and support services)? or

• Should the AIS, based on its technical (coaching and SS/SM) and financial capacity, as well as its reputation to successfully manage national HP programs, be formally recognized as the lead agency by the NSO? Under this model, the NSO would invite all SIS/SAS to participate in the NCE under contractual terms that would yield acceptable net value to all parties, including clear value-add to achieving the NCE core objectives.

Further consideration of these and other options will be given later in the report.

Flatwater National Centre of Excellence

Prior to 2002, the Gold Coast facility was run by the AIS and was universally well-regarded by athletes, coaches and support staff.

The Flatwater NCE is currently not operating as well as the Slalom NCE because of a dysfunctional culture that has evolved since 2002, several years before the introduction of the NCE model 18 months ago.

The evolution of this culture followed the change from a residential program to a camp-based program and followed the high turnover of head coaches with athletes having to fill the void and become self-coached or privately coached because of head coach vacancies for extended periods.

The current situation of temporarily filling the national head coach position by the SASI head coach based in Adelaide and having a National Performance Director has improved things but there are still problems that will be ameliorated only when a full-time, highly-skilled, national head coach based on the Gold Coast is appointed.

An important part of the role of a new national head coach should be to encourage all coaches and all athletes to make greater use of SS/SM information in developing short, medium and long-term individual athlete programs.

Given the cross-over between surf lifesaving and Flatwater canoeing, there is an urgent need to develop the relationship between the two sports to give surf lifesaving an appropriate involvement in the management of the Flatwater program but to do so in a way that Canoeing retains ultimate control over the program.

Canoeing must try to leverage off surf lifesaving’s extensive, well-developed and well-resourced national club infrastructure to compensate for its own relatively poorly developed club network which lacks the locations, facilities and positive social culture of surf lifesaving.

There is majority support for the proposition that the Flatwater NCE should continue to operate as a non-residential program on the Gold Coast with more camps there to help develop athletes, especially those in crew boats, resident in more distant places. At the same time, there is some support for the Flatwater NCE to be centralized at Penrith (with Slalom) given that among the current NCE scholarship holders, there are as many athletes residing in Sydney as there are living on the Gold Coast.
Interviewees consistently advocated strengthening junior pathways and building supportive transitions between junior and senior levels of competition using targeted TID in consultation with surf lifesaving in order to reverse the vulnerable position the discipline presently finds itself in through having more senior than junior athletes.

There was virtually universal support from athletes and coaches for an appropriate level of DAS to be provided to reduce the number of hours athletes were obliged to work to purchase the basic necessities of life. The need to work significant hours was said to compromise their ability to train as effectively as they should to compete with elite European athletes whose DAS was typically sufficient to meet their living needs.

**Slalom National Centre of Excellence**

There is a positive culture present at Penrith which to a large degree reflects the fact that the National Performance Director based there is a former multiple world Slalom champion who is highly respected by the relatively small, tight-knit, Slalom community.

The recent success achieved by the Slalom program has been achieved by adapting and applying the successful elements of the European elite Slalom training model despite the fact that coach-athlete ratios and DAS at Penrith compare unfavourably with those available in the most competitive European countries and notwithstanding cyclical funding arrangements that do not seem to recognize the long lead-times necessary to produce results in Slalom.

As with Flatwater, improved pathways concentrating on junior development and supported by targeted TID are seen to be very high priorities for Slalom given the older age-profile of the current elite athlete pool and the long lead-time required to develop internationally competitive elite athletes in this discipline.

Given the highly technical nature of Slalom, there is considerable scope for sports science knowledge to be applied to a greater extent, especially in relation to emerging elite athletes, in lieu of relying quite as much on intensive training and risking injury.

**Written Submissions**

Written submissions, that is, communications expressing contestable opinions, were received from 17 persons, either as individuals or as spokespersons for organisations. Some of these submissions were substantial hard copy documents, others were in the form of emails some of which were quite short. A summary of the submission contents is at Appendix 12 (*Results of Stakeholder Consultations Written Submissions*).

It is more difficult, and methodologically unsafe, to attempt to identify from the submissions what might be described as common themes. This is because the number of submission writers is much smaller than the number of persons interviewed or who submitted questionnaires. In this connection, many of the sentiments expressed by submission writers reflect the particular interests of their diverse backgrounds (as indeed do the survey respondents and the interviewees) but the former are not leavened by the latter’s numbers.

All that can be safely said is that there is nothing in the submissions that contradict in a material way, the common themes reported earlier from the survey responses and from the interviews. Moreover, there is a great deal in the submissions that reinforces the sentiments expressed in the other forms of data gathering.

**Summary of Stakeholder Consultation**

Canoeing is a sport in need of major reform in virtually all areas of operation.
In the area of elite competition, Canoeing has achieved moderate, if mixed, success despite the problems in culture, coaching, athlete support, pathways, talent identification, sports science take-up and national coordination graphically described by many stakeholders. In the area of organised recreation, Canoeing is languishing badly with fairly static club member numbers and falling volunteer numbers (notwithstanding significantly rising numbers of mass participation paddlers) and despite the commercial opportunities for income generation already being exploited by well organised for-profit providers.

The questions that must now be asked are:

- How much better might canoeing be able to perform if the present impediments identified under governance and management and sport development and high performance are removed? and
- Will canoeing’s key stakeholders be willing to put aside narrow partisan interests for the greater good of the sport, when presented with the evidence of the sport’s non-performance?

PROBLEM DIAGNOSIS AND REMEDIATION

The results of stakeholder consultation reported in the previous chapter provide a solid body of evidence that a clear majority of the many people who made their views known to the reviewers believe that the delivery of the sport of canoeing in Australia is facing some serious problems.

There is a general lack of confidence expressed by most stakeholders, irrespective of their background, in the ability of the sport, as it is presently organised, to deliver excellent outcomes in recreational and high performance canoeing. The problem was recently described by one knowledgeable insider in the following colourful terms:

*In recent years Australian Canoeing reminded me of “Thomas the Tank Engine” who was puffing away doing this and that, going here and there totally unaware that all the “carriages” were no longer coupled to the engine. Communication ceased to exist, the left hand seldom knew what the right hand was doing, lots of expenditure, very little income (not even a brass razoo!), no one on the phone who understood the sport of canoeing sufficiently to advise callers, thus people decided to “do their own thing” and felt the peak body was sadly lacking.*

The following problem diagnosis has been prepared having regard to these guiding principles:

- Streamlining and simplification;
- Transparency;
- Cost-effectiveness; and
- Accountability.

In the reviewer’s opinion, virtually all of canoeing’s underlying problems in almost every aspect of the delivery of the sport, whether it be sport development or high performance, can be attributed to a failure of leadership. Effective leadership promotes a genuine high performance organisational culture and ensures that effective business systems and practices are not only in place but are highly valued.

Even issues raised in this report that might appear, *prima facie*, to be purely technical matters concerned with sport-specific things such as coaching, sports science, sports medicine or team selection are, on closer analysis, really matters to do with having effective business systems and practices in place and, crucially, having people who understand and habitually apply them.
The AC constitution was comprehensively reviewed in 2002 to align it with the ASC’s governance best practice principles (GBPPs). The State constitutions were also amended to harmonise them with the national one. These changes did not prevent the crisis AC found itself in during 2005 and which had been brewing for some years before then.

In addition to these constitutional reviews, there were allegedly a number of past ASC reviews of aspects of the sport that, in the perception of some outside observers, were not always fully acted on. This perception has caused some of these observers to conclude that the recommendations of the present review might meet a similar fate. The reviewer makes no comment on these past reviews but is aware that the ASC is strongly committed to following through on the present review and working with the sport to achieve long-lasting productive reform.

In organizational reviews there is sometimes a propensity for reviewers to think that if tangible things such as constitutions and structures are changed, this will fix the problems. But as Leblanc has suggested, such thinking can be misguided. Often symptoms are addressed but the underlying causes are left untouched. For example, AC’s financial problems run far deeper than financial mismanagement.

In developing the findings and recommendations (see later), the review team has been mindful that, at the end of the day, canoeing’s problems will not be fixed without deep cultural and behavioural changes. The recent observation of a person with a long and distinguished history in the sport helps explain the problem:

_The overwhelming feedback I have received from everyone I have spoken to about the previous few years, is that previous boards and directors were absolutely invisible to the athletes and members. There was no Management by Walking Around, and on the odd occasion that board members would attend events, it was to present a trophy, never to actually get out and talk to people._

Modifying constitutions and structures, although essential, will not of themselves, achieve the necessary cultural and behavioural changes unless they are accompanied by targeted modifications to systems and business practices. Moreover, systemic changes by themselves will not have the desired effect unless changes to recruitment and appointment practices are made to attract people with the right leadership skills into AC.

In short, the AC Board urgently needs to inculcate a sustainable high performance organizational culture throughout the sport by ensuring that the constitution, structures, systems and business practices are all geared to recruiting and retaining persons who habitually exhibit behaviours that confront and fix the causes of problems rather than focus on the more comfortable, but much less effective option, of simply addressing issues.

**The AC Board**

The GBPP advocate that NSOs have skills-based rather than representative boards. The AC Board has a skills based component in that it includes two appointed “independent” directors in addition to the five elected “interested” directors.

Two experienced directors, both “independent”, resigned in November 2004 and were not immediately replaced. The remaining five persons were “interested” directors and all had canoeing backgrounds but only one was considered to have acknowledged commercial acumen. No director at the relevant time had any professional background in finance or law.

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109 Richard Leblanc and James Gillies, _op cit._
One of these directors resigned shortly before the 2005 AGM and the Board filled one of the vacancies with an ‘independent’ director with a high performance canoeing background. This person added further canoeing expertise to the Board but the opportunity was missed to appoint someone with a professional background in areas such as finance, law or business to fill the skill gaps among the existing directors. In any event, this new director resigned in December 2005 along with one of the “interested” Directors (the one with the acknowledged commercial acumen) leaving a Board of three interested directors, none of whom had acknowledged skills in finance, law or business, to form a quorum. These directors held office until their resignation at the end of January 2006.

A majority of respondents to the survey agreed that the current AC Board structure is appropriate. At the same time, a majority also felt that AC directors did not understand and abide by their legal duty to AC where this might appear to be inconsistent with the interests of the State Associations that elected them.

The review finds that the leadership of AC:

- did not have effective planning, risk management or internal control procedures or practices in place;
- presided over serious financial mismanagement and did not obtain adequate reports on high risk activities such as the two World Championships or on the state of AC’s finances generally;
- did not ensure that ACE complied with appropriate corporate governance standards;
- jeopardised the viability of ACAS by allowing the scheme to become non-compliant with the prescribed SRO03 VET competency standards and by enabling State Associations to gain market advantage over external providers in violation of accepted franchise-management principles;
- did not respond effectively to competition from other sport and recreation activities by training more coaches, instructors and officials and by building innovative business relationships with commercial event organisers;
- did not provide effective leadership to the States in trying to revitalise canoeing clubs to build member numbers and to arrest the decline in the number of volunteers; and
- did not play an effective leadership role, in collaboration with AIS/SIS/SAS, in developing clear athlete programs and pathways, especially at the junior level and in women’s competition, to grow the potential athlete pool.

Having said that, AC’s ability to provide national leadership was circumscribed by a constitution that contained an inherent tension in that it vested effective control of the sport in State Associations and gave the national body little real authority to discharge its national responsibilities.

There is no evidence that any director acted other than in good faith and in what they understood to be in the best interests of AC. At the same time, the review finds that there is a need to strike a better balance between the number of interested and independent directors. The intention here is to retain a majority of interested directors, appropriate to a member-based organisation, but to increase the number of independent directors by one to enable a wider skill set and to reduce the possibility that directors passionate about the sport may inadvertently allow their passion to cloud commercial judgment.

Organizational Capability

The main structural criteria for building organisational capability are:

- A proper alignment between the organisation’s form (constitution and structure) and the organisation’s functions (sometimes referred to as “form follows function”);
A proper alignment between the organisation’s external environment and internal organizational arrangements; and

A proper alignment of responsibility and authority for achieving agreed outcomes.

The issue of alignment is affected, in the first instance, by the constitution. The GPPP advocate that there should be a clear delineation of governance roles and responsibilities of the parties involved but does not recommend a particular form of governance because the Commission recognizes that each sport is different and “one-size-does-not-fit-all”. AC has attempted as recently as 2004 to obtain the agreement of the States for a clear delineation of roles and responsibilities but the (very comprehensive) draft charter was rejected by some State Associations.

There is a large literature on the advantages and disadvantages of a unitary vis a vis a federated model of governance. A distillation of this material is contained in a comprehensive discussion paper prepared a few years ago by an Australian legal firm (Lander and Rogers) specialising in the provision of legal advice to NSOs.\footnote{National Sporting Organisations: Alternative Structures. A Discussion Paper, ASC and Lander & Rogers, 2002.} This paper concluded that at the end of the day it is the sport that matters rather than the members (however defined). The long-term interest of the sport should be dominant rather than the interests of members or directors. They are merely the custodians of the sport on trust for the time being and they should set aside their personal interests for what is best for the sport.\footnote{Ibid, 55.}

Before recommending a particular model of governance for canoeing, it is appropriate to briefly canvass some of the main advantages and disadvantages put forward by protagonists from both sides.

The federated model is often claimed to be more suitable for member-based, not-for-profit organisations because it allows for decentralised decision-making closer to the members and hence gives members more equitable access to decision-makers. This is said to be more democratic and results in the provision of goods and services that are more relevant to the needs of local members.

Some also contend that a federated model encourages competition among the States and hence facilitates greater innovation not achievable with a “one-size-fits-all” unified approach. Because of these considerations, volunteers are said to be more engaged with the sport and to be more willing to contribute their time and expertise to run the sport. It has also been argued that if an NSO under a federated model becomes insolvent, then the States are able to continue to deliver the sport without the complete rebuilding that would be necessary under a unitary model.

A unitary model on the other hand is said to enable a properly coordinated national approach to be taken in order to achieve uniformly higher standards of service delivery. If responsibility and authority are concentrated within the one body, it becomes feasible to hold the NSO accountable for achieving against agreed national targets. A common claim is that decision-making is more transparent under a unitary model because the process is more streamlined and avoids the blurring that can occur when there are opportunities for blame-shifting.

A unitary model is also claimed to be more cost-effective in that it avoids wasteful duplication and time-consuming negotiation of parochial interests through multiple and dispersed layers of governance. Hence, resources that could be better spent on delivery of the sport rather than on governance and compliance are liberated. It has been further argued that if volunteers are able to concentrate on the things they like doing best, such as running their disciplines, without being concerned with governance, they will in fact become more engaged with the sport. In relation to the risks posed by NSO insolvency, the contention is that if the sport is more cost-effectively run under a unitary model, then the risks of insolvency are lessened.
Traditionally organized canoeing has been a member-driven sport based on clubs, often very small and with few resources, delivering recreation and competition across a large number of mainly amateur disciplines. Until quite recently, to the extent that canoeing had a business model, it was an undemanding “kitchen table” version which set its sights fairly low and relied to a large degree on volunteers to advance its objectives.

For some years, canoeing has been very slowly and unevenly in a state of transition from the “kitchen table” to a more corporate business model. This progression has been aided by the benchmark reference of having two Olympic disciplines within the sport. The Olympic disciplines, with their considerable financial resources and expertise co-exist with other disciplines that have far fewer resources and much less access to expertise. The high performance professional culture of elitism and excellence in the Olympic disciplines stands in contrast with the traditional recreational cultures of the other amateur disciplines.

The view was put during the review that the Olympic disciplines and the non-Olympic disciplines were so different culturally, materially and in their objectives that they should not co-exist within the one organization. This view contended that it would be best for AC to establish, as a controlled entity, a separate company with a small skills-based board drawing upon AC, AIS/SIS/SAS and other (commercial/legal) expertise to oversee (without the distractions of having other responsibilities), the running of the Olympic disciplines and employing expert staff of the kind currently attached to the two NCEs. It was argued that this model, where directors were legally obliged to act in the best interests of the company, would also have the advantage of ameliorating the tensions that sometimes manifested among the NCE partners under the much less formal PEF Agreements. While this model has some advantages, it was rejected because it was not consistent with any of the principles established to guide the review.

The model of governance chosen has to be somewhere on the continuum from pure federated to pure unitary. The current governance model in canoeing is closer to the pure federated end of the continuum and clearly reflects the “States Rights” principle. Under this model, members of canoeing clubs are direct members of State Associations and are members of AC only indirectly via State payment of capitation fees. The State Associations elect AC directors and only State Associations, through their delegates, can vote at AGMs. A pure unitary model on the other hand would involve the dissolution of State Associations and replacing them with branch offices of the NSO in the States. The NSO would have direct individual members with full voting rights.

One of the challenges of the present review is to recommend a model somewhere on the continuum that represents the best fit for the sport at the present stage of its development and which positions the sport best to capitalise on future opportunities and to avoid future risks – in other words, a model that will significantly strengthen AC’s organisational capability by facilitating, rather than frustrating, a genuine high performance organisational culture throughout the sport.

As outlined earlier, the sport of canoeing in Australia is currently administered through a complex web of governance and management structures that has produced mixed results in delivering the sport in Australia. The evidence adduced in this report suggests that there is poor alignment on all of the above criteria and, not surprisingly, a lack of congruence with the guiding principles. In short, the present organisational form is anything but streamlined or simplified, is not conducive to transparent decision-making, is not cost-effective and blurs accountability.

Constitutionally, AC is the peak body for the administration of the sport of canoeing in Australia and is required to unite the recognised canoe organisations of each State. In the planning documents referred to earlier, it should have been plain that AC did not have the
organisational capability to deliver on these objects. During the review, criticisms of the way canoeing is delivered in Australia were often directed towards AC yet the NSO does not have the constitutional authority to make decisions for which, as the peak body, it is responsible in delivering the whole sport nationally.

The external environment in which canoeing operates is a challenging one. It is characterised by:

- highly competitive, mainly European countries, with well organised and resourced canoeing bodies generally performing, with some exceptions, much better than Australia in the Olympic disciplines;
- many competing well-organised leisure activities that can readily substitute for sport and recreational activities such as canoeing;
- changing demographic conditions characterised by, for example, self-actualising generation x and y-ers interested in many leisure activities but having no need for club ties to gain personal value;
- changing socio-economic factors causing volunteer numbers to decline;
- commercial competitors within Australia attracting increasing numbers of paddlers to participate in their canoeing events on a profitable basis while many canoe clubs are struggling;
- government funding that is unlikely to increase at a rate that will significantly improve canoeing’s ability to reinvent itself and market its mix of product and services to attract a new generation of paddlers;
- a tight labour market that for the foreseeable future will drive staff costs up and make it increasingly difficult for medium-sized sports such as canoeing to pay for the expertise needed to grow the sport in a financially sustainable way; and
- changing consumer preferences favouring non-traditional adventure disciplines and multi-sport activities and requiring new forms of craft design and construction techniques.

To operate successfully in this sort of environment, well-coordinated, agile, properly-resourced and decisive responses are necessary. But the evidence is that this has not happened with the present organisational arrangements because the decision-making structures and processes nation-wide are too fragmented and multi-layered.

An example of this is the current debate over affiliation fees and the fact that the largest State, NSW, finds it difficult to pay its formula share of affiliation fees because, as outlined earlier, the formula does not recognise the particular circumstances of that State. The difficulties faced by AC earlier this year in trying to obtain “guarantees” covering several years from independent State Associations to pay affiliation fees at the level required by the formula drew attention to the problem faced by the NSW directors whose primary legal responsibility was to ensure their own Association, not AC, remained financially viable.

The perceived inequity in the affiliation fee formula from NSW’ perspective would cease to be an issue under a unitary model where the NSO would collect all membership fees from the clubs and then allocate a proportion of them among the States in accordance with the priorities established by a skills-based board free of any particular State bias.

The present organisational arrangements reflect a different era when traditional federated models operated in a relatively benign and stable environment and had the luxury of time to debate issues through and across the layers of governance. Culturally, there remains a strong minority view within canoeing to the present day that a federated model, perhaps strengthened with a charter specifying the roles and responsibilities of the national and state components, is the best means of securing the sport’s future.
However, the evidence from the review consultation process shows majority support for a unitary system of governance for canoeing. The majority are convinced that unless canoeing has more streamlined, simplified and transparent decision-making structures and processes, the sport will not be delivered cost-effectively. If the organised sport is unable to provide products and services that people want and at a price they are prepared to pay, it will lose market share over time and become even more dependent on government support which is by no means guaranteed.

The review finds, however, that in canoeing’s case, neither a pure unitary nor a pure federated model of governance (nor models near to the ends of the unitary-federated continuum) are appropriate at this point of time in the sport’s history. Rather, the way forward for canoeing is a model of governance that captures as many of the benefits of a unitary structure as possible but which retains as many of the benefits of a federated model as possible. In other words, a balance is needed that will give the sport the organizational capability to eventually make a credible claim for a more substantial role in the Olympic disciplines while at the same time better manage the other aspects of the sport within the one organization.

Striking an appropriate balance suggests that proper provision should be made for volunteers at the State level to have a clear role in shaping the direction of the sport within the State and nationally while at the same time ensuring that this role in no way compromises the single point accountability of the CEO to the AC Board. Appendix 14 (Australian Canoeing Limited Proposed Organisational Structure) gives expression to this thinking.

CEO Skills in Strategic Management

Unless AC is able to recruit a CEO with well-developed strategic management skills, it will be very difficult for the sport to achieve anything like its full potential.

Strategic management is all about seeking to position an entity for the future and removing obstacles that could impede the ability of the entity to achieve that future. The criteria for effective strategic management should focus on:

- building organizational capability (see earlier);
- promoting a high performance organizational culture;
- understanding the links between converting resource inputs (money, people, physical assets including ICT, intellectual property) through a business model (using knowledge, systems, processes and business practices) to produce outputs that will have a positive impact on the key stakeholders on whom the entity’s viability depends (outcomes); and
- systematically varying the quantity, quality or mix of resource inputs and/or the business model over time in the light of monitoring and reporting to yield more valued outputs and outcomes.

The job advertisement, position description, employment agreement and performance review criteria for the CEO recruited in June 2005 suggests that AC did not really understand this conception of strategic management. Rather, the focus in these documents is on more prosaic (but still absolutely necessary) matters to do with the day-to-day, “nuts and bolts” aspects of running the NSO.

The remuneration package offered was sufficient to recruit a person with strategic management skills. As it eventuated, the Board was fortunate to recruit a person with a strong sport administration background who was also close to completing his MBA and who could therefore be expected to have an understanding of the application of strategic management concepts. Unfortunately, however, the appointee was engulfed in AC’s financial crisis (not of
his making) almost immediately on appointment and never really had the opportunity to steer a new direction for the NSO.

**Performance Management Systems**

There is a lot of truth in the aphorism that *if it can’t be measured, it can’t be managed*. The present review has repeatedly emphasized the importance of digging deeper than constitutions and structures to fix performance problems and has argued that a high priority should be given to changing dysfunctional behaviours. One of the most powerful tools that can be employed in trying to change dysfunctional behaviour is the performance management system (PMS).

AC and the State Associations all maintained basic planning, record keeping and reporting systems sufficient to meet audit and acquittal requirements (although in the case of a number of SSOs, audit issues resulted in significant delays in finalizing the 2005 audits) but none of them operated anything that could reasonably be called a functioning PMS.

The incumbent recruited as CEO in June 2005 soon identified AC’s financial problems but the ensuing crisis prevented him from being able to think much about implementing a PMS. A financial recovery plan was settled and progress against plan is being monitored but this falls well short of a PMS in the sense described below.

A normative PMS should incorporate the following elements:

- an input – process – output - outcome conceptual framework using program logic methodology (see Appendix 1 *Program Logic Model for a Sport with a High Performance Program*);
- a business model that provides an *ex ante* understanding of how the input – output – outcome conversion process is thought to work, that is, what the performance drivers are and how they work;\(^\text{112}\)
- strategic and business planning that clearly articulates the underpinning assumptions and which incorporates appropriate risk management;
- strategic and business planning incorporating gap analysis that is problem identification-resolution oriented;
- business planning that uses proper project management methodologies to “fix” rather than merely “address” problems;
- resource allocation using such concepts as activity-based costing, fixed and variable costing, marginal costing and unit costing;
- consistent national performance data collection protocols to enable evidence-based reporting;
- reporting, that is future-oriented and not just historically focused; and
- monitoring and evaluating that considers how the resource mix and the business model might be systematically modified to produce desired change in outputs and outcomes.

The greatest benefits will accrue to canoeing if the PMS is geared towards managing the delivery of the sport from an integrated, whole-of-sport perspective. Unless AC employs a CEO skilled in strategic management in the future, the sport is unlikely to gain all of the benefits that a PMS can bring. A PMS will be especially necessary if a more business-like model of governance is adopted because the sport will then become a significant medium-sized business generating a combined annual income expected to be in excess of $5,000,000

\(^{112}\) This conversion process is sometimes referred to as the *business technology* an entity uses in conducting its operations and applies equally to the production of products or services.
in due course and potentially significantly more than that if the recommendations contained in this report are adopted.\textsuperscript{113}

For an organization about to embark on substantial cultural change possibly involving the merging of different State-based cultures into a more unified national outlook, it will be vital that all of the obstacles that could be thrown-up to impede smooth implementation are placed explicitly on the PMS (business plan) agenda and are clearly expressed in terms of “problems for resolution”. Such items should remain on the agenda until it is formally agreed by the AC Board that they can be removed because the problem has been fixed. Where feasible, problems of a sufficient scale should be subject to the application of appropriate project management methodologies.

Even if the above components are not applied in full in the short-medium term due to their perceived complexity and because of the lack of skilled resources available to AC, just the process of thinking in this way provides a powerful learning framework within which directors and staff can try to systematically build a high performance organizational culture and hence improve organizational performance.

Had AC operated a functioning PMS during the past few years, it would have been extremely unlikely that the financial crisis caused in part by the hosting of the 2005 World Championships would have occurred. A PMS routinely provides for the business case for any significant financial risk to be placed in front of the entity’s leadership but the feedback given to the review indicates that this did not happen in the case of canoeing.

**Performance Drivers**

The development of a PMS requires directors and management staff to understand clearly what drives performance and how the components and elements of these performance drivers can best be manipulated to systematically improve performance. This requires a means of organising knowledge in relation to the delivery of the sport in a logical way. Appendix 13 (Performance Drivers) provides a model for systematically managing change through obtaining a deep knowledge of what drives performance.\textsuperscript{114}

The model provides a comprehensive check-list of variables, down to a very day-to-day operational level, that can be systematically manipulated to yield different outputs and outcomes. Of course, it goes without saying that if the NSO understands properly what drives performance it will also be better able to diagnose obstacles to good performance. Proper diagnosis of performance problems enables targeted interventions to fix the problem with much less wasteful trial and error.

At a technical level, the AIS possesses many of the evidence-based, applied research skills necessary to systematically improve high performance outcomes and has used these techniques to good effect. The challenge now is for the management side of AC, with support from the AIS/ASC, to apply the same way of thinking to the delivery of the whole of the sport.

\textsuperscript{113} In addition to the 19.30 FTE staff who were employed by the NSO and SSOs prior to February 2006, there are (approximately) another 10 FTE persons employed full-time or part-time by the ASC, AIS, SIS/SAS or contracted on a fee-for-service basis via third-party providers in canoe-specific activities.

\textsuperscript{114} It was beyond the scope of the present review to undertake that level of fine-grained analysis to assess the extent to which each performance driver (down to the detailed component/element levels) contributed to the delivery of the sport of canoeing.
High Performance Oversight

It is the case that feedback on the operation of the Slalom NCE was much more positive than for the Flatwater NCE but there is a general view that the situation at the Gold Coast has progressively improved since the commencement of this year.

As suggested earlier, most of the problems affecting the Flatwater NCE are essentially governance and management concerns to do with such things as culture, structure, resources, business practices, reporting relationships and accountability and have little to do with technical matters peculiar to Flatwater canoeing.

The National Performance Director (NPD) is well regarded by most observers. He has an exceptional record in Slalom high performance programs but much less experience in Flatwater. In the case of the Flatwater NCE, the NPD is based in Penrith and directs the Flatwater program on the Gold Coast without a full-time national head coach on-site. Given this handicap, it is quite impressive that the serious concerns expressed by almost everyone consulted about the operation of the Flatwater program regarding the period from 2001 through to the end of last year have reportedly shown considerable improvement since then.

The NCEs are difficult environments to manage well. According to documentation provided to the reviewers, prior to the changes earlier this year, the AC CEO was responsible for overseeing the high performance programs to ensure Australian Canoeing achieves its objectives in athlete and coach development and performance and oversees the high performance team (including the NPD).\(^{115}\)

However, the program is in fact managed through a cumbersome and complicated structure that is the antithesis of the streamlined, simplified, transparent and accountable principles that are guiding the present review. The AC structure located responsibility for the high performance program in accordance with the oft-quoted principle of “sport runs sport” but in practice, accountability and authority for managing the Flatwater NCE were dispersed across a number of individuals and entities.

To recap, the NCE structure prior to the AIS takeover of the Olympic high performance program earlier this year comprised the AC-employed NPD being responsible to the AC CEO, two National Program Managers (one employed by the AIS and the other on a 50/50 AC/AIS basis), coaches and other support staff employed by the various NCE partners (in one case with a single staff member being funded by three separate entities) and with reporting lines that depended on what the issues are and on which partner was providing the relevant part of the high performance program budget. The PEF provided the framework for matters of concern from the partners to be raised at NCE Management Committee meetings.

Notwithstanding recent improvements, there are still frustrations arising from the blurred lines of accountability and from inadequate communication and these factors have from time-to-time resulted in uncertainty and decision-making delays.

These problems were much more evident at the Gold Coast than at Penrith and the difference is probably attributable to the fact that Slalom did not suffer from the coach-athlete turmoil experienced by Flatwater especially between 2001-03 and because there are only two NCE Slalom partners, supported by a well-respected, resident National Head Coach and the Penrith-based NPD possessing a Slalom background of the highest international standing.

The NCE achievements to date have been, to some extent, due to the efforts of staff and these efforts have partly compensated for systemic and structural deficiencies. While this may have been possible in the short-term, it is unlikely to be sustainable in the long-term.

\(^{115}\) AC, CEO Position Overview, Sportspeople Pty Ltd, 31 March 2005.
Proper management control in organizations is only really possible, in the long-term, with single point accountability involving an unambiguous one-to-one employer-employee relationship or a civil contract capable of regulating relations between the partners in a legally enforceable way.

Structural arrangements that do not address the potential for divided loyalties, jealousies and rivalries among NCE partners are unlikely to serve the best long-term interests of delivering high performance programs. In this connection, structural arrangements within a single NCE involving a number of employers and employees, an MOU regulating partner relations that is not legally enforceable (especially where the individual partners may have different objectives, different political recognition imperatives and very different budget contributions) are more likely than not to produce dysfunctional behaviours. It is also the case that, complicated though the present arrangements are, they still do not provide for SLSA to have a seat at the Flatwater table.

One of the challenges for the present review is to propose a structure for the operation of the Olympic high performance programs that will enable the sport to play a greater role in running them at a time in the future when the ASC assesses that AC has the organizational capability to do so. This assessment should be informed by the progress AC has made over the period leading-up to the Beijing Olympics in implementing the recommendations contained in this report.

The financial ability of AC to rebuild its organisational capability will depend to a significant degree on AC regaining access to the ASC high performance grant. Moreover, AC’s ability to attract a highly skilled CEO will be contingent on being able to offer a challenging, multi-faceted position. A significant part of the job challenge will come from the contribution the position is able to make to the leadership of the high performance programs.

In an ideal world, in the long-term, what is needed as a structural response to this problem diagnosis is remediation consistent with the principles guiding this review and which minimises opportunities for blame-shifting. In summary this would involve:

- The dissolution of the current NCE structure;
- AC, through the CEO, having responsibility for the budget and staffing currently managed through the NCE structure;
- A flat organisational structure with the National Head Coaches reporting directly to the CEO rather than through the National Performance Director;
- National Head Coaches having responsibility and authority for operational delivery of the programs;
- National Performance Director having responsibility and authority for the strategic program management functions for both programs;
- National Head Coaches being advised by expert advisory panels (BAP Committees) comprising, *inter alia*, AIS, SIS/SAS personnel, the National Performance Director and, in the case of Flatwater, a nominee of SLSA.

Unfortunately, however, canoeing does not operate in an ideal world. For the foreseeable future, this approach is not feasible because AC currently does not have, and is unlikely to have for some time, the organizational capability to do this. Nevertheless, this approach should be held up as a long-term goal and the onus should be placed on the sport to do what it can over time to convince the ASC that it is capable of gradually taking on greater responsibility for running the high performance programs.

In the meantime, a two-phase response is needed to commence the rebuilding process. The first phase should focus on the period to the end of 2008 (that is, the Beijing Olympics milestone) and the second phase would cover the period post-Beijing. In the first phase, in the
lead-up to Beijing, stability and risk minimisation are essential. Hence, the AIS should be responsible for the delivery of the high performance programs (strategic and operational) with a renegotiated relationship with SIS/SAS partners.

In the second phase, post-Beijing, provided AC has made sufficient progress in implementing the recommendations contained in the report and subject to the ASC being convinced, after further review, that the sport possesses the necessary organizational capability, there is scope for AC to take back a strategic program management role in high performance. However, as an essential risk-management measure, the AIS should retain accountability for the operational delivery of the high performance programs until such time that the ASC is satisfied that the sport can perform this role with comparable cost-effectiveness.

FINDINGS AND RECOMMENDATIONS

The findings and recommendations have been organized into two groups:

- Recommendations requiring agreement in principle from the AC to implement as soon as practicable or in accordance with the time-table specified; and
- Recommendations for Implementation at a later stage as AC progressively develops organizational capability.

Recommendations Requiring Agreement in Principle from the AC to Implement as soon as Practicable or in Accordance with the Time-Table Specified

Governance

Hybrid (Unitary-Federated) Model

Canoeing’s federated governance structure is unnecessarily complicated for a relatively small sport. The present shared, but poorly defined, roles and responsibilities between the national and state levels of governance, contribute to cumbersome and ineffective decision-making.

This has resulted in a sport that has under-performed in many areas including governance, management and sport development and, in addition, has contributed to mixed results in high performance.

The current structure makes it very difficult to pin-down accountability for the cost-effective delivery of the sport. AC’s ability to provide effective national leadership is severely compromised by having owners, in the form of State Associations, that in many instances have priorities that differ from those of the NSO and its principal funder.

Neither a pure unitary nor a pure federated model of governance would be appropriate for canoeing at this stage of the sport’s development given the sport’s history and culture. Rather, what is needed is a model on the unitary-federated continuum that incorporates the best features of both models.

Hence, a hybrid (unitary-federated) model that allows for the NSO to provide genuine national leadership while at the same time providing for meaningful grass roots input at the club and state levels strikes the right balance for canoeing at this stage of the sport’s development.

There should be no illusion that this reform will not cost time and money and discussion should take place between the sport as a whole and the ASC to work out how the changes required can be progressed as a partnership.
Notwithstanding the effort that will be required, a governance model of this type is an essential pre-condition to positioning canoeing for the future where the focus must be on building a strong, high performance, national organization. If this does not happen, the sport will find it increasingly difficult to deal effectively with the competitive challenges confronting it.

**Recommendation 1**

*That a hybrid (unitary-federated) model of governance be adopted involving a single unified constitution incorporating the following features:*

- The sport to be delivered in each State through branch offices of AC employing staff responsible to the CEO of AC;
- The voting members of AC to be the affiliated canoeing clubs which would be represented at General Meetings by their delegates on the basis of one vote per 50 members or part thereof;
- The non-voting members to be as per the existing constitution;
- The State Associations to be dissolved as separately incorporated legal entities;
- The State Associations to be replaced by State Advisory Boards (not separately incorporated legal entities).
- National technical committees each comprising a chair appointed by the AC Board with members being appointed by the chair following a call for expressions of interest.

**State Advisory Boards**

In member-based, not-for-profit, national organizations such as NSOs, it is important that the governance structure provides for meaningful input into national policy and into the operational delivery of the sport at the state level.

**Recommendation 2**

*That State Advisory Boards be established in each State incorporating the following features:*

- A composition comprising the chairs of the state technical committees (with power to co-opt) for the purposes of:
  - advising and assisting the AC Manager responsible to the CEO for the delivery of the sport in that State; and
  - acting as a key point of reference for the AC Board and the CEO in the national planning, policy-making and review process.
  - determining, in consultation with the AC Board, the type of technical committee structure best suited to facilitate the delivery of the sport in that State.
  - advising the AC Board, through the relevant State Manager, on the application of funds accounted for by the former State Association as net equity.(see later)
- State Advisory Board members to serve two-year terms.
- The Chair to be elected by and from the State Advisory Board annually at the first Board meeting for the year.

**AC Board Structure**

The process of rebuilding canoeing’s organizational capability must start with the Board. The Board must be structured so that it fosters a high performance organizational culture among staff and volunteers. The composition of the Board should therefore be amended to give more weight to professional business skills and to provide for longer terms of office so there is greater accountability for achieving results.
Recommendation 3

That the AC Board structure incorporates the following features:

- A composition comprising four elected directors and three appointed (co-opted) directors;
- Four directors to be elected by affiliated clubs from AC members on the basis of one vote per 50 club members or part thereof;
- Retention of the provision for appointed (co-opted) directors (currently called independent directors) not necessarily being members of AC but having skills to complement other directors;
- An appropriate balance of skills, age and gender diversity;
- Three-year terms for elected and appointed directors (with transitional arrangements in place) with a minimum of two directors retiring each year and being eligible for re-election or re-appointment;
- The Chair to be elected by and from the Board annually at the first board meeting following the AGM and serve a maximum of six years;
- The Chair to also serve as President of AC;

AC Board Practices

The Board’s effectiveness is affected by director skill levels, its capacity to set future directions and its ability to engage with staff and volunteers at the local level.

Recommendation 4

That AC Board practices require:

- Existing and future directors to undertake, where appropriate, short-course board effectiveness training and for new directors to undertake an induction program specific for AC to become familiar with AC governance policies and practices;
- The structuring of regular meeting agendas to achieve an appropriate balance between compliance (past and present focus) and performance (future orientation).
- Directors to meet with State Advisory Board members where travel commitments make this feasible and through the use of teleconferencing in order to take account of local feedback on the delivery of the sport.

Athletes Commission

There are many stakeholders in sport, for example, athletes, coaches, officials, volunteers, AIS/SIS/SAS and sponsors, who have legitimate claims for having their voices heard in how the sport is delivered, especially from their distinctive perspectives. NSO Boards must have in place appropriate processes and practices for directors to engage with all of these groups.

Athletes, however, are a special constituency in sport as suggested by the oft-quoted guiding principle “athlete centred, coach driven”. In recognition of this special status, AC should have a functioning Athletes Commission in place of the present lapsed arrangements.

Recommendation 5

That the AC Board repeal extant By-Law 14 and replace it with a new By-Law providing for the establishment of an Athletes Commission based on the same principles as before but including a requirement for the Commission to meet with the AC Board to discuss any canoeing matter as necessary but at least annually.
Strategic Forum

Ineffective communication between AC and State Associations was a strong criticism put to the review team. The current constitutional arrangements for holding an annual strategic forum were said to produce unproductive results in large part because of the antagonisms that marred relations between AC and some States in particular. The dissolution of State Associations and their replacement with State Advisory Boards can be expected to substantially reduce the level of dysfunctional behaviour of the past.

Recommendation 6

That the current provision for an annual Strategic Forum be retained but with a different composition, namely:

- State Advisory Board Chairs or nominee;
- National Technical Committee Chairs or nominees;
- Athletes Commission Chair or nominee;
- AC Directors

Most dysfunctional behaviour comes from a lack of trust among the parties. Sometimes this lack of trust derives from misunderstanding caused by a lack of transparency in communications. Nothing is more likely to cause distrust than a perception that decisions on resource allocation are unfair or that the level of service provided is not commensurate with revenue generated locally.

Recommendation 7

That as soon as practicable after the establishment of the State Advisory Boards and the Athletes Commission, AC convene a meeting of the Strategic Forum for the purpose of:

- examining options for, and advising the AC Board on, the delivery of the sport in Australia over the next 10 years; and
- discussing, in a transparent way, the adoption of a service-level linked formula for the distribution of funds from AC to State offices that will achieve equitable national development of the sport in ways that take account of the particular circumstances of individual States.

Further Protection of State Interests

In addition to having State Advisory Boards to reflect State interests, it is important that net assets built up over the years in the States are retained for the benefit of those States.

Recommendation 8

That a trust deed be drawn up to provide that when the assets and liabilities of each State Association are transferred to the national body under the unified constitution, the positive net equity recognised in the audited financial statements at that time is expressly dedicated for use within that State in accordance with priorities set by the AC Board having regard to the advice of the relevant State Advisory Board.

State Departments of Sport and Recreation are understandably cautious about providing financial support for structures that are not at the federated end of the governance continuum unless they can be assured that arrangements are to be put in place that will protect their investments for the benefit of their citizens. This is a legitimate concern and one that the present review has been mindful of by applying the principles relating to this matter recently considered by SCORS.
Recommendation 9

That AC and the ASC jointly seek in principle support from State Departments of Sport and Recreation for the adoption of a hybrid (unitary-federated) model along the lines recommended in this report and confirm that it will implement the necessary planning, reporting and accountability requirements necessary to comply with State acquittal requirements.

Proxy Voting

Under the current constitution, only State Associations, through their delegates, may vote at General Meetings and proxy voting is prohibited. Whereas this is appropriate with such a restricted franchise, it is not appropriate, on democratic grounds, with a widening of the franchise to include the delegates of all affiliated clubs.

At the same time, it is important that the system is not open to potential abuse where the right of proxy could be assigned on the application for membership form to enable block voting. This risk would be minimised and the democratic principle would be satisfied if proxies are allowed only in conjunction with a notice of motion for a General Meeting.

Recommendation 10

That proxy voting be allowed but only in conjunction with the notice of motion for a General Meeting.

Company rather than Incorporated Association

When AC in due course is able to resume all of the responsibilities of a fully functioning NSO, it can be classified as a small to medium sized business. If the changes recommended in this report are made, the national resource base will grow to the point where the NSO can legitimately be regarded (by Australian standards) as a medium-sized business. The lower director accountability requirements of an incorporated association are no longer appropriate for an organization that is being encouraged through this review to operate more commercially, albeit with due deference to exercising appropriate risk management. Moreover, the present regulatory regime under the Incororporations Association Act 1991 (ACT) is too restrictive when entities are seeking to trade-out of financial difficulties.

Recommendation 11

That the AC constitution provide for AC to be incorporated as a company limited by guarantee pursuant to the Corporations Act 2001 (Commonwealth).

Consequential Constitutional Changes

Occasional references to State Associations and related matters are made in the present constitution and these will need to be tidied-up in redrafting the constitution as a consequence of adopting a hybrid (unitary-federated) model.

Recommendation 12

That the necessary consequential amendments be made to the AC constitution as a result of adopting a hybrid (unitary-federated) model of governance as outlined in the earlier recommendations.
Chief Executive Officer

Funding for Appointment

The key to successfully leading and managing the change process aimed at rebuilding the sport’s organizational capability, is the recruitment of a highly skilled CEO. This is an immediate issue because canoeing currently does not have the money to pay for this essential resource yet the need to have this person on board will be urgent if it is agreed to proceed with the proposed governance model and the related business system changes.

Recommendation 13

*That, subject to agreement in principle being reached to implement the substance of the report’s recommendations, negotiations be initiated between AC and the AIS to assess the feasibility of AC accessing a proportion of the high performance program funding to cover the cost of employing a CEO with the skills necessary to drive the change process.*

CEO Employment Arrangements

Recommendation 14

*That the recruitment and employment of the CEO incorporate the following features:*

- A demonstrated track record in the application of strategic management concepts;
- Single point accountability under an instrument of delegation from the Board;
- Authority to act that is commensurate with this accountability;
- Accountability for results to be based on a five year (renewable), fixed-term, employment agreement, aligned with the strategic and operational plans, to be reviewed at least annually; and
- The right to attend and speak (but not vote) at Board and committee meetings excepting those dealing with CEO remuneration or performance.

High Performance

The following recommendations are grouped into three parts:

- Olympic High Performance Programs (Post-December 2008);
- Transitional Olympic High Performance Programs (August 2006-December 2008); and
- Talent Search and Development.

A transitional period of at least two years from now until post-Beijing is considered necessary. During which time, the high performance programs should continue to be the responsibility of the AIS in the modified form described later. The longer term picture is considered first.

Olympic High Performance Programs (Post-December 2008)

*Conditions for AC to reclaim High Performance Programs*

This report has concentrated on recommending measures that, if implemented, will rebuild AC’s organizational capability over the next few years so the NSO can regain the confidence of the canoeing community and other key stakeholders.
AC’s expectation is that when it gets its house in order it should be responsible for the delivery of the sport nationally from recreational entry level to the highest elite competition levels.

Towards the end of 2008, the ASC will assess whether AC has made sufficient progress towards rebuilding the sport to enable it to take on greater responsibility for the high performance programs.

**Recommendation 15**

*That responsibility for the high performance programs be transferred back to AC after the 2008 Beijing Olympics provided the ASC is satisfied, following review, that the recommendations contained in this report are adopted and implemented to an acceptable level and on condition that the ASC is convinced, following review, that AC has the organizational capability to do so.*

**NCE Model to be Discontinued**

While the Slalom and Flatwater programs have demonstrated some success in achieving the objectives of the NCE model, there still remains considerable concern and confusion over the delineation of roles and responsibilities, communication, and reporting procedures. It was evident from the discussions with all stakeholders, and from the tendered documents, that the current NCE model, although a sound concept, suffers from blurred accountability and inadvertently encourages blame shifting when problems occur. It is anticipated that, ceteris paribus, performance will be strengthened if decision-making becomes more transparent and if accountability for results is made clearer.

As the legitimate custodian of the sport of canoeing in Australia, AC should be responsible for the delivery of the high performance programs. But this does not necessarily mean that AC itself should actually run the programs. Indeed, AC does not have, (and is unlikely to have in the foreseeable future), the expertise, experience or infrastructure to run high performance programs at world best practice standard. The AC Board can best exercise its responsibility for the high performance programs by being accountable for strategic program management and for ensuring that it draws upon the most substantial body of expertise and experience available in Australia for the operational delivery of the programs. The AIS has the organizational capability in this area and AC should therefore outsource this function to the AIS.

**Recommendation 16**

*That the NCE model managed through a joint Management Committee be discontinued and the high performance programs be referred to as the AC/AIS High Performance Slalom Program and the AC/AIS High Performance Flatwater Program.*

**Management Control of High Performance Programs**

**Recommendation 17**

*That AC’s responsibility for the high performance programs be discharged through a delegation from the CEO to the National Performance Director (as a contract employee of AC) accountable for strategic program management and via an outsourcing agreement with the AIS for the operational delivery of the programs.*
AIS to be Lead Agency under Outsourcing Agreement

It is important that the custodians of the sport (AC), choose the body with the greatest financial investment in the sport and arguably the greatest expertise and infrastructure in managing high performance programs (AIS), to deliver those programs at an operational level within the broad policy parameters determined by the sport.

SIS/SAS and other potential program partners should respect the AIS’ lead agency role because under the proposed outsourcing agreement, the AIS would be contracted on a single-point accountability basis to do whatever is lawfully and financially feasible, to achieve the goals specified in the agreement. A key aspect of this would be the relationships negotiated to provide complementary services to support the program nationally.

Recommendation 18

That the AIS, as lead agency under the outsourcing agreement with AC, be authorized to contract with SIS/SAS and SLSA as necessary to provide complementary athlete development and welfare services.

Role of National Performance Director

Recommendation 19

That the National Performance Director’s strategic program management role include program planning and strategy development, program budgeting, program performance review, program policy development and liaison with the ICF, AOC, ASC/AIS, SIS/SAS, AC Technical Committees and boat suppliers.

Employment of National Head Coaches

Recommendation 20

That the National Head Coaches for the Flatwater and Slalom Programs be contract employees of the AIS reporting directly to the AIS Director or delegate.

Role of National Head Coaches

Recommendation 21

That the National Head Coaches for Flatwater and Slalom be accountable for the operational delivery of the programs comprising all aspects of elite athlete development and welfare.

Operational Delivery of High Performance Programs

Recommendation 22

That the National Head Coaches’ operational delivery role include coaching, performance analysis, sports science, sports medicine, national team selection, competition, scholarships, ACE and anti-doping as well as responsibility for day-to-day financial decision-making within the program budget agreed to by AC, the AIS and other program partners.
Advisory Panel (Slalom)

Recommendation 23

That the National Head Coach (Slalom) and the National Performance Director be advised by an Advisory Panel such as the current BAP Committee comprising, inter alia, experts from the AIS and SIS/SAS partners.

Advisory Panel (Flatwater)

Recommendation 24

That the National Head Coach (Flatwater) and the National Performance Director be advised by an Advisory Panel such as the current BAP Committee comprising, inter alia, experts from the AIS, SIS/SAS partners and SLSA.

Strategic Alliance with SLSA

Given the legitimate interest of SLSA in wanting to strengthen the pathways for elite surf athletes wanting to progress to Olympic competition level in Flatwater and acknowledging the superior organizational capability possessed by SLSA compared with AC, there are benefits for both organizations in building on each other’s strengths and compensating for each other’s weaknesses.

Hence, in addition to having SLSA participation on the Flatwater Advisory Panel, it is desirable that AC and SLSA meet regularly to ensure that, at a strategic (Board/CEO) level, there is effective coordination between the two sports in areas of mutual interest.

Recommendation 25

That nominees of the AC Board meet with nominees of the SLSA Board on a bi-annual basis, or as required, with the object of ensuring that AC and SLSA mutually benefit from a renegotiated MOU to be based on the strategic objectives of both organizations.

Role of Operations Co-ordinators

The dissolution of NCEs and the reshaping of the role of the National Performance Director vis a vis the roles of the National Head Coaches will require consequential changes to the roles of the current National Program Managers so that they have a more operational focus.

Recommendation 26

That each National Head Coach be assisted by an Operations Co-ordinator who will provide administrative support for all aspects of the program including day-to-day financial management within the parameters of the approved budget. (These two positions would involve redefining and redesignating the existing National Program Manager roles.)

AC Access to ASC Funding

Prior to the restructuring that occurred earlier this year, AC drew-down a proportion of the high performance program budget to partially offset those costs associated with the running of the national office that could reasonably be attributed to having high performance programs and maintaining AOC and ICF affiliations. Post-February 2006, however, this draw-down ceased and AC’s access to high performance funding was restricted to a maximum of $100,000 per annum for the provision of high performance support services agreed with the AIS.
If AC is to play a meaningful role in reinvigorating the sport from entry level to elite competition level, it must do more, as an NSO, than has been the case in recent years. Much work needs to be done by the sport in strengthening clubs and developing underpinning programs rather than relying excessively on the work of the National Performance Director or leaving it totally in the hands of the outsourcing agreement with the AIS or on the ASC talent search and development program.

There is no reason why, subject to resources, AC should not work more collaboratively and pro-actively with key stakeholders in ensuring that there is a growing well-coached talent pool coming through the sport. This should be more feasible under a hybrid (unitary-federated) system of governance but it will not happen unless AC is again able to access a reasonable proportion of ASC grant funding for these purposes.

**Recommendation 27**

*That AC negotiate with the ASC to draw down an agreed proportion of ASC funding, including from the high performance program grant, to offset expenses associated with providing national leadership in the sport from entry to elite competition levels. (This should include effective coordination between the high performance programs and the rest of the sport as well as undertaking those high performance support functions that are more cost-effectively undertaken by AC than the AIS.)*

**Transitional High Performance Programs (Now to December 2008)**

As previously mentioned, although the NCE model has only been operational for a relatively short period of time, it is already clear that the current systemic arrangements are less than ideal for attracting and fast-tracking elite and potential elite athletes. For the Flatwater NCE, this has been partly attributed to a lack of technical leadership and direction, program structure and accountability. The Slalom NCE appears to operate more effectively, which in part is the result of having one fewer NCE partner, but it too is hindered by complex and convoluted reporting practices and accountability issues.

Despite these problems, it is important that in the lead-up to the Beijing Olympics, a reasonable degree of stability in the delivery of the high performance programs is maintained and that recommendations for changes are confined to areas where the benefits are likely to be large and the risks minimal.

The period from now to December 2008 should therefore be seen as a transitional period during which time AC makes progress towards rebuilding its organizational capability and tries to strengthen its claim to perform the role described earlier.

Hence, during this period, the AIS should continue to accept responsibility for managing the high performance program in conjunction with the other current NCE partners.

The following recommendations relate to the period to December 2008 or such other period determined by the ASC following review.

**Limited AC Role in Supporting High Performance Programs**

**Recommendation 28**

*That AC continue to perform a high performance support role along the lines negotiated in March 2006 and that the National Performance Director continue to be employed by the AIS.*
Naming of High Performance Programs

It is necessary to distinguish between the pre-and post-Beijing naming of the high performance programs. Post-Beijing, the recommendations envisage (subject to the outcome of further ASC review), AC being responsible for strategic program management through the employment of the National Performance Director and the outsourcing of the operational delivery of the programs to the AIS. Pre-Beijing arrangements are very different. During this period, the AIS is employing the National Performance Director and the AIS has taken over all aspects of the high performance programs from AC.

Recommendation 29

That during this transitional period, the high performance programs be referred to as the AIS Slalom and AIS Flatwater programs.

AIS Focus on National Senior Teams

Limited resources should be concentrated on where they will have the greatest impact and use should be made of complementary support from other service providers (see later) so overlap and duplication are avoided.

Recommendation 30

That the AIS be responsible and accountable for all aspects of developing, supporting and training the Senior National Teams for the Slalom and Flatwater programs giving particular attention to case managing athletes with genuine medal winning prospects.

Appointment of National Head Coach (Flatwater)

For Flatwater, there were serious concerns that the program was lacking structure, accountability and was more athlete-driven than coach-driven.

Furthermore, evidence collected in this review supports a view that the National Head Coach should have a core focus on providing technical direction and coordination of a structured program for the current athletes focused on qualifying for Beijing 2008, in addition to developing the next generation of Olympians aiming at London 2012.

Recommendation 31

That the highest priority be given to the appointment of a National Head Coach in Flatwater, as an AIS employee, to be based at the AIS Gold Coast training facility and with the skills necessary to energize preparation for Beijing as well as position Flatwater for success in London.

Location of Flatwater High Performance Program

The AIS Flatwater-Sprint Canoeing facility at Pizzey Park on the Gold Coast offers athletes great water for training, a gymnasium, boat storage, appropriate office space and common room, change rooms, and a kitchenette. Currently there is no competition course, but there is discussion for one to be built near Pizzey Park by a private consortium. All evidence indicates that this facility meets the training needs of elite sprint paddlers.

Recommendation 32

That the Flatwater High Performance program remains on the Gold Coast at the AIS facility.
Hybrid (Residential/Camps-Based) Flatwater High Performance Program

The AIS Gold Coast facility is a world-class flatwater training facility that more athletes could benefit from if the program had the capacity to run strategic, well-planned and coordinated intensive training blocks for interstate senior athletes and/or emerging senior elite athletes.

**Recommendation 33**

*That the Flatwater High Performance program operate as a hybrid of the traditional AIS camps-based and residential program, with the potential to offer ‘living away from home’ support to non-Gold Coast based athletes for dedicated training blocks.*

Flatwater Crew Boat Team Development

An area identified for high performance focus in Flatwater is the development of crew boats, particularly K4. With only one third of the NCE squad currently living and training on the Gold Coast, it is crucial that action is undertaken to optimize the opportunities for crews to train and compete together so athletes may receive individualized attention regarding how each can complement other crew members.

**Recommendation 34**

*That the Flatwater High Performance program takes an individualised case management approach to crew boat team development.*

Resources for Supporting Flatwater Athletes

Part of a case managed approach to athlete/crew development should include ensuring quality and continuity of coaching and support services to the Under 23s (London 2012 hopefuls). As such, this group of athletes would greatly benefit from extended periods (i.e. 6 months per year) in the intensive daily training environment at the Gold Coast.

During this time, athletes would receive a ‘living away from home allowance’ including rent assistance and a daily living allowance. Furthermore, the AIS Athlete and Career Education (ACE) program would be responsible for assisting the athletes with any study-related issues that arise from their relocation, and also help them find suitable part-time employment for the 6 months they are on the Gold Coast.

**Recommendation 35**

*That all intensive training blocks at the AIS Gold Coast facility be appropriately resourced in terms of quality coaching, access to SSSM and ACE support as well as providing athletes with a subsidy for basic living expenses.*

Resources for Flatwater Operations Co-ordinator Function

The Flatwater National Head Coach will be focused on providing technical leadership and coordination to the ‘Beijing-bound program’ as well as developing and providing direct coaching to the ‘London-bound program’.

Moreover, the Flatwater program is larger and more complex than the Slalom program and the work associated with the operational delivery of the program will increase with the proposed additional block training camps. In view of this, additional support will be required to co-ordinate day-to-day operational matters so that the National Head Coach is not distracted from on-water athlete development responsibilities.
Recommendation 36

That budget allocation to the Flatwater program reflect the need for additional support to effectively discharge the operations co-ordinator functions.

Flatwater Sports Science/Sports Medicine Co-ordination

A further ‘best practice’ element for improving the intensive daily training environment of athletes in the AIS Flatwater Program, is to ensure the program has a well-planned, well-coordinated strategy for using strength and conditioning expertise as well as sports science and sports medicine services.

Recommendation 37

That the Flatwater High Performance Program employ a dedicated SSSM Coordinator to liaise with service providers, coaches and athletes to develop cohesive SSSM plans and facilitate case management for the national team.

NSWIS and QAS Roles with Flatwater Athletes

Both QAS and NSWIS have demonstrated capacity to value-add to the development of national-level Flatwater paddlers. Currently, both fund Senior Flatwater Canoe Coaches who work with NCE as well as SIS/SAS athletes. For the sport to continue benefiting from their expertise, particularly during the transitional period, it is important that QAS and NSWIS maintain their level of investment in the Flatwater program.

Recommendation 38

That AC and the AIS seek the agreement of NSWIS to continue its support for the Flatwater high performance program by redirecting the funds committed to the Flatwater (NCE) program to maintain employment of a full-time Coach to support the Sydney-based athletes and employ a part-time Coach to support athletes training on northern NSW beaches.

Recommendation 39

That AC and the AIS seek the agreement of QAS to support the transitional Flatwater high performance program by continuing to provide a Senior Coach to work with Gold Coast based athletes, as well as assume responsibility for providing national coordination for junior development, with the appointment of a Flatwater National Junior Development Coach.

Employment of Slalom Senior Team Coaches

For the Slalom Program, the AIS currently employs the National Head Coach but the Senior Coach is employed by NSWIS. This split coaching arrangement involving different employers in coaching the senior team is not conducive to effective management of the program.

Recommendation 40

That the AIS employ the Slalom Head Coach and Senior Coach, to be based in Penrith.
Penrith Whitewater Stadium Off-Water Facilities

The Penrith Whitewater Stadium (PWS) is undoubtedly the best Whitewater facility in the country, and as such is the most appropriate location for the Slalom program. The venue itself does lack other highly desirable facilities for an elite sports program, including strength and conditioning and video/performance analysis areas, SSSM consultation areas, and suitable office space and staff meeting rooms.

Recommendation 41

That AC/ASC/AIS investigate opportunities at the PWS to provide appropriate on-site strength and conditioning facilities, as well as areas for SSSM consultation and office space for national coaching and program staff.

Cost of Accessing Penrith Whitewater Stadium Facilities

The PWS is owned and managed by an independent consortium and charges a considerable fee for access to the facility. Not only does this impact on the amount of on-water training time but also on access times.

Recommendation 42

That AC and the AIS jointly approach PWS with the view to negotiating a better deal for canoeing for the use of the whitewater facilities.

Hybrid (Residential/Camps-Based) Slalom High Performance Program

The majority of AIS sports programs are either classed as ‘residential’ or ‘camps-based’. The Slalom and Flatwater programs are both camps-based, whereby AIS athletes train in their home location supported by the SIS/SAS network. These athletes regularly come together as a squad at specialist camps.

The Slalom high performance program has access to a world-class slalom course, and although 14 of the 16 athletes live and train in Penrith, they do not have a truly intensive daily training environment because they have work/study commitments that must be accommodated around often inflexible training times due to restricted access to PWS. All evidence indicates that this compromises the quality of the daily training environment.

To enhance the intensive daily training environment at Penrith, it would be ideal to create a semi-residential program for 8 months of the year when the athletes are based in Penrith given that for 4 months of the year the National Team is predominately based in Europe. During the 8 months, athletes would receive a living-away from home allowance that would greatly assist with reducing their financial stresses, and as such, increase the opportunity for intensive training.

Recommendation 43

That the AIS make the Slalom program a hybrid of the traditional camps-based and residential program by making the program residential for a portion of the year.

Support for Slalom Training Camps

Australia has limited opportunities for elite slalom athletes to gain necessary and valuable experience on different slalom courses. It is therefore beneficial for athletes to spend longer consecutive periods of time overseas, particularly in Europe, for intensive training on a variety of international courses, as well as having good access to quality competition.
In addition to overseas-based training camps for senior athletes, there is also a need to ensure Australia’s promising juniors get appropriate level of access to Penrith’s international slalom course in the form of regular, intensive training camps at Penrith.

**Recommendation 44**

*That the recent addition of AIS funds into the Slalom Program be directed towards providing more intensive training camps.*

**NSWIS Role in Slalom Junior Development**

As previously stated, part of the streamlining strategy for the transitional high performance programs is that the AIS should have responsibility for the Senior Slalom and Flatwater programs. Recognition should also be given to the valuable support role of the current NCE partners (NSWIS and QAS) in relation to the national programs, particularly in the areas of junior development.

**Recommendation 45**

*That AC and the AIS seek the agreement of NSWIS to continue its commitment to the Slalom underpinning programs, and until the time when AC reclaims the high performance programs, for NSWIS to be responsible for national coordination of the junior development Slalom programs. (This would take the form of appointing a Junior National Development Coach for Slalom.)*

**Slalom Junior Development Program**

The Slalom Junior National Development Coach position accountable for the Junior National Development Program would ideally be a NSWIS two-year employment contract (until Dec 2008), joint funded by NSWIS and AIS. The Slalom Junior National Development Coach would liaise closely with the National Head Coach.

Evidence from this review suggests it would be preferable that this person also have strength and conditioning expertise to better assist with training program design and overall technical leadership for junior development. Alternatively, it would be highly beneficial for the program to look at staffing any future on-site gymnasium, as is the case with the on-site strength and conditioning coaching for the Flatwater program.

In addition to providing direct coaching to NSWIS junior scholarship athletes, the Slalom Junior National Development Coach would be responsible for coordinating all national junior camps at Penrith and abroad where necessary.

**Recommendation 46**

*That the Junior National Development program should comprise NSWIS scholarship athletes who currently make up Team 22. Underpinning this program should be athletes in the WSAS development squad, Talent Search program, and Penrith Whitewater Stadium junior squad.*

**Communication of proposed Changes to Current NCE Partners and Other Stakeholders**

The recommendations contained in this report contemplate changes to the relationships between AC, the AIS and SIS/SAS. Given the tensions that have existed from time-to-time in the past, it is desirable that the rationale behind the proposals be explained to minimise the scope for misinterpretation.
Recommendation 47

That the ASC coordinate a meeting of current NCE partners and other key stakeholders (i.e. SASI & WAIS) to explain more fully the changes proposed in the report and the rationale underpinning them with the view to retaining their support.

Accessing the Australian Government Sport Training Grant (AGSTG) Scheme

In addition to support to offset basic living expenses, targeted elite athletes with medal potential may be eligible for additional financial assistance under the recently introduced Australian Government Sport Training Grant (AGSTG) scheme. Access to this scheme will make it easier for outstanding athletes to maximize their potential and will provide a major incentive for all athletes to perform at the highest level.

Recommendation 48

That AC, in collaboration with its high performance program partners, do what it can to facilitate as many eligible athletes as possible to qualify for the AGSTG.

Boat Replacement

There is a significant risk exposure in the current informal arrangements for replacing the high performance boat fleet.

Recommendation 49

That regarding the replacement of boats for the high performance programs:

- Confirmation be sought from the National Performance Director on the progress made in securing an appropriate formal agreement with the kayak supplier Nelo (or an alternative supplier) that either contains the cost of replacing high performance boats to a level that is within the financial means of the sport in Australia or provides acceptable alternative cost-effective access to suitable boats; and
- The arrangements made are appropriately reflected in the AC accounts.

Talent Search and Development

The canoeing talent search program has recently been reconfigured and implementation is at too early a stage to make conclusive findings on the program’s cost-effectiveness. At this stage, however, there is evidence that the program is being managed professionally and that there is a sensible willingness to “tweak” implementation, for example, by reallocating funding to increase resources in high priority areas rather than trying to spread resources too thinly across too many projects of mixed priorities.

Recommendation 50

That the ASC talent search program continue to closely monitor the work-in-progress results of its various projects and to modify the ways the projects are delivered in light of the lessons learnt.

AC reluctantly recognizes that it is a major indictment on the sport than it has not been successful, within its own resources, at creating and nurturing an adequate talented athlete pool. The sport is aware that it does not have the necessary underpinning programs and pathways in place at the junior levels for both men and women and acknowledges that the main problem is having an insufficiently developed club structure with inadequate access to competent coaching.
At the same time, there is resentment in some canoeing clubs at the way significant resources are being spent on a relatively small number of potential athletes identified through ASC-sponsored talent search, many of whom have had no past attachment to canoeing, when many clubs are struggling with very few resources and inadequate access to competent coaching.

Canoeing clubs would like to access some of the talent search and development coaching resources to enable the sport itself to play a bigger role in growing the talented athlete pool without relying so much on intervention from outside the sport.

**Recommendation 51**

*That AC initiate formal discussions with the ASC/SIS/SAS talent search program partners, and with SLSA in the case of Flatwater, to assess what can be realistically done to enlarge the pool of club-based talented athletes and to retain them in the sport through better access to skilled coaching.*

**Sport Development**

**Coaching and Officiating Education**

Canoeing has been distracted for some time with preparing for, and running, two World Championships and with trying to deal with a financial crisis that threatened the future financial viability of the sport. Very substantial resources (money and director/staff time) were consumed in these activities.

As a consequence of this, bread and butter issues such as ensuring that all coaching and officiating courses were NCAS and NOAS compliant were neglected.

**Recommendation 52**

*That AC collaborate with the ASC to up-date the sports coaching and officiating learning resources to make them NCAS and NOAS compliant.*

**Accredited Coach Numbers**

The provision of accredited coaching services at club level on an evenly distributed national basis is inadequate. If paddlers are unable to readily access competent coaching through clubs, one of the major incentives to join clubs is removed. Moreover, existing club members who want to improve their paddling skills but are unable to get help for this through their club, are less likely to maintain their membership. It is vital that clubs have more NCAS accredited coaches in the disciplines of interest to the greatest number of prospective and existing members, if they are to be able to substantially increase and retain membership.

**Recommendation 53**

*That when the AC Board revisits the strategic and business planning process, it include as a priority, a project to increase the number of NCAS accredited coaches in the areas of greatest need for the development of the sport nationally.*

**Accredited Official Numbers**

The number of canoeing competitions and events in the various disciplines conducted by clubs and under the auspices of State Associations on a regular basis across the country is considered by many observers to be insufficient.
For a sport to be dynamic and vibrant, there must be plenty of opportunities for athletes to compete in well-run, well-promoted and attractively presented events.

One of the main impediments to mounting more professionally run competitions and events is the paucity of NOAS accredited officials.

**Recommendation 54**

*That when the AC Board revisits the strategic and business planning process, it include as a priority, a project to increase the number of NOAS officials in the areas of greatest need for the development of the sport nationally.*

**Instructor Education**

ACAS has become non-compliant with VET requirements, the franchise arrangements with NTPs appear to have been mismanaged and a number of course offerings are no longer relevant to consumer demand.

ACAS is now a long way from realizing its potential as a key means of attracting people to the sport through competent instruction on how to paddle safely and in ways that maximise pleasure from participating in the sport.

**Recommendation 55**

*That when the AC Board revisits the strategic and business planning process, it include as a priority, a project to reconfigure ACAS having regard to the recommendations of the recently completed report of the Education and Safety Committee and the findings of the present review.*

**Systems and Internal Control**

**Direct Reports to CEO**

Under the current federated structure, there is no alignment, except by chance, between the employment contracts of the CEO of AC and the executive officers employed by State Associations.

It is vital that the success of the CEO depends, and is seen to depend, on how successful his/her direct reports are. A “we are all in this together” team-work culture must be cultivated and this requires a close alignment between the employment contracts of the CEO and his/her direct reports.

**Recommendation 56**

*That AC staff members responsible for the running of the State offices, and all other direct reports to the CEO, be employed (where current arrangements permit), for a fixed term of not more than five years (renewable) and that this employment be subject to a formal agreement containing performance targets directly linked to those contained in the CEO’s employment contract to be reviewed at least annually.*

**Performance Management Systems**

Unless canoeing, with the necessary assistance, designs and uses a comprehensive performance management system (PMS), it will not be able to reconfigure the way it delivers the sport to fix the problems described in this report.
Recommendation 57

*That action be taken to design and implement a comprehensive performance management system (PMS) for AC, based on the identified performance drivers for the sport, but scaled to a level commensurate with the NSO’s size and complexity of operations.*

Information Communication Technology

Canoeing needs to clearly define its information needs and consider how it can best communicate with the thousands of paddlers it is not presently reaching regarding the sport’s products and services.

With this body of knowledge, canoeing should then explore more fully than it has to date, how the latest web-based information communication technology (ICT) can be employed to give the sport the advantage it needs over other competing recreational activities in the marketplace.

Recommendation 58

*That AC initiate further debate within the sport on how it can cost-effectively deliver canoeing products and services on an integrated, national, basis to a potentially much larger pool of participants through the use of cutting-edge ICT and that the results of that debate be incorporated into the NSO’s strategic and business planning.*

Major Events Risk Management

The World Marathon Championships in Perth in 2005 resulted in a substantial loss for the sport. The 2004-05 financial statements also provide for a loss on the 2005 World Slalom Championships at Penrith.

In the reviewer’s opinion, the probability of these losses occurring could have been significantly reduced if canoeing had developed a realistic business case and risk assessment before lodging the bids and if the ASC had been given the opportunity to assess this material beforehand.

Recommendation 59

*That the ASC require AC in future to provide the Commission with a copy of any bid to host major events (including the relevant business case and risk assessment) prior to the bid being lodged.*

Recommendations for Implementation at a later Stage as AC progressively develops Organizational Capability

Organizational Structure

The shape of AC’s organizational structure should evolve over time as the proposed governance arrangements are implemented and at a rate consistent with affordability. The proposed employment of the National Performance Director by AC is also subject to the outcome of the ASC’s assessment towards the end of 2008 of the sport’s capacity to take greater responsibility for the high performance programs.
Recommendation 60

That, if the recommendations contained in this report are adopted, the AC organizational structure would take the form shown at Appendix 14 with the proviso that appointments, including their timing, are in line with the pace of implementation of the report’s recommendations as well as the available resources.

Financial Management

Many of AC’s financial management problems can be attributed to the lack of financial management expertise on the Board and on staff in recent years. In-house financial management expertise for an entity such as AC, especially with its legacy financial problems, is too “mission critical” for this function to be outsourced.

Recommendation 61

That when recruiting the National Manager Finance and Administration, formal accounting qualifications be specified as a requirement for appointment to the position.

Marketing Plan

Canoeing is acutely aware of the fact that only a tiny percentage of the paddling population shows any interest in joining canoeing clubs but the sport has virtually no data and only a very speculative insight as to why the conversion rate is so low.

The present state of affairs is counter-intuitive because compared with some other sport and recreational activities and indeed compared with many other products and services where there is a strong consumer demand, canoeing is an attractive offering.

It could be argued that a key reason for this is that canoeing does not fully understand its market and hence is not in a position to professionally market its products and services.

Recommendation 62

That AC develop a marketing plan as part of a Performance Management System incorporating the following features:

- Market research to ascertain the most cost-effective way of attracting a higher proportion of the general paddling population to join canoeing clubs;
- Application of the results of this market research to reconfigure the sport, through developing new products and services or marketing existing products and services more effectively;
- Promotion of canoeing nationally under a unified Australian Canoeing brand that incorporates the latest thinking on brand management, value management and segmented marketing; and
- Consideration of opportunities to form appropriate commercial relationships with external bodies as a means of financing initiatives and spreading the risk.

Marketing and Major International Event Management

Marketing and major international event management under the previous AC leadership were not well done. These functions are key result areas for canoeing but, at least in the short-medium term, they may not require a full-time, ongoing staff presence. It might turn out to be more cost-effective to out-source this work.
In the case of some of the major international event coordination work, the best approach could be to engage the required skills on a short-term performance contract basis with remuneration to be partially based on the success of the event as assessed using key performance indicators. If this approach is followed, particular care will need to be given to rigorous management of the outsourcing contract.

**Recommendation 63**

*That AC examine the costs and benefits of outsourcing its marketing and major international event coordinator functions compared with undertaking them in-house.*

**Clubs**

Although AC has taken a number of very worthwhile initiatives to develop clubs, for example with insurance and web sites, it has had to rely on State Associations to play a leading role in this area with very mixed results.

There are opportunities for the sport to form a closer relationship with the ASC Club Development Network with the view to growing the sport in a targeted way. Further opportunities also exist for AC to collaborate with SLSA to explore options for joint surf/canoeing club memberships.

However, since State Departments of Sport and Recreation have a primary responsibility for increasing mass participation in sport, it would be desirable for initiatives in this area to be undertaken in consultation with those Departments.

**Recommendation 64**

*That AC collaborate with the ASC and with State Departments of Sport and Recreation through a case management relationship over a three-year period to assist the sport develop its club network in a targeted way with the view to significantly lifting the conversion rate from the general paddling population to club membership.*

**Volunteers**

Volunteers are the life-blood of sport and recreational activities but, other than knowing that numbers are declining, canoeing does not have a systematic national plan to reverse this trend.

A structure for the sport along the lines recommended will make it easier for the NSO to take a more decisive national approach to this problem and to do so without dysfunctional boundary conflicts with the States.

Moreover by removing a layer of governance and by providing for greater grass roots electoral control at the club level, the sport should highlight the fact that volunteers will now be able to indulge their sporting passion more fully without becoming tied-up with compliance obligations.

**Recommendation 65**

*That when the AC Board revisits the strategic and business planning process, it include a project to increase and sustain volunteer numbers.*

**Canoeing in Schools**

For AC to become a genuinely dynamic, vibrant organization with the flexibility to deliver the sport nationally in innovative ways, it must grow and become better-resourced. Success
breeds success and if the sport does grow and become more nationally relevant to more people to the extent that they join clubs, AC will be able to attract better quality directors and better skilled staff.

One of the main ways to achieving these objectives is for the sport to increase its penetration into the schools market substantially more than is the case at present. Opportunities to develop, in consultation with sponsors, very low-cost, entry-level boats suitable for school use ought to be explored as part of a strategy to build a national inter-schools competition over time.

**Recommendation 66**

*That as soon as other priorities allow, AC initiate a project to develop a comprehensive national program aimed at substantially increasing the level of participation in canoeing in schools over a period of time that allows initiatives to be implemented in ways and at rates that are within the capacity of the sport to accommodate.*

**Disabled Athletes**

Canoeing presently does very little in an organised way to encourage disabled persons to enter the sport. In principle, an initiative to increase the participation of disabled persons in canoeing would be desirable but it is likely to take resources to do so. However, as soon as practicable, AC should assess the feasibility of doing more in this area.

**Recommendation 67**

*That as soon as other priorities allow, AC initiate discussions with the ASC and other sports with experience in supporting disabled athletes (such as Rowing Australia and Yachting Australia) for the purpose of gathering information to enable the sport to assess the feasibility of developing a cost-effective disabled athlete program for canoeing.*

**New Income Sources**

AC is very heavily dependent on ASC funding and on AIS support for the sport. Notwithstanding this unhealthy dependency, it is clear that canoeing has not yet fully explored the opportunities available to generate a higher proportion of its income from non-government sources. These opportunities include, for example, managing ACAS along proper franchise management lines, facilitating the national development of NCAS and NOAS accredited volunteers to help grow the sport and learning from commercial operators who are already taking advantage of profitable “pay and play” or “fast food” type canoeing activities.

**Recommendation 68**

*That when the AC Board revisits the strategic and business planning process, it include projects to develop new products and services and/or to reconfigure existing products and services, aimed at systematically increasing income from non-government sources.*

**Reallocating Existing Resources**

State Associations spend a proportion of their resources on complying with the governance obligations associated with being independent legal entities. One of the justifications for recommending adoption of a more streamlined governance structure is that it will enable the savings at State level to be reallocated to improve the delivery of the sport.
Recommendation 69

That AC, having regard to the advice of State Advisory Boards, identify the resources currently consumed in maintaining separate layers of governance in the States and reallocate them according to the priorities identified through the strategic planning process.

Location of AC Office

It is important that the CEO is able to meet regularly with all of his/her direct reports. In the case of the State Managers, there will be some limitations as a consequence of distance although this should be addressed to some extent through the use of appropriate ICT as soon as practicable.

In the case of the National Performance Director, however, communication with the CEO could be improved if the AC office is relocated to Penrith.

Recommendation 70

That the AC office be relocated to Penrith when the Sports House Glebe facility is no longer available.

Follow-Up Survey

To facilitate learning from this review, it is important that the impacts the proposed changes have on the delivery of the sport are evaluated. The most cost-effective way of doing this is to undertake another survey of key stakeholders in several years time using the same type of questionnaire but modified to take account of any constitutional or other changes made over that period.

Recommendation 71

That canoeing stakeholders be surveyed again within three years of the constitution being amended, using a similar questionnaire to the one used in the present review, to ascertain the nature and extent of any changes in stakeholder perceptions.

ASC Support to AC during Implementation

Considerable resources have been devoted towards undertaking this review and the proposals for reform of the sport are very comprehensive. To obtain maximum pay-off from this effort, it is important that a similar level of attention be given to implementation. Not all of the skills required to implement the reforms necessarily reside within the volunteer side of the sport and professional support at a price the sport can afford to pay is likely to be an issue. The ASC possesses many of the skills required and, where appropriate and feasible, these should be made available to canoeing on an on-going monitoring/advisory basis.

Recommendation 72

That the ASC provide ongoing advice to AC at least until the end of 2008 to facilitate the smooth implementation of these recommendations.
IMPLEMENTATION PLAN

Summarised below is a suggested action plan for implementing the recommendations contained in the report.

<table>
<thead>
<tr>
<th>STEP</th>
<th>ACTION</th>
<th>TIMING</th>
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<tbody>
<tr>
<td>1</td>
<td>Draft report submitted to CEO of ASC</td>
<td>2 Aug 06</td>
</tr>
<tr>
<td>2</td>
<td>Draft report discussed with ASC internal QA review team</td>
<td>23 Aug 06</td>
</tr>
<tr>
<td>3</td>
<td>Draft report discussed at ASC State of Sport Forum</td>
<td>5 Sept 06</td>
</tr>
<tr>
<td>4</td>
<td>Draft report settled by Steering Committee</td>
<td>28 Sept 06</td>
</tr>
<tr>
<td>5</td>
<td>Draft report settled by interim AC Board</td>
<td>29 Sept 06</td>
</tr>
<tr>
<td>6</td>
<td>AC seeks a deferral of its 2006 AGM in anticipation of possible constitutional amendments</td>
<td>Actioned in Sept</td>
</tr>
<tr>
<td>7</td>
<td>Draft report discussed with BAP Committee</td>
<td>Oct 06 TBC</td>
</tr>
<tr>
<td>8</td>
<td>Draft report discussed with SIS/SAS</td>
<td>Oct 06 TBC</td>
</tr>
<tr>
<td>9</td>
<td>AC Directors hold phone discussions with State Presidents to brief them in advance of release of report</td>
<td>By 9 Oct 06</td>
</tr>
<tr>
<td>10</td>
<td>Steering Committee teleconference to consider AC Board feedback from State Presidents</td>
<td>By 9 Oct 06</td>
</tr>
<tr>
<td>11</td>
<td>Appointment of Acting CEO</td>
<td>By 9 Oct 06</td>
</tr>
<tr>
<td>12</td>
<td>AC circulates the report to State Associations and other interested entities and posts the report on its website.</td>
<td>By 9 Oct 06</td>
</tr>
<tr>
<td>13</td>
<td>ASC circulates report to AOC, ICF and State Departments and posts the report on its website.</td>
<td>By 9 Oct 06</td>
</tr>
<tr>
<td>14</td>
<td>Briefing sessions conducted for interested persons in each State capital to advocate implementation of report recommendations and to elicit responses.</td>
<td>23 Oct 06</td>
</tr>
<tr>
<td>15</td>
<td>Report to Steering Committee and to AC Board on responses from briefing sessions. Recommendations settled.</td>
<td>27 Oct 06</td>
</tr>
<tr>
<td>16</td>
<td>AC Board formally adopts recommended amendments to the constitution.</td>
<td>27 Oct 06</td>
</tr>
<tr>
<td>17</td>
<td>Final report posted to AC website with a link to the report on the ASC website</td>
<td>27 Oct 06</td>
</tr>
<tr>
<td>18</td>
<td>AC requests solicitors to draft amendments to constitution and to provide for transitional clauses.</td>
<td>27 Oct 06</td>
</tr>
<tr>
<td>19</td>
<td>AC Planning Forum to consider the most inclusive and effective means of implementing the report’s recommendations</td>
<td>29 Oct 06</td>
</tr>
<tr>
<td>20</td>
<td>New Constitution drafted and wording agreed between AC Board and ASC.</td>
<td>30 Nov 06</td>
</tr>
<tr>
<td>21</td>
<td>New constitution posted to AC website with an invitation to stakeholders to comment. Link to constitution posted to ASC website.</td>
<td>1 Dec 06</td>
</tr>
<tr>
<td>22</td>
<td>Comments on draft constitution received and settled by AC Board and Steering Committee</td>
<td>31 Jan 07</td>
</tr>
</tbody>
</table>

\(^{116}\) BAP meeting is being scheduled for the week commencing 16 October 2006.
The transitional arrangements should include a process to allow the resignation of the current directors and the election of the four elected directors immediately following adoption of the new membership arrangements under the new constitution. The four elected directors would constitute a quorum during the transitional phase with individual directors serving for one, two or three year terms in accordance with the requirements of the proposed three-year terms under the new constitution. Varying transitional terms would also apply to the initial three coopted directors.

The report recommendations are divided into two groups, namely, those requiring:

- agreement in principle from AC to implement as soon as practicable or in accordance with the timetable specified (recommendations 1 to 59); and
- implementation at a later stage as AC progressively develops organisational capability (recommendations 60 to 72).

**Recommendations requiring agreement in principle from AC to implement as soon as practicable or in accordance with the timetable specified**

Recommendations 1, 2 and 3: Require constitutional changes.

Recommendations 4 and 5: As soon as practicable after new governance arrangements are in place.

Recommendation 6: Requires constitutional changes.

Recommendation 7: As soon as practicable after new governance arrangements are in place.

Recommendation 8: In parallel with action to adopt the new constitution but with advice from the proposed State Advisory Boards when they are established.

Recommendation 9: Will be addressed during October 2006 in the briefing sessions referred to in the above table.

Recommendations 10, 11 and 12: Require constitutional changes.


Recommendation 14: The arrangements for appointing a CEO should proceed in accordance with the timing outlined in the table above.

Recommendations 15 to 27 (Olympic high performance programs post-December 2008) and recommendations 28 to 49 (transitional Olympic high performance programs from now until December 2008) should be the subject of discussion during October 2006 with the BAP Committee and with SIS/SAS as provided for in the above table. The interim AC Board should also be involved in those discussions.
Recommendations 50 to 55: As soon as practicable in accordance with the priorities identified at the planning forum on 29 October 2006.

Recommendation 56: As soon as practicable after new governance arrangements are in place.

Recommendations 57 and 58: As soon as practicable with input from the planning forum on 29 October 2006 and with updating after new governance arrangements are in place.

Recommendation 59: Immediate implementation.

**Recommendations requiring implementation at a later stage as AC progressively develops organisational capability**

Recommendations 60 to 72: By December 2008 with the timing of implementation depending on the priorities identified through the proposed performance management system.