



INDEPENDENT REVIEW *OF SWIMMING*

2013

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GLOSSARY

ACT	Australian Capital Territory
AGM	Annual General Meeting
AIS	Australian Institute of Sport
AOC	Australian Olympic Committee
APC	Australian Paralympic Committee
ASA	Australian Swimmers Association
ASC	Australian Sports Commission
ASCTA	Australian Swimming Coaches and Teachers Association
ASS	Australian Sailing Squad
AST	Australian Sailing Team
Athens	2004 Olympic Games
Beijing	2008 Olympic Games
BK	Back stroke
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
Cth	Commonwealth
DAS	Direct Athlete Support
DTE	Daily Training Environment
FINA	Fédération Internationale de Natation
Fly	Butterfly stroke
FS	Free stroke
FY	Financial Year
Gen Y	The generation born in the 1980s and 1990s, comprising primarily the children of the baby boomers and typically perceived as increasingly familiar with digital and electronic technology.

GM	General Manager
GP	Grand Prix
HP	High Performance
HPP	High Performance Program
IM	Individual medley
KPMG	Consultancy services
London	2012 Olympic Games
LTAD	Long Term Athlete Development
Member	An organisation or individual defined as a member of SAL by its constitution
MO	Member Organisation
MOU	Memorandum of Understanding
MR	Medley relay
NCAA	National Collegiate Athletic Association
NSO	National Sporting Organisation
pathway	the stages that an athlete passes through in pursuit of their goals
PPP	Paralympic Performance Program
SAL	Swimming Australia Limited
SAPT	Swimming Australia Properties Trust
SIS/SAS	State Institutes of Sport/State Academies of Sport
SSSM	Sports Science and Sports Medicine
the Panel	Panel of the Independent Review of Swimming
the Review	Written report of the Independent Review of Swimming
USC	University of Sunshine Coast



EXECUTIVE SUMMARY

Following the results of the London 2012 Olympic Games, the Board of Swimming Australia Limited (SAL), in partnership with the Australian Sports Commission (ASC), commissioned an independent review of the design, delivery and administration of swimming's High Performance Programs to gather and evaluate evidence about their strengths and weaknesses and provide recommendations to SAL on how best to address them.

EXECUTIVE SUMMARY

The Panel examined all aspects of the High Performance Programs and administration of SAL as well as the support provided through the ASC, Australian Institute of Sport (AIS), State Institutes and Academies of Sport (SIS/SAS) and the members and stakeholders of SAL. It also considered how these programs and support linked to the broader swimming community to create the conditions for sustained high performance success.

Consultations were carried out with identified stakeholders consisting of individuals, groups and organisations broadly covering the swimming community, supported by an open submission process. The Panel worked closely with SAL and other organisations to identify these stakeholders and create opportunities for them to meet with Panel members under the most suitable circumstances required for each.

In addition a desktop analysis of internal financial data and policy documentation was employed. The information gathered was used to formulate a gap analysis and subsequently supported the recommendations within this report.

In conjunction with this, the Panel appointed KPMG as an external consultant to carry out a financial analysis of SAL, and its related entities' revenues and expenditure in the High Performance Programs and other related activities over the previous Olympic and Paralympic cycles. This analysis has been used to further support many of the recommendations.

As SAL has oversight of both Olympic and Paralympic swimming programs, the Panel examined both programs throughout the Review and, unless otherwise specified, the findings of this Report apply across both programs.

The Panel also recognises the work of Bluestone Edge and the review conducted of the culture and leadership in the Australian Olympic Team. The Bluestone Edge review was commissioned by SAL in parallel and complements many of the structural and process-driven recommendations the Panel has put forward.

The Report steps through a logical sequence, starting at governance and leadership and systematically working through the High Performance Program setting out good practice against evidence-based analysis and leading to a set of recommendations.

The sport of swimming involves a complex organisation with a large number of processes and people that have an effect on outcomes. Hence, it is unreasonable to rely on individual interventions to be successful. Although each of the recommendations refers directly to the subject area within which it appears, it is intended that all recommendations be considered in unison. The Panel has made 35 recommendations on how SAL can implement changes to the way it carries out the business of achieving its desired goals in relation to elite success.

The Panel formed the opinion early that the issues leading to the London result were not isolated to the HP programs alone.

Equal time was spent looking into the governance of swimming as it related to the HPP. These governance and administration structures are an integral part of delivering high performance success. While it is ultimately the athletes who achieve success in the pool, this outcome is the final link in a chain which begins with the Board and executive management as a result of strategic decisions that impact the sport.

The findings of the Review are a result of exhaustive consultation and investigation and have been designed to provide an evidenced-based view of the sport within the Review scope.

The Panel recognises that during the course of the Review a number of changes to personnel, resourcing and strategy were and continue to be implemented within SAL. Swimming holds an important place in the national landscape as an iconic sport and we are reminded of this every four years when Australians naturally expect their athletes to perform admirably.

Within this report the Panel has articulated a series of circumstances that led to the culmination of the London performance. The common thread that links these circumstances is a culture of non-strategic business practices and a governance system that did not operate as well as it should.

At various levels of the organisation there is evidence of where it appeared strategic planning was not followed or assessed. As a result, lack of transparency in decision making had led to a growing disillusionment in those who held this responsibility and a general misalignment of stakeholders.

Over much of the Olympic cycle the high performance system, athletes, service providers, coaches, AIS, SIS/SAS network and members of SAL did not have a clearly visible national direction to guide them in applying a vast range of resources in a way that could best ensure success in the context of elite sport.

Moving forward, SAL and its stakeholders, through the application of the recommendations, must address issues by striving to place swimming back in its previous place as the pinnacle of Australian Olympic sport.

RECOMMENDATIONS

Recommendation 1

Leadership

SAL Board of Directors and senior management must take a leading role in implementing change within the sport that promotes a culture of success, accountability and transparency throughout the sport of swimming.

Recommendation 2

Nomination Committee

To have a balanced Board with the support of the membership, SAL must use its Nomination Committee, operating under a clear charter, to manage succession planning, identify gaps, and put forward preferred candidates for the members to endorse.

Recommendation 3

Maximum terms for directors

To promote Board renewal while retaining corporate memory, SAL must introduce maximum terms for directors under a staggered election system.

Recommendation 4

The Chair

To create a Board where all directors are equal, improve decision-making processes, and remove division among the membership, the Board must determine who undertakes the role of Chair.

Recommendation 5

High Performance Committee

To improve oversight of the High Performance Program and accountability for its performance, reconvene the High Performance Committee as a sub-committee of the Board, and include external advisers on the committee.

Recommendation 6

Oversight

The Board must review its oversight systems and processes to demand greater accountability from management for performance, and have all members of the Board performing their directors' duties.

Recommendation 7

Charters

A Board charter should be developed which sets out clear delegation authorities, decision-making process, and standard reporting requirements. Other sub-committees' roles should be clarified in their own committee charters.

Recommendation 8

Strategic Plan

SAL must review and revise its Strategic Plan to focus on the key objectives of the sport. In doing so SAL needs to engage with stakeholders to obtain buy-in, communicate the plan clearly to all stakeholders, and tie key deliverables into member MOUs.

Recommendation 9

Stakeholder relationships

SAL should initiate a forum for ongoing discussion with its stakeholders, to improve transparency of decision making and provide accountability for performance.

Recommendation 10

Relationship with athletes

SAL should improve its athlete relationship through a closer working relationship with the ASA, using the ASA as a leading communication channel to its athletes.

Recommendation 11

Accountability for funding

Under the oversight of its Audit and Risk Committee, SAL must provide open and accountable reporting to funding bodies on how investment into the sport is being used, why it is being allocated in that way, and what has been achieved as a result.

Recommendation 12

Chief Executive Officer

The SAL Board must review the key roles and responsibilities of the CEO, clearly articulate these, and hold the incoming individual to account for their performance against these.

Recommendation 13 *Organisational structure*

So resources are allocated into the most critical areas of the business, SAL must review its organisational structure and align it to best deliver the organisation's strategic priorities.

Recommendation 14 *Decentralised workforce*

To promote efficient use of resources, SAL should review the geographic spread of its staff with a view of implementing a structure that both serves local delivery needs and is financially viable.

Recommendation 15 *Management-stakeholder engagement*

The CEO should foster strong relationships between SAL and its stakeholders, with his/her performance in this regard included as a KPI in their annual performance review.

Recommendation 16 *Sponsorship and commercial revenue*

To address the sharp decline in commercial and sponsorship revenue and the growing reliance on government funding, SAL must make significant changes to the way in which it;

- attracts potential investors and sponsors to the sport
- services its commercial partnerships, and
- creates new products and investment opportunities in order to diversify the sport's revenue streams.

Recommendation 17 *Financial management of High Performance outcomes*

SAL in conjunction with its stakeholders needs to manage the HPP through targeted investments based on well-researched data and managed within transparent, accountable and measurable budgets aligned to costed plans to allow strategic allocations of funds as they become available.

Recommendation 18 *High Performance Director*

SAL should appoint a High Performance Director, with this individual to report directly to the CEO and be responsible for all HP staff, the HP Plan and its delivery through the state system.

Recommendation 19 *Head Coach*

SAL must provide the Head Coach with the structure and support to enable the role to focus on the primary task of coaching and leading the preferred system of HP coaching SAL adopts.

Recommendation 20 *High Performance Plan*

- a. Re-engage the High Performance Committee and include members of the Board, HP Staff and external advisors. The Committee should steer a review and revision of the 2010 HP Plan.
- b. Engaging with all stakeholders in the process, the High Performance Director is to lead a review and revision of the 2010 HP Plan.
- c. Under the guidance of the High Performance Committee, its implementation and delivery needs to be properly resourced by SAL.
- d. The plan is to be effectively communicated to all stakeholders, so everyone involved in the sport understands their roles, responsibilities, and expected outcomes.
- e. To ensure HP program success the plan must be subject to adequate oversight and measures with strategy adjusted accordingly.

Recommendation 21 *HP strategy delivery and funding*

To ensure that SAL is able to deliver its expected HP outcomes, the sport must consider the following priorities:

- a. Implement a funding model where resources are prioritised and ensure targeted athletes access the best coaches supported by quality SSSM and DTE.
- b. While this approach could involve SAL directly employing a select number of elite coaches, it must also allow for continuing support to coaches not directly employed by SAL.
- c. Centres of Excellence should be linked to grass roots programs, providing coach development opportunities and creating greater opportunities for developing swimmers to progress.

RECOMMENDATIONS (CONT)

Recommendation 22

Coaching pathway

To open up the coaching pathway providing greater professional development opportunities, SAL must take a lead role in developing the coach development pathway. This should be done in a strategically targeted manner to best align current resources to both proven and developing coaches, allowing the best people to be identified, supported and promoted in the system.

Recommendation 23

Coach funding model

Whether employed or receiving financial support, all coach support funding to be tied to agreed performance plans between SAL and the coach, with clear consequences for failure to produce expected outcomes.

Recommendation 24

Athlete funding model

To reward excellence, while supporting an underpinning program, all athlete support funding should be tied to agreed performance plans between SAL and the athlete with clear policies in line with expected outcomes.

Recommendation 25

Selection guidelines

To raise the level of performance, SAL should review its selection guidelines and set qualification times that provide the greatest opportunity for success at significant events. These guidelines should be well promoted and have clear explanation of their intended purpose.

Recommendation 26

Targeting investment

SAL in consultation with HP coaches should conduct an in-depth analysis of past selections and results and investigate how strengthening and targeting selection can refine the investment to potential medal opportunities.

Recommendation 27

Domestic competition

To promote an effective lead-in competition schedule for major benchmark events, SAL should investigate reintroducing a competition approach, with meets scheduled at the most strategic times for athlete progression leading into major benchmark events to ensure that the team has every opportunity to perform under controlled race conditions. This strategy will also enable the athletes and coaches to practice in the non-Games years the lead-in schedule to ensure optimum performance is achieved.

Recommendation 28

Youth development

To improve its opportunities for sustainable HP success and ensure the sport is able to capture the right talent, SAL must identify resources to be reinvested into its youth development strategies, pathways and talent ID programs as a priority.

Recommendation 29

Athlete culture

To build a culture of pride, respect and success, SAL should review, develop and implement an approach outlining team values, expected behaviour, and consequences for not adhering to those standards.

Recommendation 30

Induction

To create a culture of privilege rather than entitlement, SAL should implement an induction program for the team focusing on its past success, its champions, traditions, what the team represents and the honour in being part of it.

Recommendation 31

Role of team management and coaches

To define expectations for a culture of success, SAL must draft a full set of position descriptions applicable to all paid and volunteer staff. With these SAL must set, communicate and enforce agreed standards of behaviour for the Australian swim team.

To ensure this culture is promoted, it is reasonable to expect that management and coaches also demonstrate these standards.

Recommendation 32

Paralympic program

To build a culture of working towards agreed national targets and goals, SAL must strategically deliver the program with optimal allocation of resources in a way that ensures athletes with the best chance of contributing to targets are supported.

Recommendation 33

Sports science

To promote greater use of resources across the sport and gain significant technical advantages for Australian swimmers, SAL should work more closely with its partners and the AIS and SIS/SAS network to identify and deliver a competitive edge through quality assured SSSM support.

Recommendation 34

Competitor analysis

Internationally swimming is becoming far more competitive. Systems employed and the analysis of results, due to advances in technology, has enabled smaller competitors to progress and the larger ones to maintain their dominance. SAL must develop far more sophisticated and nationally-driven competitor analysis and apply this knowledge to strategic investment in its elite system.

Recommendation 35

Media training

To equip elite swimmers, coaches and others who have actual or prospective influence in the media, SAL must review, design and implement media training that covers both traditional and social media.

SAL should also take the opportunity to work with these members to build its brand assets and collectively use these assets to promote the sport in a positive fashion and provide commercial revenue at organisational and individual levels where possible.

A MESSAGE FROM THE CHAIR OF THE INDEPENDENT REVIEW PANEL

Swimming is an iconic Australian sport, our most successful at Olympic level. However, results have been in decline since the Beijing Olympics in 2008. While still competitive, the last four years have seen Australian swimming move further away from its goal of being the number one swimming nation. This culminated in the London 2012 Olympic Games where Australia won one gold medal, from 10 medals overall.

While the result was close to forecasts, at least in terms of overall medals, the fact expectations had been lowered in the lead-up to London is itself noteworthy. The results were accompanied by a number of issues within the sport which played out publicly in the media. These events prior to, during and after London represented a High Performance Program in need of attention.

As a consequence, the Board of Swimming Australia Limited (SAL) and the Australian Sports Commission (ASC) agreed for an Independent Review of Swimming (the *Review*) to be conducted under the terms of reference set out in Appendix A. I was asked to chair an Independent Review Panel (the *Panel*) consisting of myself, Kieren Perkins, Tim Ford, Petria Thomas and Matt Favier. In addition, the ASC agreed to provide secretariat support. Unfortunately, Tim Ford was unable to continue on the Panel beyond its early stages due to personal circumstances.

Since October 2012, the Panel received 30 submissions and has met with 94 individuals to hear their views on SAL, the sport, and how swimming can move forward. The themes to emerge were consistent throughout the consultation process, and shaped the Panel's thinking.

On this point I would like to thank all individuals who contributed to the Review, either through written submissions or interviews with the Panel. The overall willingness of people to give up their time and make themselves available was highly commendable. This willingness demonstrates the commitment within swimming to move forward.

Thank you to my fellow Panel members for your diligent work throughout the Review.

While many viewed Australia's swimming campaign in London as well below expectations, it has been a catalyst for many positive moves to address the challenges that are emerging. The Review process and this report represent a starting point for positive change within swimming, and this is evidenced by the significant work SAL is already undertaking. Through the number of passionate and committed people involved in the sport, the Review Panel is confident Australian swimming can thrive in and out of the pool.

SAL has already begun this process, with a number of significant steps taken since this Review began. With some key appointments, structural and procedural changes, the cultural review and increased financial support to swimmers, the Panel is confident SAL will use this Review to launch a successful era in the sport of swimming.

This report is now presented to the Boards of SAL and the ASC for their consideration.

**The Hon. Warwick Smith AM,
Chairman**

**Independent Swimming
Review Panel**

THE REVIEW PROCESS

Methodology

Members of the Panel were assembled on the basis of their wide range of skills, knowledge and experience needed to provide a comprehensive, independent and credible evaluation of swimming.

It was the Panel's responsibility to conduct the Review under the guidance of its Chair. This included agreeing to and carrying out the consultation process, seeking independent professional advice where appropriate, and drafting the final report.

The methodology of the Review is set out in the Terms of Reference (see Appendix A) under which the Panel was formed. This Review employed the gap analysis method to:

- describe the current governance, program management and structural situation (*what is*)
- describe the preferred alternatives (*what should be*)
- compare these two steps (*the gap*), and
- describe the recommended approach to bridging the gap, considering options for priorities in relation to best practice.

It was agreed by the Panel the report would, where possible, be evidence-based. In this connection, the Review would consult key stakeholders of SAL and relevant opinion leaders in the governance and program delivery of the sport.

Upon completing the Review process, the Panel was required to present the final report and recommendations to the boards of SAL and the ASC.

Consultation process

Before commencing consultations, the Panel conducted a desktop audit of SAL.

The Panel adopted a broad methodology for the consultation process, comprising a combination of:

- one-on-one interviews
- small group interviews, and
- public submissions.

Interviews were with persons identified as the key stakeholders. In determining whether an identified stakeholder was consulted individually or as part of a group, the Panel considered the particular individual and their relationship to the sport.

During consultations, some interviews were conducted by one Panel member only, while other interviews were conducted by the full Panel. A member of the secretariat was present and provided support at all consultations to assist consistency in the reporting process.

Given the geographic spread of Panel members and stakeholders, and the timeframe for the Review, most interviews were conducted by one Panel member with one member of the secretariat team.

It was important for the Review that input was considered from a diverse range of stakeholders to give greater transparency of the process, and assist in gaining stakeholder buy-in. The Panel has no doubt that the recommendations reflect the overwhelming sentiments and evidence presented by stakeholders. These stakeholders represented all parts of the sport and its partners, covering Olympic and Paralympic athletes, the SAL Board, SAL senior management, the Australian Sports Commission, the Australian Institute of Sport, the Australian Olympic Committee, the Australian Paralympic Committee, the SIS/SAS network, state and territory departments of sport and recreation, consultants to SAL, current and past coaches, athletes, Member Associations and other members of the public and swimming community.

A Review website was created to provide information and facilitate the lodgement of public submissions. To promote confidentiality, submissions could be made anonymously. Over 30 submissions were received by the end of December 2012.

The findings are the considered opinions of the Panel based on the extensive consultations, analysis and other independent reports.

External consultants

The Panel sought independent external advice for certain aspects of the Review. KPMG provided financial auditing services, while Ashurst Australia provided legal advice.

OVERVIEW OF AUSTRALIAN SWIMMING

Swimming is a quintessential Australian sport. Our climate and proximity to water has seen swimming evolve into part of the Australian identity. Australia has continually excelled in international competition in the sport, which has further encouraged the significant role swimming plays in Australian society.

CAUTION DEEP WA

OVERVIEW OF AUSTRALIAN SWIMMING

Independent research has found 34% of all Australians participate in the sport each year, with 40% of those participating weekly. This makes swimming one of the most popular forms of exercise in the country. This is in part due to its cross-gender appeal; 44% of all participants in swimming are female.¹

While swimming as a physical activity is popular, competitive swimming is less so. Of the 34% of Australians that swim, only 7% of those identified competition as their primary motivator. Further, only 15% of swimmers swim under the guidance of a coach and 3% compete in events and races. Of those interested in swimming as a spectator or fan, 20% have a high passion level for swimming, and this figure increases to 35% among participants in the sport.²

SAL is the national sporting organisation (NSO) recognised by the ASC, Federation Internationale de Nation (FINA) and the Australian Olympic Committee (AOC) to oversee the sport of swimming in Australia. With respect to the Paralympic swimmers the Australian Paralympic Committee has a MOU for SAL to take responsibility for the preparation for Paralympic Games. While SAL's primary purpose is to focus on the promotion and development of swimming at all levels, its main focus is on high performance swimming, in particular the Australian Olympic and Paralympic teams. In delivering this objective, SAL ran a High Performance (HP) Program resourced by 18 staff and contractors with a budget of \$9.9 million³ in the 2011–12 financial year (FY12).⁴ This is largely funded by investment in the sport by the ASC to the tune of \$9.5 million in FY12.

In addition to this investment in HP swimming, member states and the State Institutes of Sport/State Academies of Sport (SIS/SAS) network provide resources that directly benefit elite swimmers. This additional support from the states sees the total additional annual investment in swimming at in excess of \$5.35 million.⁵ Aside from HP, other areas of SAL's business include community sport (participation), events and commercial development.

SAL had annual revenue in FY12 of \$19.8 million, up \$1.9 million from the \$17.9 million in FY11 and \$5.4 million from the FY08 figure of \$14.4 million. The majority of this revenue comes in the form of grants, some \$11.8 million in FY12. Grants have increased by \$5.9 million since FY08, and now represent over 50% of all revenue. SAL's other main sources of income are:

- broadcast (\$2.6 million)
- sponsorship (\$1.9 million), and
- events (\$1.9 million).

Of these sources, only revenue from events has increased since FY11, and overall these three income sources are \$1.2 million lower than they were in FY08. This decrease includes a net loss of \$2.5 million in sponsorship revenue since FY08.⁶

Australian performances at major meets have been on a steady decline since 2005. The figure on the next page sets out Australia's performance at each World Championship and Olympic Games since 2003.

In contrast, the Paralympic Swimming program has retained a steady performance ranked equal 5th–6th with the US in 2004 and outright 6th in 2012. The program has maintained an average percentage of podium position over this period of 7.67%. Australian Paralympic swimming performances are set out on the following page.

Since the Beijing Olympics in August 2008, there have been 20 directors sit on the Board of SAL. Of the current Board, only one director began prior to the Beijing Olympics and seven of the nine began within the last two years.

1 gemba Active Sport Participation Report, June 2012.

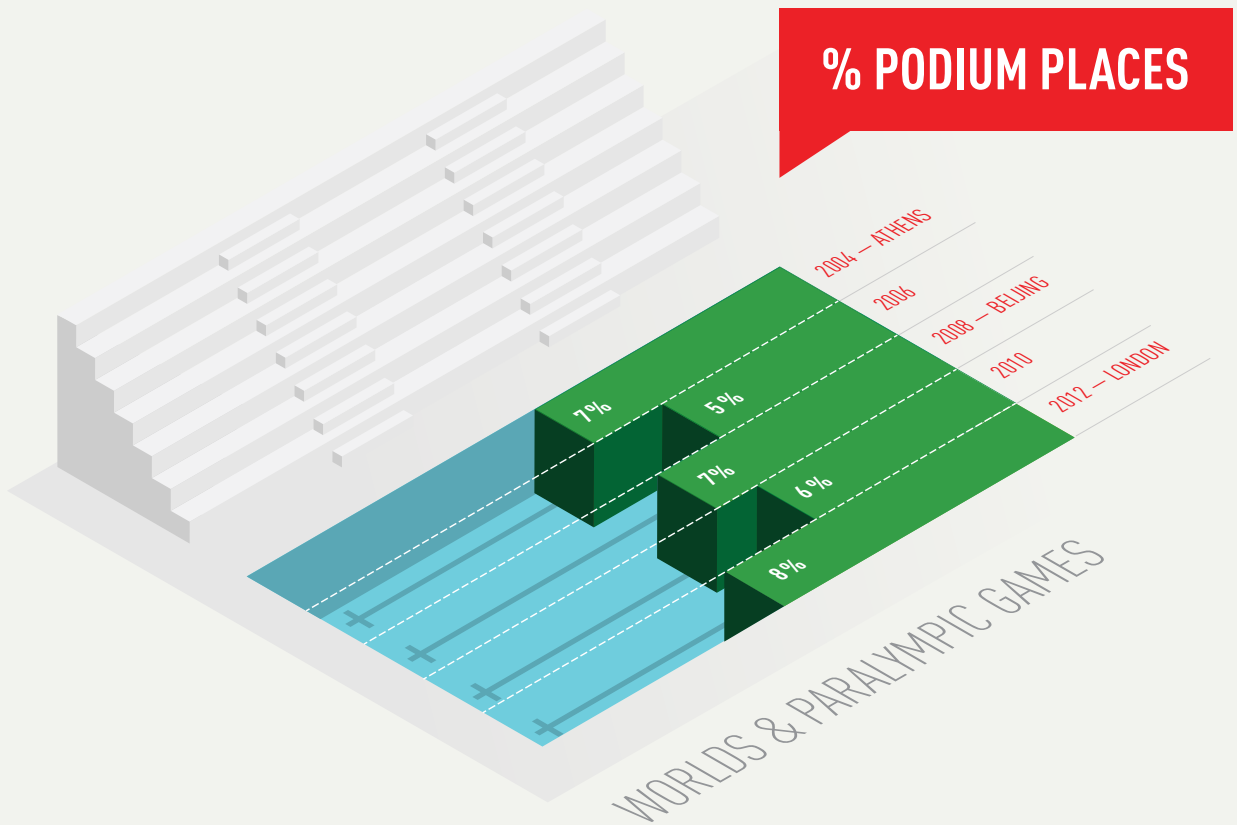
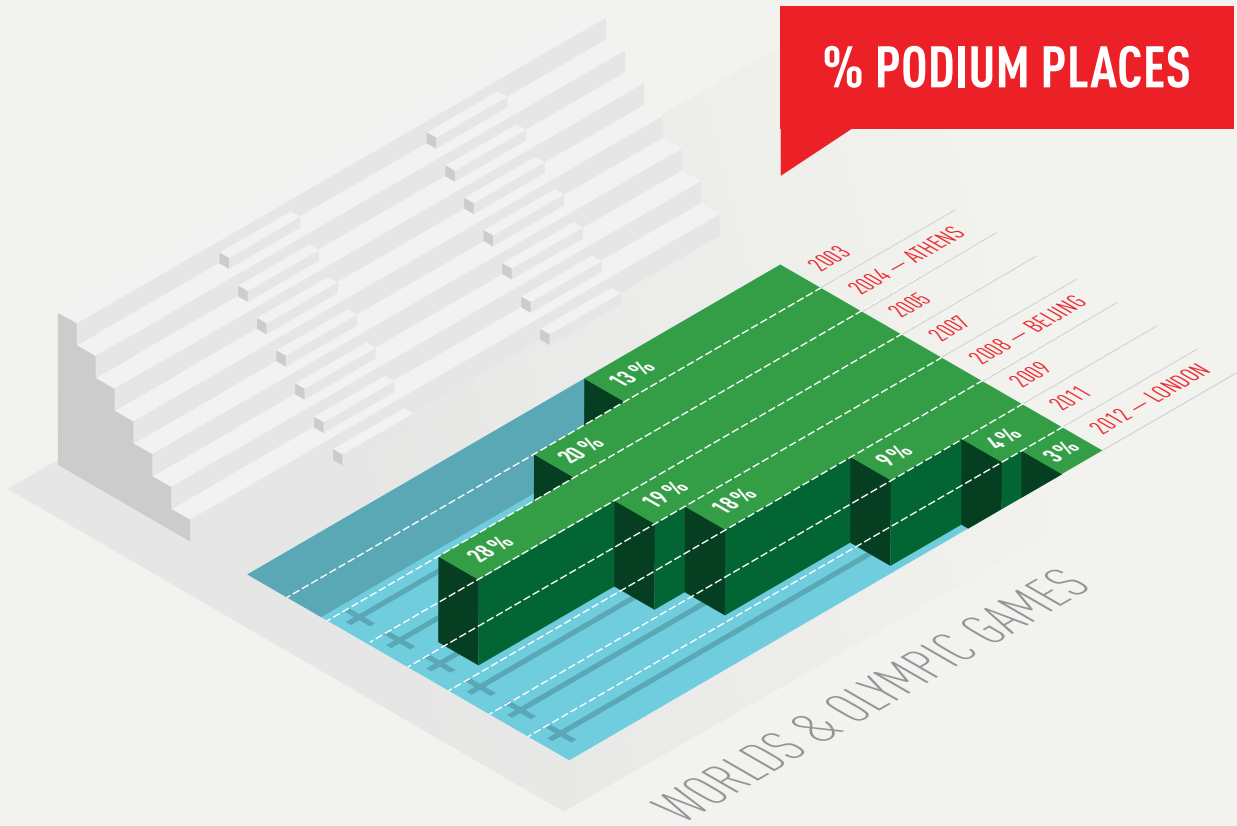
2 gemba Sports and Entertainment Report, September 2012.

3 Includes PPP spending.

4 KPMG financial analysis of SAL, inclusive of Paralympic Program.

5 KPMG financial analysis of SAL, this excludes NSWIS as this information was unavailable.

6 KPMG financial analysis of SAL.





FINDINGS AND *RECOMMENDATIONS*

A cornerstone of any well-functioning organisation is good leadership.

FINDINGS AND RECOMMENDATIONS

Leadership

A cornerstone of any well-functioning organisation is good leadership. By empowering those below the formal governance and management roles to lead the pursuit of excellence, a base is created to establish an environment of:

- trust
- positive behaviour
- high performance success, and
- financial strength.

When leadership is compromised, the opposite occurs. The panel believes the outcomes from this Review suggest the issues confronting swimming were mistrust, poor behaviour, disappointing results, and increased financial dependence on government funding. Some of these issues seem to have been present for some time, while others emerged quite noticeably at the London Olympics.

The most consistent themes reported during the Review were a lack of accountability, transparency and communication. The panel believes this was part of a broader theme identifying compromised leadership across all levels of the sport.

SAL and its owners

SAL is like most national sporting organisations in Australia. It operates for the benefit of its member organisations who in turn elect a Board of Directors to oversee operations and set the strategic direction. The Board appoints a Chief Executive Officer (CEO) to manage the business, and works with the CEO to appoint senior management to oversee specific strategic priorities.

The Board is accountable to the members in accordance with the SAL constitution and the *Corporations Act 2001* (Cth). It reports to the members through the annual report, annual general meeting and periodic phone conferences. The members are not obliged to follow SAL's direction, but have demonstrated willingness to work with SAL when there has been engagement and collaboration.

Grassroots swimming activities, including local club capability development, coach, officials and volunteer programs, and junior talent identification and development are delivered by the members. Ideally delivery of these activities is in line with the broader SAL Strategic Plan.

Seeking to identify barriers to closely align the sport's governance structures, SAL, with the support of the ASC, appointed KPMG in 2010 to conduct a review into its governance. The draft report highlighted strained relationships between the national body and the members. KPMG recommended any move to more closely align SAL and its members be put on hold to allow SAL to re-engage with the membership.

During this Review, most stakeholders reinforced the position from the 2010 KPMG review and expressed mistrust and poor communication as barriers to closer relationships with SAL. A common example of this related to the member phone conference immediately following the Board meeting where a new contract with the CEO was endorsed. The new contract was not disclosed to the members, and most were made aware of it when it became public information.

The Panel became aware during the course of the Review the state members and their boards were not aware of the outcomes from the KPMG consultation nor were they informed of the review's findings at the time it was conducted.

The KPMG review itself was an example of a lost opportunity for SAL to improve its communication and transparency with the members. All members reported that the findings of the KPMG review were not made available to them until mid 2012, some 18 months following its receipt by SAL.

HP leadership

Delivery of national HP outcomes is driven out of SAL through its HP division. Previously the Head Coach was responsible for all aspects of HP leadership with centralised control based on discipline and commitment which is different to the flexible decentralised style under the current Head Coach. 2009 saw the introduction of a General Manager of High Performance (GM HP) position. Around the same time, the Head Coach changed.

The HP division operated under a system whereby the Head Coach and GM HP both oversaw aspects of the HP Program and both reported to the CEO. The GM HP's primary focus was on the development and implementation of the HP Plan, while the Head Coach had responsibility for coaching the national program. Hence, the immediate focus at the time for the division was the development of a HP Plan to lead into London.

The GM HP received significant praise during the consultation process for developing this plan. The prevalent approach at the time was one of collaboration and consensus building. All stakeholders were engaged in the process, and expressed having felt optimistic about the future direction of the HP Program. To supplement this work a HP Manager was employed and based out of Queensland to aid the delivery of the HP strategy.

At the same time, the approach to leading the coaching team from the Head Coach was very measured, consultative and supportive of individualised programs for athletes. This method had been designed as appropriate for the current generation of swimmers. The approach attempted to empower coaches to take greater ownership of their programs.

When the GM HP resigned in 2011, the GM HP responsibilities were assumed by the CEO, initially on a temporary acting basis. In practice many of the functions of the GM HP role were transitioned into the Head Coach role, which seemed to place the Head Coach under considerable pressure to balance the skills required to fulfil administrative responsibilities with those required in the Head Coach role. The HP Manager also assumed additional roles, which impacted on the delivery of the HP strategy.

This had an impact on the individualised program method which had become core to the HP Program. For the remainder of the Olympic cycle leading into London, the Head Coach role had the following direct reports and lines of communication:

- Youth Head Coach
- Open Water Head Coach
- HP Manager
- Sports Science Manager
- Paralympic Coach
- two senior Coaching Mentors
- Centers of Excellence Coaches, and
- support units within SAL requiring interaction with HP, i.e. community, media, commercial.

With the Head Coach role providing management oversight across most of these individuals, it is not surprising this reduced the capacity for oversight of coaches and athletes operating in home programs around the country.

The Board had previously maintained close oversight of the HP Program through its constitutionally required HP Committee. In 2008, three Board members sat on the committee, providing a nexus between the HP Program and the Board. This committee operated with the mandate to evaluate the HP Plan, including the objectives and strategies to deliver the KPIs outlined within it, and analyse performance against the HP Plan.

Following a review of SAL's committee structures, in FY10 this committee became a management committee. According to its charter, it was to comprise: GM HP, SAL Head Coach, SAL Youth Coach, AIS Head Coach, three high performance personnel and a representative of the ASC.

The intention of shifting to a management committee was to quarantine the Board from being too operational and freeing it to focus on its oversight function. In hindsight this had a number of unintended consequences. The HP Committee ceased to operate from this point with no evidence it actually met or performed the roles it was expected to as a Board committee. The Panel is of the opinion that it would be unusual if the Board did not challenge this. The result was from this point onwards the Board had little clarity of the HP Program outside of direct reports by the Head Coach and the CEO.

SAL senior management team

Management oversee the day-to-day operations of the business, and report to the Board. It is the Board's responsibility to monitor performance, probe where necessary and report on outcomes to relevant stakeholders. Throughout the consultations, it was acknowledged by members of the Board that it either did not have appropriate procedures in place to monitor performance, or did not follow these procedures.

In the two years immediately following the Beijing Olympics, SAL's senior HP leadership was characterised by a very structured approach with what has been described as a firm, dictatorial style. While this wasn't always liked, it provided great clarity and the team responded positively.

With the introduction of the GM HP role, there was a shift into a much more comprehensive planning approach, moving from essentially a detailed calendar to a properly structured and costed strategy with key drivers and KPIs. It was consistently noted by all stakeholders during the Review that, following the departure of the GM HP, no 'written' plan had been promoted or used as a reference for performance management by SAL or others since around 2011.

It is apparent that there were marked changes in approach and style with personnel changes such as the resignation of the Head Coach and the CEO role assuming responsibility for implementation of the HP strategy. The approach became less strategic. Given the enormous workload now taken on by individuals, it was increasingly difficult for key people to be as visible as stakeholders expected. In any organisation when responsibilities begin to outweigh available time of senior management the result is a culture of decisions being made 'on the fly'. Stakeholders across the organisation presented a view of management to the Panel where this was the case.

The result of this change was accountability for managing the program was, at times, diffused and diluted. Importantly, the Head Coach was distracted from the core responsibility of leading the coaching group. At the same time, there was no leadership from a HP management committee and there was diminishing transparency and understanding at Board level.

While it is easy to see in hindsight, in many ways conditions for the perfect storm were brewing.

Oversight of management

The consensus among stakeholders was that during this period decisions were able to be made without the expected scrutiny, and the processes that were in place to monitor performance had not been executed. One such process is where the Nomination and Remuneration Committee conducts the CEO's annual performance review. The Panel received conflicting information as to how this process was conducted. The Panel believes that accountability for performance was not demanded.

The absorption of GM HP functions into the CEO role was raised in the majority of consultations as detrimental to SAL's HP Program. Despite this, it was approved by the Board and allowed to operate for more than 12 months before an Olympic Games.

The Panel is of the view that a reason for this occurring was a gap in detailed HP understanding across many of the directors, and the fact the HP Committee had transitioned from a Board Committee to a Management Committee in 2010. The result appears to have been management overseeing itself in the operation of the HP Program.

The GM HP staffing arrangements had a broader influence on the whole HP system. As already mentioned, much of the workload previously carried by the GM HP became the responsibility of the Head Coach. Feedback during the Review was that the amount of time being spent on these activities meant the Head Coach was unable to focus on the primary responsibility of leading the coaching of the national team.

In swimming the Head Coach role involves managing a number of different coaches, each of whom runs their own program. Prior to London, SAL adopted a strategy to support athletes in their home coaching program. Funding was provided to coaches to create programs in the way that would best improve their athletes' chances of Olympic success.

The response from stakeholders was consistent. For this approach to be successful it required the Head Coach and other members of the SAL HP Program to provide oversight and assistance, and critically examine coaches on the benefits of proposed strategies. With the Head Coach focusing significant attention on what had been the GM HP's responsibilities, there was diminishing oversight and coaches were able to use funding in their programs without debate about what would provide best value for money. In some cases resources were allocated without SAL having real insight into the proposed benefits.

Financial management

The Panel found it unsurprising that, in an environment with challenges around communication and transparency, stakeholders raised questions about financial management. A core role of a Board is to oversee the financial position of the company. SAL's Audit and Risk Committee should operate largely to support this function. Despite this committee's operation, there were questions regarding the priorities to which SAL allocated its financial resources. While management is responsible for spending money, the Board has ultimate control over the purse strings. Evidence presented to the Panel has suggested that, given the Board were not questioning operational expenditure to the level expected, management adopted a similar lax attitude. The Panel would expect that the Board exercise a level of discipline and oversight which would be reflected by management. The Panel believes this has resulted in the organisation's stakeholders questioning how financial resources were being used. While this Review will go into greater detail of SAL's financial management, this perception among some stakeholders goes straight to the issues of communication, transparency and accountability.

Oversight of the national team

While coaches are responsible for the development of swimmers, SAL is responsible for the national team. When a swimmer is selected on the national team, they are subject to expectations and standards of behaviour set by SAL. This should be in a code of conduct or athlete agreement, which is clearly explained to each member of the team.

There were conflicting accounts as to whether SAL had a code of conduct for athletes, or if it was just not enforced. The Panel is aware SAL did have a code of conduct in place which applied to all members as well as specific versions relating to aspects of individuals' involvement in the sport. The question this raises is the manner in which these codes were communicated. Regardless of whether athletes were made aware of behavioural expectations by SAL, the Panel is aware in some cases there were no consequences as a result of poor behaviour.

In summary

Having spent considerable time examining the leadership within swimming, it became evident to the Panel that leadership challenges were being faced at multiple layers of the sport. Transparent decision-making, two-way communication to define roles, responsibilities and expectations, and the demand and supply of accountability has all had peaks and troughs in the sport. These underlying causes of leadership challenges have resulted in the visible symptoms outlined above.

Rather than apportioning blame, every layer of the sport needs to accept these leadership challenges and work on developing the systems, structures and behaviours to promote the culture needed for the sport to succeed. This process needs to be driven from the Board of SAL, in consultation with all key stakeholders.

Recommendation 1 *Leadership*

SAL Board of Directors and senior management must take a leading role in implementing change within the sport that promotes a culture of success, accountability and transparency throughout the sport of swimming.

Further recommendations will be made throughout this report which will support this overarching recommendation.



GOVERNANCE AND *ADMINISTRATION*

The overarching catalyst for this Review was to examine the High Performance Programs in swimming with a view to identifying opportunities for improvement.

GOVERNANCE AND ADMINISTRATION

The overarching catalyst for this Review was to examine the High Performance Programs in swimming with a view to identifying opportunities for improvement. SAL's governance and administration structures are an integral part of delivering high performance success. While it is ultimately the athletes who achieve success in the pool, this outcome is the final link in a chain which begins with the Board and executive management of SAL.

To achieve this, SAL has a number of challenges in its organisational structure. As with most sporting bodies, it has the Member Organisations (MOs) as 'shareholders'. These bodies have full voting rights at all General Meetings. The challenge for SAL lies in the complicated position of having the Australian Swimmers Association (ASA) and Australian Swimming Coaches and Teachers Association (ASCTA) as 'shareholders'.

For SAL and the ASA this creates a unique challenge as the primary purpose of the ASA is to represent elite swimmers and their interests. In this situation the objects set out in their constitutions (ASA is governed by a set of rules and purpose) and there for strategic direction can at times be in conflict. The Panel notes that even though both bodies would equally prosper from aligned strategies, this has not been the case due to poor communication channels between them.

Regarding ASCTA, as it is primarily a service delivery organisation undertaking training and accreditation responsibilities, these conflicts are not as great except where representing coaches' interests in the high performance system.

The importance of a well-functioning Board, proactively anticipating and responding to changes in the competitive environment of elite swimming, cannot be stressed enough. The Board has a number of key functions which relate directly to the delivery and success of the High Performance Program. Specifically, the Board:

- sets the strategy of the organisation
- approves the plans developed by management to deliver this strategy, including the High Performance Plan
- oversees the success of the strategy, and where goals are not being met implements new strategies
- has final approval over budgeting and the allocation of resources, including investment in the High Performance Program
- oversees the appointment of key personnel in the HP Program, including the HP Director and Head Coach, and
- maintains relationships with SAL's members, who are responsible for delivering many of the HP outcomes in the sport.

While it is the Board's role to approve and oversee many of these functions, it is management's role to deliver them. Senior management play an equally important part in the success of SAL's HP Program and form part of this broader conversation.

Where the governance systems and structures operate effectively, the organisation has the base to achieve its objectives. If SAL's Board and administration are performing well, it sees a strategy of HP success being supported by its stakeholders, adequately resourced, delivered by the right people and ultimately achieved.

As HP success within SAL has been below expectations, it is logical to begin at the top and delve into SAL's governance and administration.

The Board

Systems and structure

SAL is a company limited by guarantee, falling under the jurisdiction of the *Corporations Act 2001* (Cth) and the obligations that come with it.

SAL has a federated membership model, with each of the state associations (except ACT), the Australian Swimming Coaches and Teachers Association (ASCTA) and Australian Swimmers Association (ASA) being full voting members. Each voting member appoints a delegate (who cannot be a Director of SAL) to attend meetings on its behalf. Each voting member has one vote.

SAL has an independent Board consisting of nine directors – seven elected (the President and six others) and two appointed. Directors are prohibited from concurrently holding positions on member boards.

Elected directors serve two-year terms; however, three elected directors must stand for re-election each year. There is no maximum term for elected directors. Appointed directors serve one-year terms, but may be reappointed. There are no maximum terms for appointed directors.

The Board has its powers set out in the constitution and through by-laws, but does not operate under a Board Charter.

The President is directly elected by the members, and serves a two-year term. No elected director may serve as President for more than four consecutive years. The President is the Chair at meetings, has a casting vote at Board meetings, but does not have a casting vote at general meetings.

SAL has the following standing committees contained in its by-laws:

- High Performance Committee
- Technical Committee
- Finance and Audit Committee
- Coach Accreditation Review Committee
- Judiciary Committee, and
- Selection Committee.

In addition, the following other committees are stated as operating in SAL's Annual Report:

- Nomination and Remuneration Committee, and
- Business Development and Strategy Committee.

In assessing whether the systems and structures in place are in line with good governance practices, the Panel assessed SAL against the ASC's *Sports Governance Principles*. These principles have been developed as a set of best practice guidelines for national sporting organisations, and assist sports in implementing the systems and structures to achieve their key objectives. It is apparent from reviewing SAL's constitution that it departs in places from the principles.

A key theme throughout the principles is having a board with a diverse set of skills, backgrounds and experiences. The benefits of this approach are described in the commentary for Principle 1.8:

*"An effective board has a proper understanding of, and competence to deal with, the current and emerging issues of the business and can effectively review and challenge the performance of management and exercise independent judgment."*⁷

It has become clear to the Panel that the SAL Board has not had the right skill mix to achieve its strategic objectives. Over the last 10 years, there has been a regular change in composition, which has seen an imbalance of skills, backgrounds and experience. One particular area where this has been obvious is with former swimmers and individuals with HP experience. There has been a regular and steady turnover of these individuals in recent times, with many serving one term before moving on. Further, there was also a reduction in female representation on the Board. This situation is particularly noticeable given the significance of females in SAL's HP strategic priorities while the sport has an equal focus on women in the pool.⁸

There have been suggestions that the perceived politicised environment within the Board has made it difficult to attract and retain individuals from a HP background. The Panel formed the view that the feedback from stakeholders highlighted starkly that the politics within swimming could make an uncomfortable bedfellow to high performance success. The effect has been a destabilisation of the Board in general, and more specifically a lack of HP understanding. Where HP is the organisation's number one objective, many stakeholders identified the lack of HP experience and knowledge on the Board.

Given the earlier discussion on oversight of the HP Program, it has become clear the Board needs a sound and constant understanding of HP to properly carry out its duties. This lack of understanding and continuity reduced the level of scrutiny over some key HP Program decisions.

7 ASC Sports Governance Principles, Principle 1.8, p 7.

8 This situation was partially addressed during the Review, with Nicole Livingstone's election at the 2012 AGM and the inclusion of Chloe Flutter during January 2013.

The decision not to replace the GM HP role in 2011 was previously discussed, and was the most consistently raised issue among stakeholders in discussing the oversight of the HP Program. In allowing the CEO to assume responsibility for this role, the Board acquiesced in a decision that would have far reaching implications for the program.

The resourcing of the HP Program is another issue raised by stakeholders in the consultations. While there was a consensus that the level of investment into the sport is sufficient to achieve the desired HP outcomes, there was significant questioning about the priorities resources were allocated against. Again, a greater understanding of HP at Board level would have been beneficial in critically evaluating budgets for the HP Plan.

There is a link between a well-structured Board and delivery of HP objectives. The feedback on the Board has been that it was unable to deal with the emerging issues facing swimming. The Panel formed the view that it had become reliant on management, and was not sufficiently informed to challenge decisions when appropriate.

Board composition

The current voting system fosters this approach, with members having sole responsibility for nominating candidates. As with many member-based organisations, this can lead to a politicising of the election process and a Board lacking a diverse mix of skills, backgrounds and experience.

While SAL has a Nomination and Remuneration Committee, the Panel were advised that this has solely focused on issues of remuneration. In line with the principles, SAL should use its Nominations Committee to enhance the Board's mixture of skills, backgrounds and experience.

The Panel understands the current Board is undertaking a skill gap analysis. Following from this, the Nomination Committee should be tasked with filling these gaps through the engagement of appointed directors. This process should be revisited on a regular basis.

Beyond this, the Nomination Committee should change its composition to have two elected directors, one person from within the membership, and one independent person with suitable skills in human resources or company directorship. The Nomination Committee would then be responsible for managing succession planning. This would involve both identifying individuals to stand for election and assessing nominations from the membership. From this pool of candidates, the Nomination Committee would put forward its recommendations for the Board to endorse as preferred candidates. Directors would, however, continue to be elected by the membership in general meetings.

Through transparent decision-making, clearly communicated to the membership, the Nomination Committee's recommendations should be accepted by the membership as a matter of course. As the owners of the organisation, the members always retain the right to replace the Board in general meetings if they are not satisfied with its performance.

Recommendation 2

Nomination Committee

To have a balanced Board with the support of the membership, SAL must use its Nomination Committee, operating under a clear charter, to manage succession planning, identify gaps, and put forward preferred candidates for the members to endorse.

To assist in the Nomination Committee's role of succession planning, there should be a maximum term for directors, both elected and appointed. The maximum term would ideally be nine years; three terms of three years. Elected director positions should remain staggered, to promote gradual Board rejuvenation while retaining corporate memory.

While the length of director terms was not something raised to any extent during consultations, instability on the Board was. This instability has seen a dramatic change in its composition in recent years, with seven of the nine directors joining in the last 18 months. This type of change can be destabilising on an organisation and forms part of the broader need for effective succession planning.

Despite the fact it has been uncommon for directors to serve more than nine years on the SAL Board, it is sensible to put in place structures to support a well-functioning Board moving forward. Such an approach would complement the work of the Nomination Committee and better position the Board against succumbing to skill gaps or a lack of directors with suitable backgrounds and experiences.

Through maximum terms, the Nominations Committee's role will be made simpler and allow for more detailed succession planning and balancing of the Board's composition. When directors reach the end of their maximum term, there will be a clear understanding on the Board and amongst the membership of the gap their departure will leave. This will mean a clear understanding of the qualities required in their replacement.

Recommendation 3

Maximum terms for directors

To promote Board renewal while retaining corporate memory, SAL must introduce maximum terms for directors under a staggered election system.

The President is currently a directly elected position, with the members selecting an individual to chair the Board. This arrangement came under question during the Review process. Some stakeholders believe it is important they have the right to directly elect an individual in the role of President, as this provides them with a say in the person leading the

organisation. Such a view is premised on a belief other directors are elected to represent the views of particular stakeholders, so a popularly elected President can work through a politically divided Board.

Other stakeholders expressed a view that the role of President was outdated, and the Chair should be directly elected by the Board itself. Those expressing this view came from the perspective that a member-elected President may not have the support of their Board, but by virtue of their status are able to override the Board's view on a mandate of "member support".

A number of stakeholders have suggested the way the role of President is currently structured allows for influence over decision making. This type of influence over decision making can result in Board discussion being cut short, and decisions being made without full Board consultation. These practices can contribute to a high turnover on the Board.

The Presidential election process has been likened to horse trading, with voting members making behind the scenes deals to get a candidate elected. This was widely agreed to be a less than ideal arrangement for swimming. It was obvious from speaking to stakeholders it has served no purpose other than to divide the sport.

The role of President, or Chair, can be a thankless task. It carries even greater time commitments than that of a director, and as the public face of the Board exposes the individual to even greater scrutiny. As has occurred in swimming, if such a position is selected through the membership it has the potential to divide and reinforce federated behaviours.

SAL's current practice for selecting its chair is inconsistent with the principles. The Panel recommends it should be changed to a system whereby the Board selects its own chair. The reasons set out in Principle 1.6 are sufficient in justifying this position. It reads:

"The leader of the organisation is the board itself, who act collectively in the best interests of the organisation as a whole to govern on behalf of the members. They appoint and work closely with the chief executive officer, who manages the operations of the organisation and (in most instances) acts as the organisation's public figurehead.

*The chairman facilitates discussion among, and provides leadership to, the board. As the first among equals, it is important that the chairman have the respect and confidence of their fellow directors. As such the board should select their own leader."*⁹

Having one individual placed in a position of authority over their fellow directors can be a destabilising proposition, and with the wrong individual in the role can lead to a fragmented and dysfunctional Board. Moving to a Board-selected Chair will restore balance to Board decision-making and remove a process that has proven to be divisive among the members.

9 ASC Sports Governance Principles, Principle 1.6, p. 4.

Recommendation 4 The Chair

To create a Board where all directors are equal, improve decision-making processes, and remove division among the membership, the Board must determine who undertakes the role of Chair.

A common issue highlighted during the Review was the function of the High Performance Committee. The role of the HP Committee is to provide closer scrutiny and oversight of SAL's HP Program, and report on this to the Board.¹⁰ This function is designed to demand accountability from HP staff for the delivery of core strategic objectives.

A key aspect of this committee's role is to be involved in the HP planning process, and act as the link between the Board and management in the development and implementation of the HP Plan. This includes discussions around funding allocation to support HP objectives.

Around 2009, it was determined this committee would become a management committee. This decision was widely criticised throughout the Review from a range of stakeholders, including members and both current and former directors. The effect was to remove a key link between the Board and the HP Program.

As has been discussed, given the Board's lack of experience in the HP system, this structural change was significant in the loss of oversight of the HP Program. Management were essentially left to oversee their own performance in the delivery of the HP Program and report to the Board on their success.

While this arrangement was in itself flawed, in practice, however, this committee did not actually operate. Based on discussion throughout the Review, the Board was aware this committee was not providing information to the Board and was not actually meeting.

It is the view of a number of stakeholders that the absence of a HP Committee enabled key decisions, such as not replacing the GM HP and never fully implementing the 2010 HP Plan, to occur. The effects of these decisions had direct consequences on Australia's decline in international success.

Through the absence of an operating HP Committee, an important oversight function has been missing. The Panel believes both the Board and management must take responsibility for allowing this situation to eventuate. To this end, the Panel has been informed the Board has taken steps to remedy this situation and the High Performance Committee is to again become a Board sub-committee.

¹⁰ The High Performance Committee Charter is included in Appendix B.

Recommendation 5 High Performance Committee

To improve oversight of the High Performance Program and accountability for its performance, reconvene the High Performance Committee as a sub-committee of the Board, and include external advisers on the committee.

There will invariably be some who question the need for change. After all, Australian swimming has been for the most part successful over a long period. Australia was able to enjoy a period of prolonged success in spite of the current structure, not because of it. If the governance structure and systems were operating effectively, SAL would have been far better positioned to withstand the changing environment of international swimming and the challenges this has brought to the sport.

Through these structural changes to the Board, it will be better placed to perform its core roles and responsibilities. This in turn will have direct benefits to the success of SAL's HP Program and the success of Australia in international swimming moving forward.

Roles and responsibilities

A Board should understand its roles and responsibilities. The authoritative view on the role of the Board was established by Robert Tricker in his 1984 book *Corporate Governance*. What has subsequently become known as the *Tricker Model*, set out below, provides a summary of the Board's key roles and functions.

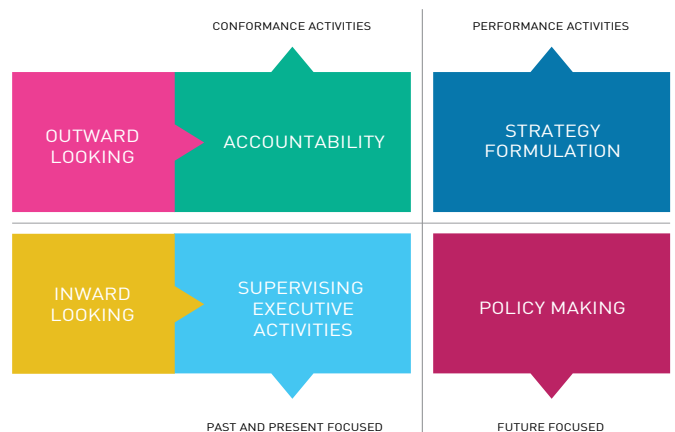


Figure 1: Tricker Model¹¹

¹¹ Tricker, R., *Corporate Governance*, (1984).

Performance monitoring and policy development

The Board appoints its CEO and oversees the appointment of other senior management. It is the Board's responsibility to monitor the performance of management and the organisation as a whole against its plans and budgets. While the Audit and Risk Committee should provide additional scrutiny, this is a responsibility for all directors under the Corporations Act.

Within SAL this has not been occurring. The Board's performance monitoring systems centre on management reporting at Board meetings, and the use of sub-committees for oversight of key areas. In this regard, the Audit and Risk Committee has responsibility for oversight of budgeting and financial performance, providing recommendations and reporting to the Board as a whole. The Nomination and Remuneration Committee has oversight of the CEO's annual performance evaluation, again putting forward recommendations for the Board as a whole to consider.

The HP Committee is another key sub-committee which has been discussed in detail. The Audit and Risk Committee's operation was called into question during the Review. Some stakeholders suggested some management decisions with budgeting implications were not being properly challenged by this committee. The dynamics on the Board resulted in general acceptance of the Audit Committee's recommendations without challenge in some cases.

In a period of decreasing commercial revenue (sponsorship decreased \$2.5 million), and an increasing reliance on government funding (increase \$5.9 million), spending across all areas of the business was allowed to increase by \$5.7 million over the four years. At the same time, expenditure across the HP Program was increasing at a rate faster than total expenditure. SAL by FY12 had become reliant on grant funding sources as it now equals 59% of total revenue. The Panel believes that a reliance on a single revenue share greater than 40% is considered a high risk scenario; as a result, the committee and Board were endorsing a high risk strategy in financial management.

As it is a key role of the Audit and Risk Committee to critically evaluate the organisation's financial performance, the Panel believes this committee's performance has rightly been questioned. This does not excuse the other directors during this period, as it is evident they did not ask sufficient questions as a Board. Indeed, many were apparently of the belief the organisation was performing well financially given revenue was increasing. It seems the source of revenue had been flying under the radar.

The Nomination and Remuneration Committee has an important role in conducting the CEO's annual performance review. The purpose of this process is to assess the CEO's performance against agreed KPIs that align with SAL's strategic priorities. As was discussed earlier, there were suggestions this process was not conducted as stringently as would be expected.

This type of situation is demonstrative of a performance monitoring process not delivering. The sub-committee did not adhere to an agreed upon process, and, in endorsing this recommendation, the Board fell short of its oversight function. This decision positively reinforced to management an attitude of 'near enough is good enough'; an approach that does not connect to the HP goals of the organisation.

A final example of the performance monitoring systems not operating effectively was the HP Committee. This has been discussed in detail, but was further evidence of the Board not critically evaluating organisational performance. Decisions around the HP Program which occurred under this arrangement had a direct correlation to the decline in performance up to and at the London Olympics.

Given this background, it was not a coincidence that a consistent theme to emerge in the Review was a lack of accountability within the sport.

From a demand side, accountability begins with the Board and its core role of monitoring the performance of senior management and SAL as an organisation. While it can be dangerous for a board to be too operational, the SAL Board has previously been prepared to rely on the influence of senior management and influential members of the Board in its decision making.

It appears to the Panel that by taking a hands-off approach in its supervision of management, without demanding accountability, a number of significant management decisions went unchecked and unchallenged, and this has been to the detriment of SAL, and its HP Program in particular.

Recommendation 6 *Oversight*

The Board must review its oversight systems and processes to demand greater accountability from management for performance, and have all members of the Board performing their directors' duties.

The appropriate approach to document Board processes is through policies. However, policies are ineffective where boards do not adhere to them. The SAL Board does not have a charter in place, but each sub-committee has some form of terms of reference for its operation. These set out a range of roles and responsibilities.

From the consultation process it has been suggested these policies have not been followed. Based on the examples of shortcomings in the performance monitoring functions by the Board, these claims appear to the Panel to be credible.

Following on from Recommendation 6, the Board needs to put processes in place to ensure appropriate checks and balances occur, without being

involved in the day-to-day management of the organisation. A Board charter should be developed which sets out clear delegation authorities, decision-making process, and standard reporting requirements.

The roles of all sub-committees, including the Audit and Risk Committee, Nomination and Remuneration Committee, and HP Committee, should be reviewed and clarified in their own committee charters.

With appropriate documentation of roles, it then becomes the Board's responsibility to operate in accordance with policy. This will provide greater consistency in process, and confidence in decision making. It will also promote greater accountability by the Board in its relationship with management.

Recommendation 7 Charters

A Board charter should be developed which sets out clear delegation authorities, decision-making process, and standard reporting requirements. Other sub-committees' roles should be clarified in their own committee charters.

Strategic direction

SAL's current Strategic Plan began in 2011 with the vision to be "*the leading swimming nation*". The main strategic pillars are:

1. High performance, thriving at the elite level
2. Sport development, building a strong foundation
3. Business development, building a strong and sustainable future
4. People development, strengthening our most important asset.

All of swimming's stakeholders were involved in the process of developing this Strategic Plan. Despite this, there was criticism from some stakeholders of its delivery and SAL's performance against it, while others expressed a lack of awareness of what SAL's strategic direction actually is. In either event, there was a lack of buy-in to the sport's strategy from those expected to play a significant role in delivering it.

Stakeholders identified examples of where member bodies were acting at cross purposes to SAL's strategy. This has occurred in the HP space, particularly where member associations are caught between supporting the swimming pathway in their jurisdiction, and playing their role in the attainment of international success.

Several state bodies expressed a lack of understanding of what SAL expected from them in the delivery of the Strategic Plan. It was acknowledged that this has improved over the last 12 months as SAL

and its member bodies began implementing memorandums of understanding (MOUs) to provide greater clarity around roles, responsibilities and expectations. This is a positive step and one which should be built upon moving forward.

Given the decline in results since the Strategic Plan was introduced, there have been suggestions SAL's strategy needs to be revisited. The Panel would agree with these views. A good vision needs to be aspirational, measurable and achievable.

SAL's Board has advised that the Strategic Plan will be revisited and amended where appropriate. The Panel is supportive of this move and recommends the members and key stakeholders in the sport again be part of the planning process to achieve a unified direction for swimming.

This process will reinforce each member association's roles and responsibilities in the delivery of swimming. The MOUs can provide clarity of purpose for each body. The Panel is supportive of this arrangement and believes open, two-way communication between SAL and its stakeholders is critical in an effective delivery of the SAL strategy,

Recommendation 8 Strategic Plan

SAL must review and revise its Strategic Plan to focus on the key objectives of the sport. In doing so SAL needs to engage with stakeholders to obtain buy-in, communicate the plan clearly to all stakeholders, and tie key deliverables into member MOUs.

Accountability and transparency with stakeholders

Good working relationships in a federated model come from the organisation's owners feeling informed. While the Board should be balanced in the amount of time spent reporting to stakeholders, this needs to include communicating significant issues and explaining the Board's decisions.

This last point forms part of a wider issue for SAL, as there has been widespread criticism of its transparency with stakeholders. This forms the major theme in the 2010 report conducted by KPMG into SAL's governance arrangements discussed earlier. This theme carried through into this Review, and emerged regularly from stakeholders in the consultation process. SAL initiated teleconferences between the SAL and member presidents as a means of improving transparency around Board decision-making. These teleconferences were often cited during the Review as being rushed and largely ineffectual. There were instances of key Board decisions going unreported, such as the decision to reappoint the CEO for five years in mid 2012.

While views were mixed on the level of detail members were entitled to receive about this decision, there was consensus it should have been disclosed to the members as the owners of the organisation. By withholding information from a process designed to promote transparency, this only served to divide SAL and its members.

Stakeholders also questioned the manner in which SAL exercised its reporting obligations. Specifically, there was a feeling SAL would offer the minimum level of information required and was not forthcoming when asked for greater detail.

While many stakeholders expressed feelings of mistrust and identified a lack of clarity around roles, they also believed these could be resolved through improved transparency from the Board. The AGM and annual report are good starting points for the Board to offer the transparent and accountable governance desired by its stakeholders.

There is also a need for more regular engagement between SAL and its stakeholders. The teleconferences held between SAL and the members to discuss Board meeting outcomes could be reenergised to serve this purpose. To be effective, these should be part of a broader ongoing conversation between SAL and its members. Such an approach would go far in enhancing trust between SAL and its members, and demystifying Board decision-making.

Recommendation 9

Stakeholder relationships

SAL should initiate a forum for ongoing discussion with its stakeholders, to improve transparency of decision making and provide accountability for performance.

One significant stakeholder group in the sport is the athletes. Elite success is SAL's highest priority, and it is the athletes who ultimately deliver on this objective. It is the performance of athletes in benchmark competition that directly influences the level of investment in the sport, both from government and from commercial partners.

A high performing national body is of equal importance in the athlete-NSO relationship. Successful organisations are able to leverage off their athletes to provide the best opportunities. A well governed and administered sport can allow athletes to establish successful careers in a sport they love. The relationship between SAL and its athletes is mutually beneficial.

Athletes (and swimmers in general) are not direct members of SAL, but the organisation exists to provide the best opportunities for swimmers at all levels. The views of the elite athletes are represented by the ASA, which is a voting member of SAL. The relationship between SAL and the ASA has been poor for some time, mainly due to the differing priorities of each organisation. The ASA exists for the benefit of elite athletes in the sport of swimming while SAL operates for the benefit of all of its members

(including the ASA). This relationship is further complicated by the fact that SAL provides support in the running of the ASA.

The most common subject of tension between priorities centres on the level of financial support distributed to elite athletes from SAL's total revenue pool. As an amateur sport requiring significant time commitments and dedication, athletes find themselves lobbying to seek greater financial support to support this. Conversely, SAL's objects go beyond supporting elite swimming and must balance investment across its entire business. Further, it has a limited budget to spend on HP and needs to balance payments to athletes with other investment in HP resources, support and infrastructure.

Given the two groups come from differing perspectives, effective communication is vital. While it is unlikely in any negotiation over payment for both parties to be completely satisfied, understanding the respective positions of each party and maintaining a relationship of respect is important.

Many of the issues to play out in the media prior to, during and after London came from a breakdown in communication between SAL and its athletes around funding and support.

Similarly, changes to a performance-based funding model were poorly communicated at a less than ideal time (immediately prior to London).¹² The views from athletes about the funding model were actually fairly positive. It was the manner in which they were communicated, and a perceived lack of consultation in the process, that created most of the discontent.

During consultations, SAL's operating expenses were often raised in the same conversations as funding to swimmers. Stakeholders reported to the Panel a lack of trust that the national body was acting in their best interests based on their perception of SAL's internal operating budget. As a national body, this should be of concern to SAL.

As the body representative of elite athletes, it is logical for SAL to utilise the ASA to improve its athlete relationships. Actively engaging with the ASA and using it as an effective communication channel would improve its relationship with not only the athletes, but also a voting member.

As swimming in the most part is an amateur sport, the opportunities for creating significant revenue and acceptable professional incomes for swimmers is limited and may be unachievable in a sports marketplace such as Australia. For the major football codes the key reason for the existence of player associations is to act as a collective negotiator when bargaining for a share in commercial revenues earned by the sport through the players. For swimming there are no major broadcast deals that could sustain wages for 80 or so individuals, nor are there major commercial revenues in the form of gate takings or other sponsorships.

This leaves both SAL and the ASA with the challenge of developing their assets (the brand and perception of swimmers and the national team in the

¹² Refer to the financial analysis of SAL and its HP Program within this report for greater detail on the Swimmer Funding Model employed by SAL.

community) and strategically delivering greater opportunities for those swimmers who require assistance to promote and attract investment and support for the benefit of themselves and the collective. This must also be achieved in an environment where there is still a need for bargaining and negotiation regarding existing resources.

By improving the relationship between the ASA and SAL, the sport would be investing in its core strategic priority: elite success. Similarly, it is in the athletes' best interests to have a positive relationship with their national body. A well-functioning and successful sport will be of benefit to current and future athletes.

Recommendation 10

Relationship with athletes

SAL should improve its athlete relationship through a closer working relationship with the ASA, using the ASA as a leading communication channel to its athletes.

A final stakeholder relationship lacking accountability was between SAL and its funding bodies, of which the ASC is the largest contributor SAL received \$9.5 million in funding and grants from the ASC in FY12, an increase at a compound annual growth rate (CAGR) of 15.4% between FY05 and FY12 and accounting for almost 50% of SAL total income in FY12.¹³

Despite the considerable level of funding, SAL's approach to this relationship has been described as bare minimal reporting for its expected entitlement to be continued and increased. This mentality appears to have filtered its way through the organisation, with similar attitudes from management, the HP Program, coaches and athletes exhibited over the last Olympic cycle. However, for its part and for reasons not completely clear, the ASC was unable to probe in any great detail.

While it has been suggested SAL has not been open and transparent, these funding bodies have not been prepared to exercise the leverage available to them, including the significant taxpayer investment. The important point here is that neither of these positions would be relevant if the right type of partnerships with grant funding bodies existed. These partnerships must include consequences for non-performance; without clear expectations and agreed consequences, accountability was being requested rather than demanded. To this end, the funding bodies of swimming must take responsibility for contributing to a culture lacking in transparency and accountability and perpetuating a mindset of entitlement throughout SAL.

The announcement of *Australia's Winning Edge*¹⁴ marks a significant shift in the funding of sports in this country. With greater responsibility for managing their programs comes greater responsibility for the investment

of taxpayer funds. The ASC has sent a clear signal to SAL and other funded NSOs that future partnerships will involve far greater levels of accountability. With new leadership within SAL committed to accountable, transparent leadership, this bodes well for a new era within the sport.

Leveraging off this announcement, there is an opportunity for SAL to provide greater transparency around the use of funding. While carried out by management, reporting obligations should fall under the oversight of the Board to ensure the organisation is being compliant. Given the nature of the work, it would be sensible for the Audit and Risk Committee to provide direct oversight and report to the Board.

Recommendation 11

Accountability for funding

Under the oversight of its Audit and Risk Committee, SAL must provide open and accountable reporting to funding bodies on how investment into the sport is being used, why it is being allocated in that way, and what has been achieved as a result.

Management

Structure, size and spread

The management structure for SAL as at the commencement of the Review is set out on the following page.

Looking at this structure it is apparent the CEO had an unusual amount of direct reports requiring a significant level of personal oversight over these roles. This was most evident in the CEO role assuming acting responsibilities for the GM HP.

Given the strategic priority of SAL is around high performance excellence, this arrangement was questionable for a number of reasons. Firstly, the CEO, by his own admission, had a limited knowledge about swimming. Secondly, the failure to fill this role could not be attributed to cost saving given the amount of investment into SAL's HP Program and the fact a number of other appointments in the administrative side of the business were made in this period. As HP is of a stated strategic importance for swimming, SAL must be able to manage this within its decision processes. The two roles of CEO and HP Director must be separated otherwise clear lines of staff and resource responsibilities are not formed, impacting directly on the management of the sport.

What has been apparent in the organisation is a gradual increase in the lack of accountability and disaggregation of responsibility throughout the whole SAL team. This is symptomatic of a business suffering from a reliance on administration as a strategy to combat inefficiency.

13 ASC High Performance Costings Mapping of Australian Sport.
14 http://www.ausport.gov.au/ais/australias_winning_edge

SAL has recently begun the search for a new CEO. The roles and responsibilities of the incoming CEO must be determined by the Board, clearly articulated to the appointee, and form part of that individual's ongoing performance evaluation. It will be the Board's role to oversee the CEO, and work closely with him or her in setting and delivering SAL's strategic objectives.

Recommendation 12 Chief Executive Officer

The SAL Board must review the key roles and responsibilities of the CEO, clearly articulate these, and hold the incoming individual to account for their performance against these.

The financial management section will go into greater detail on SAL's business. However, it is important to note the size of SAL's administration. SAL has continued to invest an increasing amount of resources into this side of the business without achieving the desired outcomes. Total SAL staff increased by 14 from FY08 to FY12, with only two of these positions created within the HP Program. Despite this increased investment in its commercial activity, the combined income from broadcast, sponsorship and events decreased from \$7.6 million to \$6.4 million.

A regular comment from stakeholders related to the size of SAL's commercial and marketing division. Commercial sustainability is a strategic pillar of the organisation, and most understood the importance of SAL finding alternate revenue streams. The comments were generally directed in a comparative sense, usually questioning the level of investment in this part of the organisation compared to the HP Program or sport development.

The Panel agrees it is important for national sporting organisations to become more commercially sustainable. It is also agreed that staffing

should be a decision for the management of the day. The Panel notes that it is concerning that SAL appeared to endorse the increased staffing numbers at a time where commercial revenue decreased from 37% of total revenue to just 10% over the same period.

Below is a table¹⁵ demonstrating the staff numbers for the business over an eight year period against the number of elite swimmers.

This was a point not lost on some stakeholders, with suggestions *the crowds are getting smaller while the marketing department is getting bigger*.

How resources are allocated through the organisation is something management should determine and have approved by the Board after a process of review. Given the scarcity of resources, they should be allocated in the areas of the business of the highest strategic importance.

Upon the Board completing its review of the Strategic Plan, and appointing a new CEO, it should work with the CEO to review SAL's organisational structure to ensure it properly reflects the organisation's strategic priorities. This is a key function of management, and the process should be driven by the incoming CEO. It will be the Board's role to provide oversight, and seek information on the purpose and anticipated benefit of the organisational structure (whether there be changes or it remains the same) from the CEO.

Recommendation 13 Organisational structure

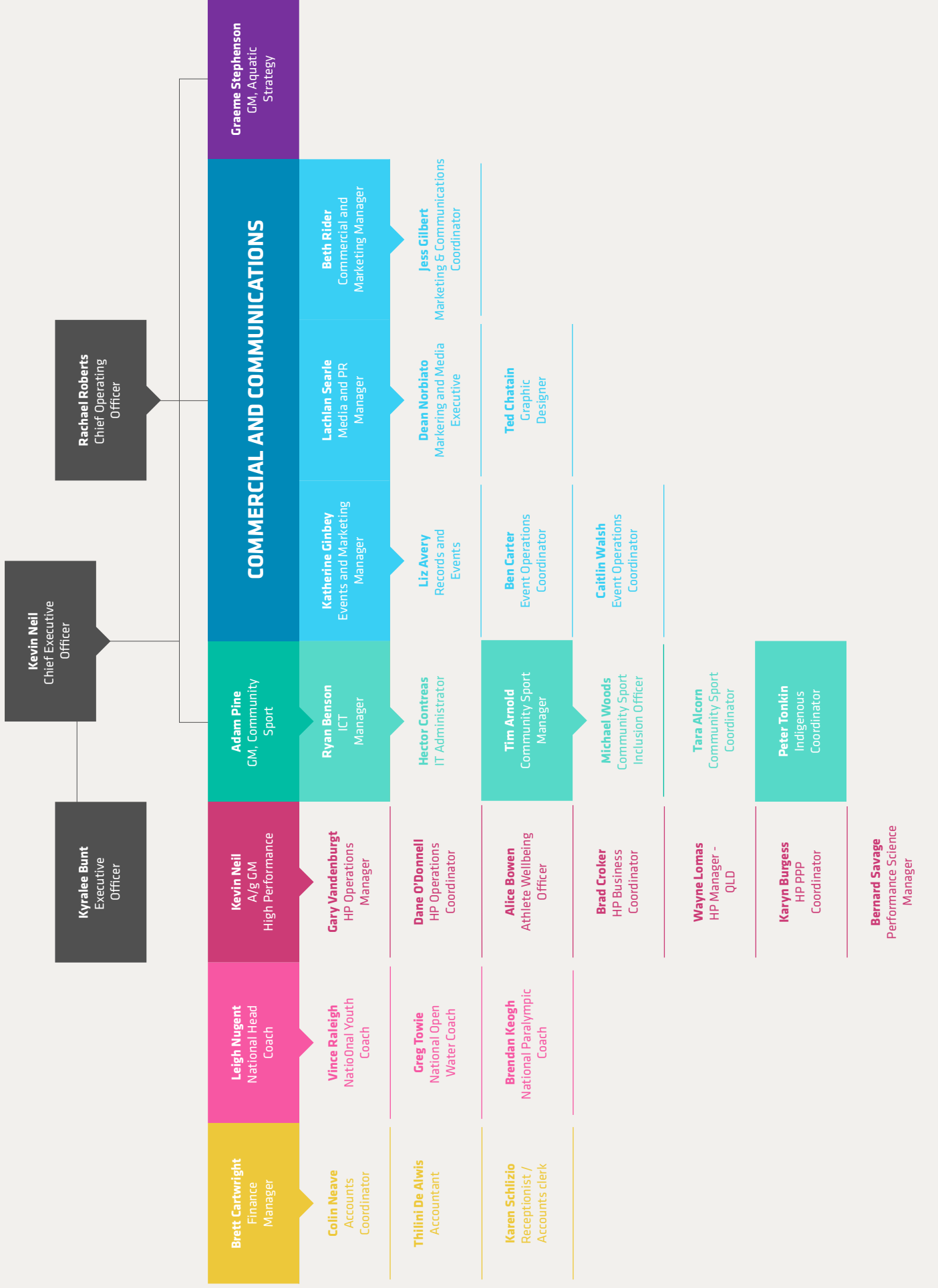
So resources are allocated into the most critical areas of the business, SAL must review its organisational structure and align it to best deliver the organisation's strategic priorities.

15 KPMG Swimming Australia Financial Analysis.

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
HPP swimmers								
# of Swimmers	104	102	121	120	101	99	85	80
Staff								
Total SAL Staff	*24	24	25	25	28	30	35	39
HPU Staff	6	8	9	9	10	9	11	11
SAL Coaches	*2	4	4	4	4	4	4	4
Contracted/Funded Coaches	0	0	0	0	0	0	**2	**3

* Approximate. ** contracted coaches and one SAL funded coaching position at University of Sunshine Coast Program (USC).

Note: the number of swimmers represents the swimmers that receive direct payment from SAL – it does not represent the total on teams. Fringe swimmers (paid but not in the team) are included in these figures.



Part of any discussion around human resourcing should be around the best location for staff. SAL head office is currently based in Canberra, with staff working out of locations in Perth, Adelaide, Melbourne, Hobart, Sydney, Gold Coast, Brisbane and Sunshine Coast. While some of these roles are for the delivery of local programs, others are for staff who elect not to be based in Canberra. At one point the Chief Operating Officer role was based out of Sydney. It is difficult to understand how this role could oversee day-to-day operations while based in a different city.

At a minimum, it would seem logical for any off-site staff to be based out of the local member association office (something which does not happen in all instances). Aside from the obvious cost savings, this would also strengthen the relationship between SAL and its member states.

Beyond that, there are questions to be asked as to whether it is optimal to have so many staff based outside head office. On this point, it was raised during the consultation process whether Canberra was the best location for SAL's head office. South East Queensland was put up as the logical alternative; *fish where the fish are*.

The Panel has not formed a view on this particular point, save to say the Board of SAL should be reviewing the geographically fragmented nature of its workforce and consider the most efficient way of managing its decentralised nature.

Recommendation 14

Decentralised workforce

To promote efficient use of resources, SAL should review the geographic spread of its staff with a view of implementing a structure that both serves local delivery needs and is financially viable.

Stakeholder engagement

In line with overall criticism of SAL as a whole, feedback on SAL's management was that it was out of touch with many of its stakeholders and reluctant to engage with them. Much of the Panel's commentary earlier regarding the Board's lack of transparency in decision making and failure to supply and demand accountability sits equally, in the Panel's view, with management.

Stakeholders identified a breakdown in their relationship with SAL's senior management. A key function of management must be maintaining effective working relationships with the organisation's key stakeholders. The new CEO should have this function included within their key performance indicators and be assessed on their performance as part of their annual performance review.

Recommendation 15

Management-stakeholder engagement

The CEO should foster strong relationships between SAL and its stakeholders, with his/her performance in this regard included as a KPI in their annual performance review.

Financial management

As part of the Review, the Panel appointed KPMG as independent consultants to gather and analyse key financial data from SAL and where appropriate its stakeholders. This analysis, balanced against the consultations carried out by the Panel, has been used to form the background information and recommendations for the report. During the Review, KPMG was also requested to drill down into various program and operational areas of SAL following the evolution of key themes from the consultations.

Financial overview

The table on the following page is a summary profit and loss statement for SAL for the period between FY05 and FY12.¹⁶ The information has been sourced from the management accounts and reconciled back to the statutory accounts (presented at the bottom of the table).

SAL's mandate is not to maximise profit, and, as such, income and expenditure has tracked close to breakeven since FY05.

The majority of SAL revenue comes from grants, accounting for 59% of total revenue in FY12. Grants represent funding from government and not-for-profit entities that provide support to Australian sports, such as the ASC and Australian Olympic Committee (AOC). Apart from public funding, SAL also generates revenue through sponsorships, broadcast licenses and events. Events and broadcast income mainly comes from national swimming competitions such as Olympic and Paralympic trials or Australian Championships.

SAL expenditure is allocated between five main categories, with the majority allocated to the High Performance Program and the Support Units. The Support Unit expenditure comprises the administrative costs associated with being the sports governing body and mainly consists of employee expenses.

The Events Unit expenditure relates to the organisation of national swimming competitions such as the Olympic trials or Australian Championships as well as other smaller events.

16 KPMG Swimming Australia Financial Analysis.

SWIMMING AUSTRALIA P&L SUMMARY								
\$m	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Income								
Grants	4.3	5.4	5.8	5.9	6.1	7.4	9.7	11.8
Broadcast	2.0	2.0	2.0	2.0	2.1	3.0	3.0	2.6
Sponsorship	4.5	4.6	3.8	4.4	4.4	4.6	2.9	1.9
Events	0.6	0.9	1.0	1.2	0.9	0.7	0.8	1.9
Other Income	0.7	1.2	1.3	0.9	1.8	1.8	1.5	1.7
Total income	12.1	14.0	14.0	14.4	15.3	17.5	17.9	19.8
Expenditure								
High Performance	(4.8)	(5.7)	(5.8)	(5.7)	(5.7)	(7.3)	(7.6)	(8.5)
PPP	(0.2)	(0.5)	(0.7)	(0.7)	(0.6)	(0.8)	(1.1)	(1.4)
Events Unit	(2.1)	(2.3)	(2.3)	(2.1)	(2.4)	(1.9)	(2.4)	(2.4)
Community Sport Unit	(0.7)	(0.8)	(0.9)	(0.7)	(0.9)	(1.3)	(1.5)	(2.0)
Support Units	(4.2)	(4.6)	(4.4)	(4.8)	(5.3)	(5.9)	(5.3)	(5.4)
Total expenditure	(11.9)	(13.8)	(14.2)	(14.0)	(15.0)	(17.2)	(17.9)	(19.7)
Net profit	0.1	0.2	(0.2)	0.4	0.3	0.2	0.1	0.2
Reconciling items								
Trust distributions	-	-	-	-	0.0	0.0	0.0	0.0
SAPT	-	0.0	0.0	0.0	(0.1)	0.5	0.6	0.0
SAF	-	0.9	1.2	(0.6)	-	-	-	-
Statutory accounts	0.1	1.1	1.1	(0.2)	0.2	0.7	0.7	0.2

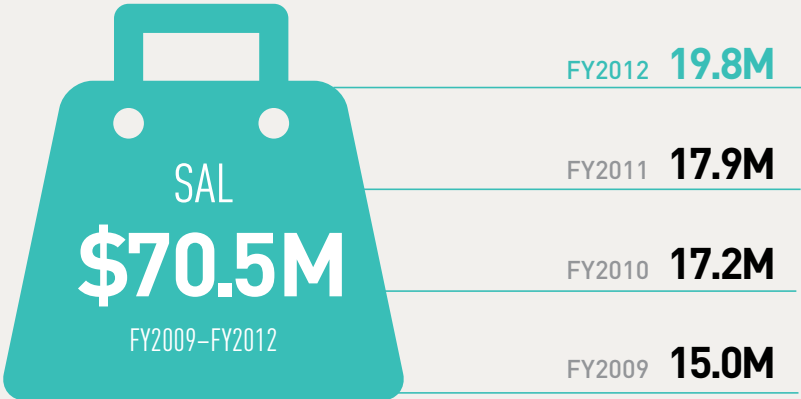
The Paralympic Preparation Program (PPP) expenses relate to the establishment and facilitation of pathways for athletes in swimming with a functional, vision or intellectual impairment.

The Community Sport Unit expenses relate to the promotion of swimming in the wider community, such as education programs and promotions to increase participation.

Distributions to and from SAL trust funds are not part of the management accounts. In order to reconcile the management accounts to the statutory accounts, these distributions should be considered. SAL trust funds are designed to support the swimming community. Within the Swimming Australia Properties Trust (SAPT) are the SAL-owned properties.

SAL received \$19.8 million in revenue in FY12. This took the total level of investment in the four years leading up to London to \$70.5 million between FY09 and FY12. From this a total of \$33.1 million was directly invested into High Performance. \$9.9 million was invested for FY12 including the Paralympic program. This is a considerable investment when compared to the average annual investment per sport into high performance of around \$4.1 million.¹⁷

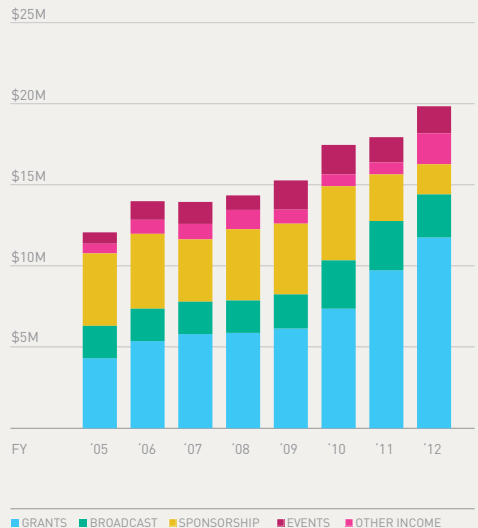
TOTAL INVESTMENTS – LEADING UP TO LONDON



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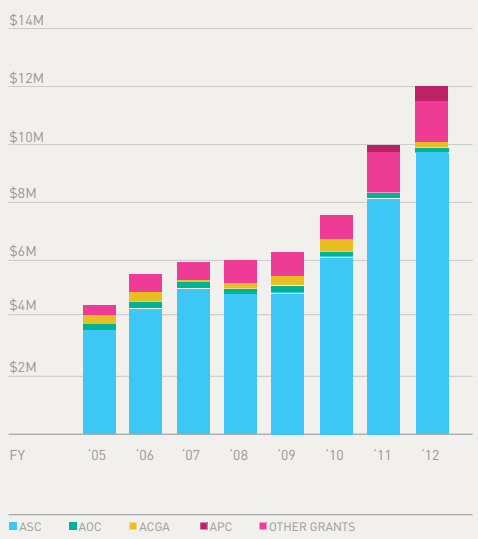
REVENUE TREND



GRANTS INCREASE



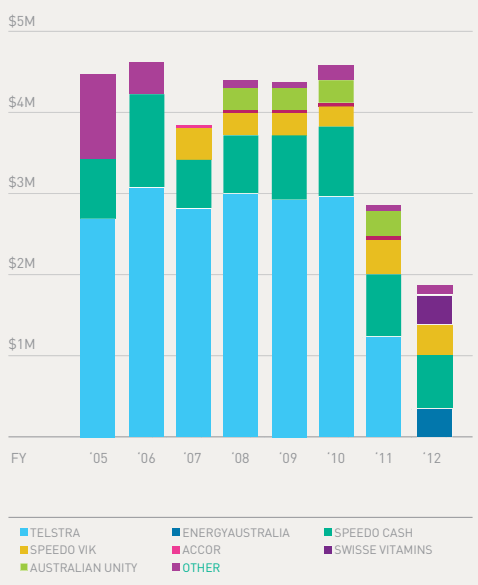
GRANTS TREND



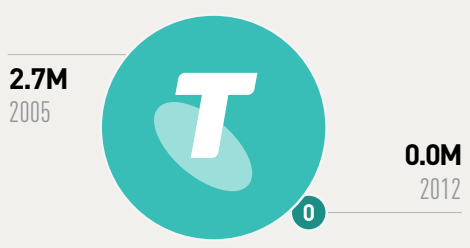
ASC GRANTS INCREASE



SPONSORSHIP TREND



TELSTRA SPONSORSHIP



Significant within these figures is the decrease of sponsorship from being the largest source of income in FY05, representing 37%, to less than 10% of SAL revenue in FY12, against the increase in government funding of over 25% contributing to an overall increase in revenue of 7.5% over this period (shown on the previous page). This has left the sport of swimming more reliant on government support.

While any sport can always use more money, there was consensus among the sport's stakeholders that the level of investment is adequate to achieve its goals. Even so, as discussed in this Review within 'Performance monitoring and policy development', sport in today's competitive environment must take decisive action to shore up its business by creating multiple revenue streams. As swimming is such an iconic brand, the loss of a sponsor such as Telstra providing a leading brand association and strong relationships at its height is of key concern. Sponsorships of this nature and complexity require skilled servicing and maintenance to ensure their sustainability. Swimming has fallen behind over the years in these areas, lacking technology to provide data demanded by high profile sponsors and the control over its assets to deliver the brand's message.

SAL must also look to build a raft of products, services and community engagement strategies that further create revenue and increased connection at a grassroots level to stay commercially competitive in a landscape that has a number of more sophisticated businesses entering the sports marketplace.

Where there is enough money in the sport, the question becomes why are the goals not being achieved? A logical conclusion is that resources are not being allocated in the best possible way. A key parallel theme that emerged between the consultations by the Panel and KPMG's analysis was the lack of appropriate budgeting and or understanding of those budgets in place. Not surprisingly, many stakeholders throughout the consultation process questioned how SAL was allocating financial resources.

Travel budget expenditures of senior management were often cited, along with the growth of SAL's administration, as contestable spends of money. Athletes themselves questioned their own attendance at a number of overseas training camps and the high standard of accommodation afforded to athletes when travelling with the team. A common theme here being it was a nice benefit, but they were not sure it did anything to improve performance.

Recommendation 16

Sponsorship and commercial revenue

To address the sharp decline in commercial and sponsorship revenue and the growing reliance on government funding, SAL must make significant changes to the way in which it:

- attracts potential investors and sponsors to the sport
- services its commercial partnerships, and
- creates new products and investment opportunities in order to diversify the sport's revenue streams.

Board and senior executive expenses

KPMG was requested by the Panel to analyse SAL Board and executive expenditure. Specifically, the Panel requested analysis of the following areas:

- What were the travel policies for the different categories of SAL employees for the London Olympics and other major competitions?
- What were the costs associated with these travel arrangements?

As shown on the following page, the main Board/executive expenses related to employee expenses, general admin and travel/transport/accommodation.

In FY12 the Board and executive expenses accounted for 19% of the total Support Unit expenditure and the Board/executive proportion of total expenditure has increased steadily from 14.4% in FY05. This increase in expenses has led to consistent questioning of budget priorities by stakeholders during the course of the Review and has been highlighted earlier in this report.

In FY12, travel/transport/accommodation expenses were approximately \$290,000, an increase of 6.6% since FY11. This represented 28% of total expenses in FY12, a smaller proportion than it had in previous years.

KPMG was provided with a copy of the SAL International Event Travel Policy which states that all directors should, where possible, have the opportunity to travel to international events. SAL supports the idea on the basis such visits would improve directors' understanding of local confederation and international federation politics. Directors would attend an event over and above any officially delegated accreditation to which Swimming Australia was entitled meaning SAL would either be required to pay entry or receive an official invitation for directors to attend.

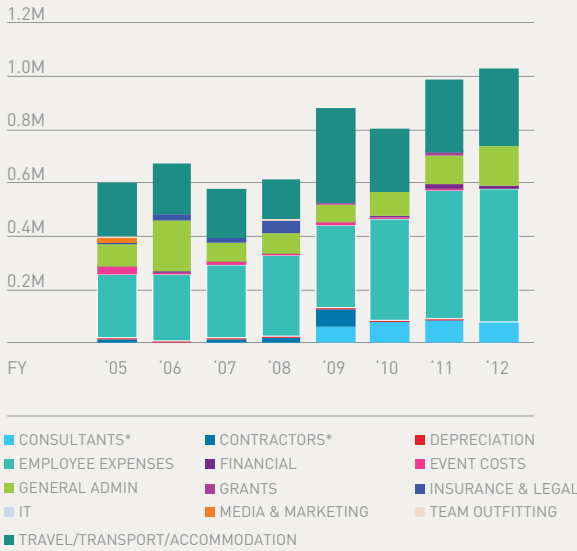
In relation to expenses, the policy states that all bookings will be completed by SAL, which will provide:

- return economy airfare for flights up to four hours and business for over four hours plus appropriate accommodation, and
- per diem to cover meals and expenses or provision of meals and expenses where part of a group.

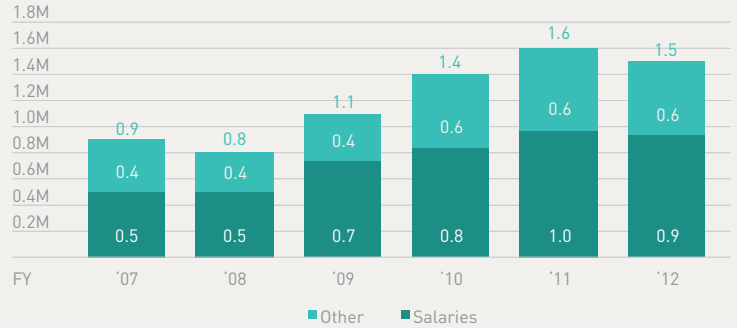
It has been confirmed by SAL the Board including the President travelled business class to the London 2012 Olympics and there were instances where Board members travelled business class for domestic flights, in line with the stated policy. There were also times where the National Head Coach travelled business class, again in line with the stated policy.

EXECUTIVE EXPENDITURE

Board/Executive Expenditure



HP ADMINISTRATION EXPENSES



Financial management of HP

Given the break even model that SAL adopts, SAL expenditure has increased at the same rate as revenues since FY05, at a CAGR of 7.4%. Expenditure to the HPP represents the majority of SAL expenditure, followed by its Support Units.

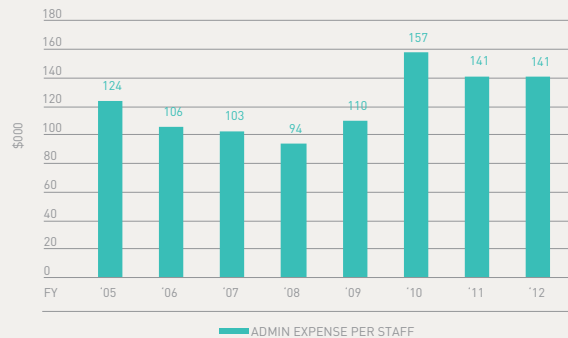
The HP Program has consistently represented over 40% of the total expenses since FY05 and is currently at its highest proportion of 43%.

Although historically the smallest component of expenditure, the Paralympic Performance Program (PPP) proportion of revenue has grown the fastest, between FY05 and FY12, expenditure increased almost 500%, from approximately \$238,000 to \$1,411,000.

SAL HP administration expenses, as shown right, increased faster than the total HP Program expenditure, at a CAGR of 11.1%, an increase from \$0.7 million in FY05 to \$1.5 million in FY12.

SAL indicated that the increase in administration expenses is most likely due to an increase in the number of HP staff and an increase in staff salaries over time. The number of HP staff has increased steadily from a low of approximately six in FY05, to 11 in FY11 and FY12. The average administration expense per staff member has increased, but only by 14% in seven years (1.8% CAGR) as shown in the graph to the right.

ADMIN EXPENSE PER STAFF



OF HPU STAFF



Olympic cycle comparison

The chart on the right illustrates the difference in expenditure by the HPP between the two Olympic cycles.

KPMG adjusted the expenditure for camps (youth/senior) to account for the costs which occur after the financial year end of 30 June and before the Games. Therefore expenses associated with the London 2012 Olympics are included within the London 2012 figures and the Beijing expenses have been moved into the Beijing 2008 figures. The adjustment figures were provided by SAL.

In line with total expenditure increasing over the cycles, most categories saw an increase in expenditure between Beijing and London. The largest increases in absolute terms were in swimmer payments and administration expenses, increasing 51% and 67% respectively.

Another significant increase was sports science expenditure, which increased from almost \$0.5 million in the four years to Beijing to \$1.5 million in the four years to London. As discussed previously, this was due to an increased focus on sports sciences and increased staff numbers within the program.

Expenditure on camps (senior and youth) increased 54% from \$1.8 million to \$2.8 million, which is a reflection of the location and number of athletes attending the camps, and an increase in the number of camps held (from 37 to 48 between Beijing and London).

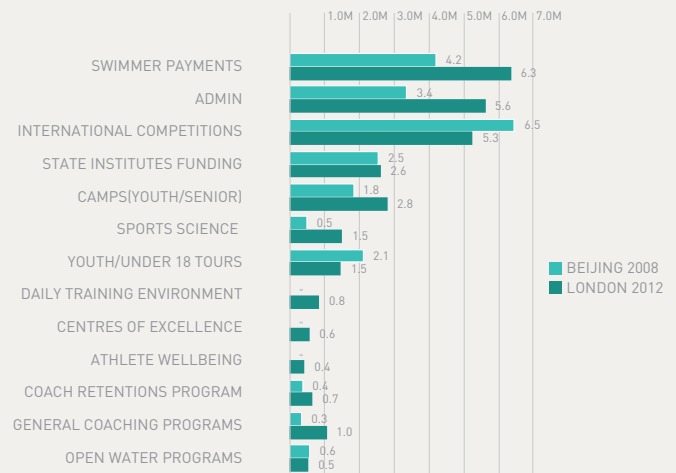
The most notable decline in expenditure between the two cycles has been on international competitions. It is noted that the reduction in expenditure on international competitions is not a result of a reduction in the number of competitions, which increased from 73 in the four years to Beijing, to 77 in the four years to London. The decrease is a result of a number of factors which influence the costs of international competitions, such as the location of events, the size of the teams and the Australian exchange rate.

Expenditure on youth/under 18 tours also decreased 30% from \$2.1 million to \$1.5 million. Similarly to expenditure on international competitions, this reduction in expenditure is a result of several factors which influence the costs of the tours, such as the location of events and the size of the teams.

Swimmer payments

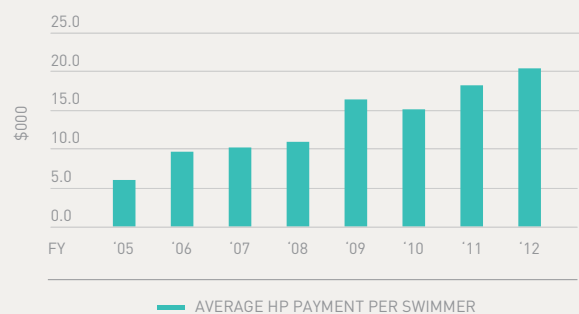
Swimmer payments shown right have increased at a CAGR of 14.6% from \$0.6 million in FY05 to \$1.6 million in FY12 and the average payment per swimmer has increased from \$6,077 (FY05) to \$20,500 (FY12). This increase in payments has occurred with a decline in the number of swimmers receiving payments from a high in FY07 and FY08 of 121 and 120 swimmers, to a low of 80 in FY12.

OLYMPIC CYCLE HPP EXPENDITURE

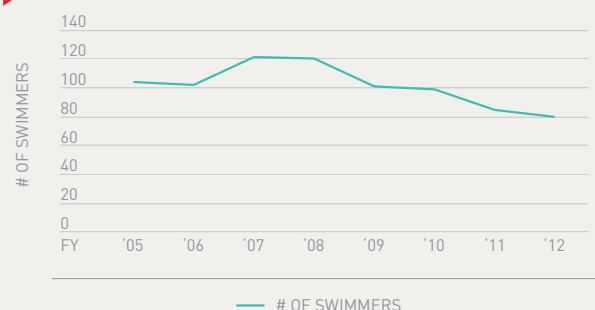


AVERAGE PAYMENT

Average Payment per HPP Swimmer



OF SWIMMERS



International competition

Expenditure on international competitions has decreased at a CAGR of 3.6% since FY05, despite total expenditure on the HPP increasing over the same time frame.

The majority of expenditure for international competitions is spent on international airfares and accommodation, accounting for 55% of the total costs in FY12. Expenditure on domestic airfares and accommodation has decreased significantly, from \$294,000 in FY07 to approximately \$17,000 in FY12. Note that the number of competitions attended has stayed relatively stable, fluctuating between 17 to 21 competitions per year.

The other largest component of competition costs are coach prize/grant payments and coach incentive payments, which accounted for 14% and 9% of costs in FY12 respectively. These payments relate to daily allowances for staff that attended international competitions. Coach Incentive payments relate to payments to the coaches of swimmers that attend international competitions and are based on the performance of their swimmers.

SAL indicated that the expenditure on competitions is dependent on a number of factors:

- the number of international and domestic competitions scheduled in a given year
- the number of athletes attending each competition
- the location of the competitions, both international and domestic, and
- Australian exchange rate.

SAL regards the reduction in expenditure on competitions to be a function of these factors rather than a specific strategy or initiative by SAL to reduce expenditure on competition costs.

HP camps

Expenditure on camps (youth/senior) increased significantly between FY05 and FY12 at a CAGR of 26%, and in particular between FY11 and FY12 when it grew over 190% to almost \$1 million.

The funding for camps is determined within the annual budget process with the head coach proposing camp activities for the year. Camp schedules and activities can vary considerably depending on the year, based on international competition schedules and events, causing significant volatility in expenses.

SAL indicated that the expenditure on camps is dependent on the following key factors:

- the location of the camps. For example, where camps are held in Canberra, then the AIS accommodation is used which significantly reduces the costs of accommodating the athletes and support staff.
- the number of athletes attending each camp. More athletes are typically invited to camps at the beginning of an Olympic cycle.

The Panel was presented with a theme throughout the consultations highlighting how stakeholders did not understand how the Board and management came to financial decisions. It was clear that the approach to issues like the loss of a major sponsorship, negotiations to change elite swimmer payments and increasing administration costs were not understood by the stakeholders.

KPMG was asked to investigate SAL's historical performance against budgets. Where budget information was available the business met budgets within acceptable limits but more telling was the lack of detail or in some cases no apparent budget in place. Even if there were costed budgets in place at the time, the consistent view of stakeholders in and around the HPP was that decision makers did not actively use them.

The Panel believes through the KPMG analysis and broad stakeholder commentary there was a lack of strategic alignment between investment decisions and a HP strategy coupled with minimal transparency and accountability for those decisions.

Recommendation 17 *Financial management of High Performance outcomes*

SAL in conjunction with its stakeholders needs to manage the HPP through targeted investments based on well-researched data and managed within transparent, accountable and measurable budgets aligned to costed plans to allow strategic allocations of funds as they become available.

KPMG has provided a summary of their findings from the financial analysis including other areas of the HP Program not covered in the body of this Review. The summary has been included at Appendix B.

A close-up, high-action photograph of a swimmer's head and shoulders as they break the surface of the water. The swimmer is wearing a white swim cap and dark goggles. The water is splashing around their face, creating a dynamic and energetic scene. The entire image is overlaid with a semi-transparent teal color, which serves as a background for the text.

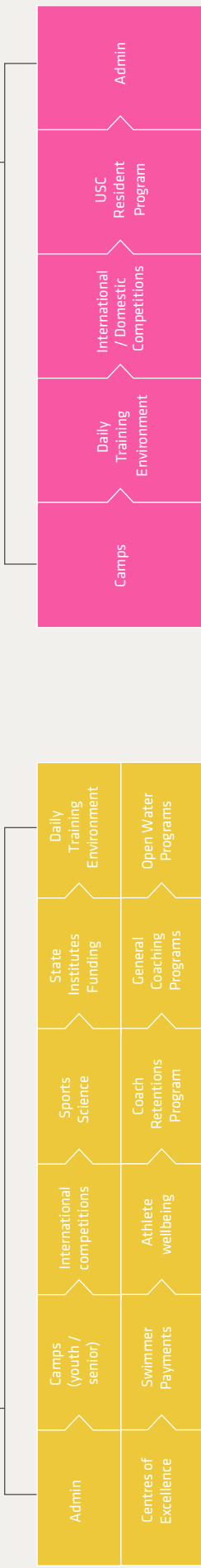
HIGH

PERFORMANCE

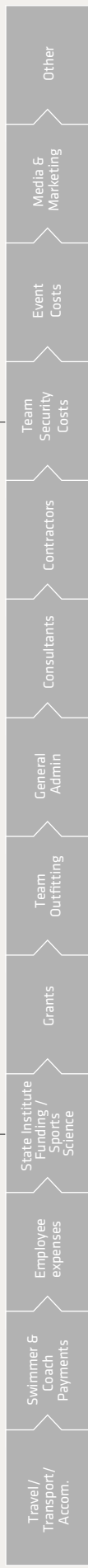
The High Performance (HP) division of SAL



BUSINESS UNITS



TYPE OF ACTIVITY



HIGH PERFORMANCE

High Performance division

The High Performance (HP) division of SAL, as at the commencement of the Review, was as shown on the previous page.

General Manager of High Performance

The GM HP position was touched on earlier, and was the most regular issue identified during the consultation process. By way of background, the GM HP role was created in 2009 to manage the HP arm of SAL's business and allow the Head Coach to focus on coaching. A key role was the development and implementation of the sport's HP Plan.

The position was originally filled via a secondment from the ASC, before being filled on a full-time basis. Stakeholders were near unanimous in identifying this period as their most meaningful engagement with SAL. The HP Plan was bought into by all of the members and the process is still reflected on positively by those involved.

The GM HP departed the role in mid 2011 prior to the implementation of the HP Plan. Upon this departure, the role was absorbed into the CEO role on top of existing duties. In reality, most of the workload was distributed into the Head Coach and HP Manager roles.

This decision was widely considered to be a turning point in SAL's HP Program. The Head Coach was overwhelmed by the workload and unable to focus on the primary responsibility – coaching. It is somewhat moot to go further on this point given the Board has recognised the impact this had on the HP Program.¹⁸ Still, significance in the results in London cannot be underestimated.

An effective High Performance Director will take a considerable load off the Head Coach, and play a significant role in the development and implementation of the HP Plan. This individual should have management over the entire HP division and be the sole line of report to the CEO and HP Committee.

Recommendation 18 *High Performance Director*

SAL should appoint a High Performance Director, with this individual to report directly to the CEO and be responsible for all HP staff, the HP Plan and its delivery through the state system.

It is therefore pleasing to see SAL has decided to again fill the role of GM HP, having recently advertised for the position of High Performance Director. This role will oversee the Head Coach and all other HP staff.

Since the commencement of the Review, a number of key HP staff have departed the organisation, including the SSSM Manager, Paralympic Coach, Open Water Coach, and National Youth Coach.

Upon confirming its Strategic Plan and HP Plan, the incoming HP Director should then look at resourcing the HP Program to achieve SAL's HP objectives. Part of this process would involve reviewing the role and responsibilities of each of these positions, and using this as a basis in filling these positions.

Head Coach

The current Head Coach briefly filled the position in 2004, and led the Australian team to an outstanding result in the Athens Olympic Games. Despite this, he did not pursue the position, and resumed the National Youth Coach role for the next five years. Following the departure of the incumbent Head Coach in early 2010, he again took on the Head Coach position.

It is unfortunate that the role changed so soon after being filled in 2010. It is obvious from the feedback received that the Head Coach was carrying an enormous workload, much of it not directly related to coaching the national team. With time spread too thinly, the Head Coach was unable to spend as much time with coaches and athletes in the lead-up to London as was needed.

Due to the lack of a GM HP, the Head Coach has not had the opportunity to actually lead HP coaching within the sport. Until such time as this happens, it would be difficult for anyone to make an objective assessment of achievements.

Recommendation 19 *Head Coach*

SAL must provide the Head Coach with the structure and support to enable the role to focus on the primary task of coaching and leading the preferred system of HP coaching SAL adopts.

¹⁸ SAL has put in place a Director of HP, with the role set to be filled shortly after the release of this Review.

High Performance strategy and planning

In the delivery of its HP Program, SAL's primary focus is on elite swimmers in the national team with the states responsible for developing the level beneath this. While this is understood, how these objectives are delivered is not.

The SIS/SAS network was consistent in its support of this assessment, citing a lack of understanding of roles and responsibilities. This is particularly so for those athletes caught between development and elite level. This is a view the member associations shared, and it was often said to have deteriorated upon the departure of the GM HP.

This lack of a unified approach to HP delivery can be compounded where states seek to achieve outcomes beneficial for their state program athletes that may not align completely to the international success objective. An example was provided where, following disappointing Olympic selection trials, an internal review was carried out at an institute. This review highlighted support was being provided to athletes competing in events that fell outside the Olympic program. As a result of this review, the institute amended its funding support model in an attempt to more closely align with national objectives. The Panel noted this as a very pleasing example of how the system is maturing around the objectives of alignment and international success.

In the lead-up to London, SAL's HP strategy focused on providing athletes with support in their home training environment and allowing individualised programs. Coaches were allocated funds based on national athletes in their squad and were, with very few exceptions, able to run their programs as they saw fit. This included the daily training environment, sports science and sports medicine (SSSM) support, training camps and overseas competitions. The views on this strategy were generally positive; the views on its execution were less so.

The Panel believes there was a lack of accountability being demanded of the coaches in the management of their programs, with minimal oversight from the Head Coach (and other HP staff). It was apparent to the Panel that an environment where debate is allowed to prosper was not created. The panel believes without this environment coaches were not challenged on the way SAL resources were being allocated. The most common examples discussed with the Panel were a lack of use of SSSM resources, and use of overseas training camps without debate on their strategic value.

It should also be noted that, despite the relative success of the Paralympic Team, many of the same issues around strategic planning and the transparent communication of decisions being made in and around the PPP and USC programs were clearly present where SAL had responsibility for delivery.

In the lead-up to London, program members went on camp to a number of overseas locations. It is not the Panel's place to question if these camps were necessary, but it should have been SAL's. It is clear this did not happen. Expenditure on activity such as this should be monitored, with legitimate questions asked about what benefits it will provide and assessment of the impact gained to help shape future decisions.

Interaction between SAL and coaches has been hands off and interaction with athletes even more so. Coaches are left to run their programs, with SAL offering occasional professional support in the form of conferences, mentoring from paid coaching consultants and mentors, and some DTE support from SAL's SSSM staff. Feedback on this was underwhelming, with most coaches feeling the support they received to be disjointed and of minimal assistance.

Athletes demonstrated greater dissatisfaction with their relationship with SAL's HP Program. The consensus was they received little more than the occasional lactate test, and a few words of encouragement at competition. There was no direct involvement from SAL in shaping individual athlete plans, and a sense the organisation was out of touch with the athlete.

Going back to 2010, the HP Plan was agreed by all stakeholders but never implemented. This plan was broad ranging and encompassed eight key result areas:

1. Coaching – identifying, developing, supporting and retaining coaches.
2. Athlete wellbeing – holistic individual development plans.
3. Daily training environment – planned and monitored optimised training and support.
4. Performance science – integrated SSSM leading to informed coaches and innovations.
5. National programs – strategy and structure around the athlete pathway, talent identification and development.
6. International competition experience – targeted and appropriate competition experiences to prepare athletes for Olympics and Paralympics.
7. Business platform for success – culture, accountability and performance management, resource alignment prioritisation to goals, stakeholder relations.
8. Olympics and Paralympics – targeted strategy for success at the Games.

It seems entirely appropriate for this plan to be reviewed and revised where necessary, with the new High Performance Director facilitating agreement across all stakeholders. The High Performance Director will be responsible for implementing the plan, and SAL should prioritise investment into its delivery.

The High Performance Committee, which must include members of the Board, HP Staff and external advisors, will need to be closely involved in this process, and this presents an excellent opportunity for this committee to establish its working relationship with the High Performance Director. To be effective, clear roles and responsibilities will need to be defined,

Recommendation 20

High Performance Plan

- a. Re-engage the High Performance Committee and include members of the Board, HP Staff and external advisors. The Committee should steer a review and revision of the 2010 HP Plan.
- b. Engaging with all stakeholders in the process, the High Performance Director is to lead a review and revision of the 2010 HP Plan.
- c. Under the guidance of the High Performance Committee, its implementation and delivery needs to be properly resourced by SAL.
- d. The plan is to be effectively communicated to all stakeholders, so everyone involved in the sport understands their roles, responsibilities, and expected outcomes.
- e. To ensure HP program success the plan must be subject to adequate oversight and measures with strategy adjusted accordingly.

Delivery of HP strategy

A key part of the 2010 HP Plan was the incorporation of a National 'Centre of Excellence' model. This concept was supported by the Head Coach and the ASC. The purpose of this model is to invest in quality coaches and ensure they are working in quality facilities, with quality support services. In 2010, there were eight national Centres of Excellence established. There are currently nine. The model, however, has yet to meet expectations as neither resourcing or quality assurance standards have been implemented to the level planned.

This model has obvious benefits; it puts the best athletes with the best coaches in the best facilities with the best support services. However, it has also been criticised for creating a culture of elitism among some athletes, and for taking elite athletes away from the grass roots.

A number of stakeholders throughout the HP system commented on how swimmers were not exposed to other levels, whether that is sub-elite swimmers training next to elite or vice versa. This situation has led to the elite group training in an environment where everything is available and the pressure of having to 'prove' themselves in training is reduced.

A secondary impact of the Centre of Excellence system is a disconnect with the club system. These groups are training in an environment where the club is not part of the system. This has led to issues such as a lack of exposure to a pathway, transfer of experience, coaching mentorship and a reduced responsibility for clubs (and states) in contributing to the system.

The US swimming system created a similar model through the collegiate training centres after a decline in performances. Prior to Beijing, USA

Swimming changed this model to ensure clubs are an integral part of the model as one of their key strategies. This strategy, amongst others, has returned them to solid performances and increased depth in the squad.

During the Review many stakeholders supported the Centre of Excellence model based on an assumption that it combated the issue of pool access in the club system. This is a legitimate issue in many areas of Australia. A credible counterpoint to this was often provided by stakeholders involved in clubs that embraced HP and had developed a holistic approach to the way in which they developed their community from grassroots (learn to swim) through to elite training squads.

These HP clubs in the most part made better use of pool access by maximising the time elite swimmers were training through exposing them to sub-elite members. In turn this creates greater opportunity for those athletes getting a unique chance to learn as well as the flow-on effect of other programs in the club being able to train in the same club as Olympic swimmers.

By shifting the HP system closer to a model that enables closer alignment to clubs and other elite training platforms such as junior squads/camps, the sport will create greater opportunities for athletes to be discovered as there would be multiple entry and exit points. Currently swimming's Long Term Athlete Development (LTAD) pathway is a singular process built on a series of gated stages reliant on age, performance and coaching rather than talent identification in its purer sense. This system change is being seriously considered by the US and is discussed in more detail later.

When considering the strategic placement of the USC PPP centre, the Panel observed that it is hard to know whether the location is the best outcome. It was agreed that the program is required, though feedback from stakeholders on location was conflicting and there were some significant operational issues raised. Overall the location seemed to be largely opportunistic rather than part of an agreed strategy. No opportunity seemed to have been taken for key stakeholders to be consulted on the merits of the program.

The solution lies somewhere in the middle: facilitating a Centre of Excellence model, while retaining the ability for an athlete to train in their home program should they choose. Programs should also be integrated into the Centres of Excellence, to provide the pathway for young swimmers.

To achieve the objective of sustainable success it is strongly suggested that funding first and foremost should be for **quality coaches in quality facilities, with quality DTE support** (the Centre of Excellence model) and swimmers' support should be aligned with this.

This would also require a rebalancing of funding from the current model where funding for coaches is a fraction of that for athletes (coaching support budget is currently \$300,000).

While funding would be prioritised towards the Centres of Excellence, this would only work where those coaches operating outside these centres continued to be supported and provided opportunities to progress. It would also be important for development programs to be linked into the Centre of

Excellence model to create an environment where upcoming coaches and athletes have the opportunity to develop alongside the best in the sport.

Recommendation 21

HP strategy delivery and funding

To ensure that SAL is able to deliver its expected HP outcomes, the sport must consider the following priorities:

- a. Implement a funding model where resources are prioritised and ensure targeted athletes access the best coaches supported by quality SSSM and DTE.
- b. While this approach could involve SAL directly employing a select number of elite coaches, it must also allow for continuing support to coaches not directly employed by SAL.
- c. Centres of Excellence should be linked to grass roots programs, providing coach development opportunities and creating greater opportunities for developing swimmers to progress.

Coaches

Accreditation system

The accreditation of coaches is overseen by ASCTA. Although ASCTA is a full voting member of SAL, it delivers accreditation on behalf of SAL. Accreditation of coaches follows most other sports through a tiered system – in swimming’s case, bronze, silver, gold and platinum.

Bronze and silver are open to any coach prepared to go through the necessary accreditation. However, to advance to gold a coach must have coached an athlete onto a national team (in reality a number of athletes) and been invited to undertake a gold level accreditation. Platinum accreditation is somewhat rare, and is essentially a recognition bestowed upon a coach of multiple world champion athletes.

This accreditation system is limiting for coaches, and relies heavily on the coach having elite athletes in their program. It shows more regard for an athlete’s ability than that of their coach. It also offers no incentive for coaches to pass on swimmers to a coach who may better serve the athlete’s needs, perpetuating a culture of athletes being ‘meal tickets’.

On the other side of the discussion, it is not a requirement for national team coaches to undertake a gold level accreditation. Accordingly, there have been instances where national team coaches have indeed not been through this standard.

There are only a small number of coaches who focus primarily on elite athletes. Particularly in Queensland, coaches operate in a facility running programs from learn-to-swim through to elite coaching. Given the relatively

small number of elite athletes, most swimming coaches focus on running learn-to-swim schools as their primary driver of revenue.

It is therefore not surprising ASCTA has a teaching focus in the development of its accreditation programs. This poses a risk to the development of coaches, particularly given the aforementioned barriers in the pathway.

The importance of teaching in the coaching business model cannot be underestimated. It underpins swimming coaching, providing valuable income to supplement coaching activities. However, this may be at odds with the high performance outcomes being sought by SAL.

It may be worth investigating whether the current arrangement of ASCTA delivering accreditation is optimal for SAL’s high performance objectives as they relate to coaching.

Recommendation 22

Coaching pathway

To open up the coaching pathway providing greater professional development opportunities, SAL must take a lead role in developing the coach development pathway. This should be done in a strategically targeted manner to best align current resources to both proven and developing coaches, allowing the best people to be identified, supported and promoted in the system.

Funding model and coaching pathway

Coaches are not directly employed by SAL. This causes problems in aligning SAL’s broader HP strategy through the states and territories and down to club level as there is no chain of command. SAL attempts to circumvent this through payments to coaches, but in reality is just supplementing a coach’s main source of income.

These payments are tied to athletes in their squads. If an athlete leaves their program, the coach is affected financially. It is also related to a coach’s opportunity to be selected for onto an Australian Team, as coach selection is based on whether their athletes are in the team.

It is not surprising coaches are looking for alternate revenue streams. One such form of revenue is coaching foreign athletes. This can be lucrative for Australian coaches, who are considered among the best in the world.

The Panel heard mixed views on the benefits and costs of allowing coaches to train foreign athletes. On the one hand, it was said to help Australian athletes by exposing them to world best competition in the training environment. Australian athletes could see on a daily basis what the competition was doing and push themselves to meet those standards.

Conversely, it was suggested the foreign athletes would often be at different stages in their training programs, making it difficult for Australian athletes to benefit. In addition, there were suggestions coaches would focus the majority of their time on the foreign athletes each time they came to Australia for a training block.

Putting aside the merits of having foreign athletes training alongside Australian athletes, the broader issue is the fact Australian coaches are sharing intellectual property with competitor nations while receiving payments from SAL. The lack of an employee relationship makes this difficult to prevent. Threats to cut financial support to coaches with foreign athletes in their programs could see some high quality coaches walk away from Australia to accept more lucrative offers overseas.

A further by-product of the funding model has been the reluctance of coaches to move along athletes to other coaches who could better enhance their development. This has led to a situation where the sport has developed coaches of a generalist nature, with specialisation something of a rarity.

It would seem logical in a sport such as swimming, with different genders, strokes and distances, that there would be some coaches with particular expertise. It would also seem logical if a talented young athlete is identified, they should be put under the guidance of a coach with expertise to best support their development. Based on the feedback the Panel received, this does not happen.

A solution to this is not simple. It would require a radical shift in the coaching system, and would require a willingness from athletes to embrace the concept.

This would be difficult given the unique relationship swimming coaches have with their athletes, which is critically important in swimming, perhaps more so than in other sports. Given the current model, swimmers will often begin training with a coach in their childhood and continue through with them into their elite career. Coaches play an important role in all facets of the development of their athletes, both in and out of the pool.

The current HP strategy presents a problem in the coach-athlete relationship. If an athlete leaves a program to join another, this affects the coach's level of financial support. Aside from the issues outlined above relating to the financial and pathway implications, it raises the issue of whether a coach may compromise their position to keep an athlete happy. There were suggestions in the consultation process some athletes are manipulating the system to get their own way.

It is clear the funding model needs to change.

The issue of SAL directly employing coaches was one that arose regularly. There are a number of complicating factors, with strong arguments for and against such an arrangement. If SAL were to go down the path of directly employing coaches, it would be important they formed part of a broader coaching pathway, where state and club employed coaches worked side by side with them on pool decks around the country.

There is no straightforward solution, but SAL must explore employing a number of full-time coaches in its High Performance Program to work alongside the Head Coach. This concept fits well with the idea of the best coaches in the best facilities with the best support.

The Panel is aware such a model poses many challenges, and there is no straightforward solution.

However, what is straightforward is that, under the current relationship, SAL has not demanded accountability from coaches in return for the investment being made into programs. For their part, coaches have not provided accountability for the funding they receive.

Regardless of whether coaches are directly employed and operating out of a Centre of Excellence, or the status quo is maintained, a better solution is for funding to be tied to agreed performance plans between SAL and the coach. If the coach does not adhere to the performance plan, or produce the outcomes expected under the agreement, they will jeopardise their funding. By having clear consequences, there will be greater accountability.

Recommendation 23 *Coach funding model*

Whether employed or receiving financial support, all coach support funding to be tied to agreed performance plans between SAL and the coach, with clear consequences for failure to produce expected outcomes.

Athletes

Funding and support

Like most amateur sports, swimming faces the challenge of enabling peak performance by its athletes, while not having the resources to support them on a full-time basis. Athletes receive financial support in the form of:

- Direct Athlete Support (DAS)
- performance-based support, and
- SIS/SAS support.

Prior to London the performance-based support was tightened, with a much greater influence on performance outcomes. This received some criticism at the time. However, during the consultation process, the main concern from athletes centred on the timing of this announcement. Athletes generally are supportive of the notion they receive increased support commensurate with their success.

Athletes did, however, suggest baseline support could be improved, as the training and competition demands on athletes make employment difficult.

The level of support being sought was in line with minimum wages, with many saying the current levels leave them heavily reliant on obtaining sponsorship or financial support from their parents.

The recent announcement of an additional \$10 million in funding through the Georgina Hope Foundation is a positive step for athletes receiving improved living expense support. How this will be distributed is yet to be made clear, and athletes will no doubt watch with interest.

SAL is correct in focusing support into those athletes who are most likely to achieve success at benchmark events. This must be in balance with supporting emerging talent and athletes with special circumstances (such as an injury), and maintaining a competitive pool of domestic talent to push those at the top.

Whatever the level of funding, it is important athletes realise this is to support their training and competition, not a payment. It is also important any funding is accompanied by a demand for accountability.

Recommendation 24

Athlete funding model

To reward excellence, while supporting an underpinning program, all athlete support funding should be tied to agreed performance plans between SAL and the athlete with clear policies in line with expected outcomes.

Competition structure

Selection

Australian sport in general suffers from the tyranny of distance. For Australian athletes to experience the competition required to excel at benchmark events like the Olympics, it is necessary to attend international competitions. Swimming is no exception, and SAL and its members provide support for a range of athletes in the pathway to experience international competition.

The Panel observed that deciding which competitions different swimmers attend seems to be conducted in an unsophisticated manner. Home coaches will often make the call to take swimmers to international meets, with no guidance from SAL. Where SAL does directly send swimmers to international meets, it is not uncommon for the SIS/SAS system to be funding swimmers who did not receive selection.

As with many of the aspects of the HP Program, there has been little evidence supporting why certain athletes are sent to certain meets and what benefits this will bring to their individual performance plan. Essentially the current practice is individualised and not centrally

coordinated or at least monitored to understand the advantages and disadvantages of competition strategy.

For benchmark events such as the Olympics and World Championships, teams are selected based on results at trials. Where an athlete finishes in the relevant placing, and posts an A qualifying time, they are selected. This is standard practice.

The Panel received feedback from a number of individuals questioning whether A qualifying times are a high enough benchmark for selection on the team. In many events, swimming an A qualifying time in competition would not see a swimmer progress to a final. This also raises the prospect of tighter team selection, where individuals may not be selected if they are an unrealistic chance of making a final.

Those suggesting tighter selection did identify there would be instances where younger athletes may be selected to give them experience ahead of the next Olympics. Further to a change in the qualifying level, many stakeholders felt that the team should be targeting disciplines to develop depth in the swimming talent.

Recommendation 25

Selection guidelines

To raise the level of performance, SAL should review its selection guidelines and set qualification times that provide the greatest opportunity for success at significant events. These guidelines should be well promoted and have clear explanation of their intended purpose.

The other issue to a broad selection policy is that the finite resources available to a team must be allocated across a larger group of swimmers (and coaches). By targeting medal potential swimmers, the allocation of resources becomes far more effective.

Recommendation 26

Targeting investment

SAL in consultation with HP coaches should conduct an in-depth analysis of past selections and results and investigate how strengthening and targeting selection can refine the investment to potential medal opportunities.

A further issue identified is the lack of quality domestic competition, particularly in the winter months in years of benchmark competition. In the lead-in to London, there was only one planned domestic competition. This was to be held at the AIS; however, an outbreak of whooping cough saw it cancelled.

Many stakeholders referred to the previously run Grand Prix series, and believe something of this nature would be of value. The issue identified by coaches and athletes was that swimmers felt there was not sufficient opportunity to test themselves under race conditions. Key to addressing this is the need to have an agreed program repeated over subsequent lead-in periods to enable the team to iron out any issues and allow swimmers to gain adequate exposure and practice in this system

To promote an effective lead-in competition schedule for major events including Olympics and Paralympics, SAL should investigate reintroducing a competition approach designed to provide athletes at different stages in their training programs multiple opportunities to compete leading into major benchmark events.

Recommendation 27

Domestic competition

To promote an effective lead-in competition schedule for major benchmark events, SAL should investigate reintroducing a competition approach, with meets scheduled at the most strategic times for athlete progression leading into major benchmark events to ensure that the team has every opportunity to perform under controlled race conditions. This strategy will also enable the athletes and coaches to practice in the non-Games years the lead-in schedule to ensure optimum performance is achieved.

Talent identification and development programs

Youth development

The current system is built on clubs developing athletes. At a certain point their state will provide support, and only when they reach the elite stage does SAL provide support. This approach separates responsibility for each level of development of athletes.

Because of the previous communication challenges between SAL and its stakeholders, there is a lack of alignment across the sport. When coupled with SAL needing a short-term focus on the next major meet, there is a lack of interaction between SAL and emerging talent.

SAL at various times has employed a National Youth Coach (the role is currently vacant) and run some development activities such as camps. Beyond this, SAL has limited involvement in the production of emerging talent. It has also been noted repeatedly that SAL reallocated youth development funding to its HP Program in 2008, in what was meant to be a temporary measure before Beijing. However, the money never returned to youth development and it has been operating on a reduced budget since.

The development of athletes in their home states is entirely appropriate.

What is missing from this arrangement at the moment is the appropriate oversight of the national body. SAL should already be working towards the 2020 Games, with the states clearly understanding their role in producing future Olympians and Paralympians. This forms part of the broader communication issue discussed earlier, and the MOUs being introduced should address roles in junior development.

A common occurrence across the consultations was use of the word “*hope*”. SAL is *hoping* the emerging talent will be successful, much like SAL was *hopeful* its HP approach leading into London would work. An organisation relying on hope is an organisation without confidence in its people, systems and processes.

Talent identification

With the development of youth athletes left to their home programs and the member states, talent identification is based primarily on results at competition. Those young athletes winning and placing progress into state and national programs. This approach has been described as unsophisticated. The lack of national alignment to a strategy leaves the various layers of the pathway system operating independently of each other. At a surface level, despite the trend in other sports to seek out talent and invest, swimming relies on talent rising to the top in an almost ad-hoc manner.

By focusing on results in junior competition, swimming is potentially missing out on a number of gifted athletes with significant potential. Many sports will look at individuals gifted with athletic ability, but only raw technical competency.

While swimming can be a more difficult sport to do this, there seems to be opportunities being missed. Regional championships, state championships and open water swimming events have all been identified as events where talent sitting outside the system could be recognised and nurtured.

It also seems that the coach accreditation model has an impact on talent identification. Parents have to work out how the existing, simple age-based linear pathway operates and what options there are. Having done this, they then get caught in a multi-pronged negotiation between themselves and different coaches who are each looking for athletes to augment their programs. This occurs with little strategic oversight from SAL. There were many cases where swimmers felt compelled to stay with a coach even if this was not the best environment for their development.

Recommendation 28

Youth development

To improve its opportunities for sustainable HP success and ensure the sport is able to capture the right talent, SAL must identify resources to be reinvested into its youth development strategies, pathways and talent ID programs as a priority.

Current team culture and leadership – Olympics

The disappointment of a 20-year low in performance outcomes for swimming was compounded by a number of instances of questionable behaviour. Many of these played out publicly in the media during and after the Games. Throughout the Review the Panel became aware of examples of the following behaviours within the team:

- abusing a system designed to assist preparation
- not attending competition to support teammates
- acting in a manner elevating themselves above teammates
- celebrating the underperformance of teammates
- expecting special treatment
- giving preferential treatment
- not acting on reports of poor behavior
- being satisfied simply with selection rather than focussing on further improved performances on the Olympic stage, and
- an attitude of ‘What’s in it for me?’

The Panel also received detailed accounts of bullying by a few team members. There were consistent reports of this and the Panel does not intend to go into detail as this is more appropriately addressed in the Bluestone Review.

A number of contributing factors resulted in this poor behaviour, including:

- a lack of leadership and support for leaders amongst the team
- individualism
- the challenges of a generational shift in the athlete cohort
- the lack of a proper induction process, and
- the team not enforcing consequences for poor behavior and abrogating their responsibility to create the right environment.

Leadership vacuum

Over the last 20 years, Australia has been blessed with a number of once-in-a-lifetime swimmers. Many members of the team in this period were natural leaders – individuals who demanded respect through their actions in the pool, and set the example out of it.

However, following the Beijing Olympics, the last of this era moved into retirement, leaving a void behind them. Since then, this gap in leadership has become more obvious. In general, the most talented members of a team are not always natural leaders. Such athletes either shy away from leadership roles, or do not necessarily set the example out of the pool expected of leaders. Those who set the example and possess the right personal characteristics have not necessarily been the champions in the pool past leaders have. In the current team environment this has made commanding respect more difficult.

Almost every swimmer the Panel spoke with identified Grant Hackett as the epitome of a natural leader, and suggested that following his retirement there has been no standout individual within the team to assume leadership.

Behavioural and cultural issues on the team have escalated in the four years post-Beijing, culminating in the problems arising in London. With some instances of immature and questionable behaviour, there were few leaders or systems of checks and balances to step in and nip it in the bud.

The Panel believes part of the cause is poor leadership from those sitting above the athletes. A lack of consequences for poor behaviour is evident. Some athletes treat their place on the team as a right and not a privilege. They do not appreciate the history of the sport and those who have come before them.

When athletes misbehaved, broke team rules and abused privileges designed to enhance performance, it appeared there were no consequences. Where peer leadership fell down, there was no leadership from coaches and team management to fill the gap. Instead, the Panel believes reports of poor behaviour were kept in house by some of those in leadership positions and individuals not dealt with.

By having no consequences for actions, an environment was created which was not conducive for the development of leaders.

The induction process needs to be improved to rectify this. More meaning needs to be attached to a new member coming onto the team. Having a past great in that swimmer’s event present their yellow cap could be one step towards instilling more of a feeling of privilege into selection on the team.

Moving away from the culture of individualism is something SAL and coaches can push. If athletes understand major meets go beyond them as individuals, this will go far in building the team culture sorely missed in London. A move away from individualism will also be beneficial in developing leaders.

In both the Olympic and Paralympic teams, there were accusations of favouritism by team management towards particular athletes. Such behaviour would only have served to further promote this culture.

Respect for leaders is said to be a challenge with Gen Y athletes in any sport. This is even more challenging where athletes are incubated in an artificial environment from a young age, where the high level of self-belief required to succeed is promoted.

It is management and the coaches who must set the example. It is then the responsibility of the athletes to follow it. Through building greater respect for their place in the team, athletes will again take ownership of the team and protect it from those that do not adhere to expectations. Leaders will emerge to shape a culture of respect and success.

Recommendation 29

Athlete culture

To build a culture of pride, respect and success, SAL should review, develop and implement an approach outlining team values, expected behaviour, and consequences for not adhering to those standards.

As stated earlier, in consultation with the Panel, SAL commissioned Bluestone Edge to conduct a review of the culture and leadership in Australian Olympic Swimming. This cultural review will be an important tool in helping SAL rebuild the team's culture.

Team of individuals

Instances of individualistic behaviour were well documented following the Olympics and many pointed to the staggered arrival of athletes into the Manchester staging camp and then Games Village as a starting point.

In reality, the HP system and sport itself promotes individualism. Athletes had received customised support in an environment built to focus on them. The HP strategy prior to and at London was to allow each athlete to have the preparation best suited to their individual needs. This approach epitomised the attitude of individualism to plague the team in London, but was just one factor contributing to a team of individuals.

There was a lack of opportunity for athletes to bond together as a team. This was in part due to the strategy of supporting customised preparation, partly due to the cancellation of the Canberra meet, and partly due to a lack of planning by SAL. The result was a team of individuals.

Generational shift

Many sports are describing the challenge of coaches and team management relating to *Gen Y* athletes. It is widely held that this generation is far more likely to question things than those who came before it. This creates an issue in a sport where many coaches competed, then began coaching, in a time where the coach instructed and the athlete followed.

When athletes begin asking why they need to do something, this creates a perception they are difficult to coach. Whether this perception is right or wrong is not for the Panel to determine. What it can determine is generational shifts are creating issues as coaches and management struggle to adapt.

Gen Y athletes have grown up in a completely different world to their parents, their coaches and their sport's administrators. These groups are the ones to suggest Gen Y cannot handle criticism, require constant attention and praise, and do not have the work ethic of yesteryear. These groups are the same people to have raised this generation and created the environment they now criticise.

The Panel spoke with a number of athletes who were impressive young women and men. It is commendable that those who were able to be involved in the Review process were those who want to see success for the sport, not just themselves.

The real challenge with Gen Y is finding how to communicate and deliver the message effectively. This requires innovation, and the leaders in the sport to look at new ways to do things. Doing things the way they have always been done will no longer produce results.

By coaching these athletes the way they need to be coached, the results will come. To this end the individualised approach has merit. Understanding people are different, and have different needs, makes a lot of sense in developing a coaching model.

There were some calls for a return to a previous era of strict compliance and "*Do as I say*". A better solution would be to take the best of this approach and communicate clear standards with strong accountability and responsibility demanded from those on the team to adhere to. This fits in well with an individualised approach to athlete development. To ensure this strategy has adequate traction the need for a level of trust that these standards are designed in the interest of those it would affect is important. The Bluestone Review refers in-depth to this and points to an **ethical framework** to support the agreed standards. The Panel supports this approach.

Induction onto the national team

There is a broad lack of understanding by athletes around the privilege of representing Australia. Where athletes do not appreciate the privilege, they do not give it due respect. This can lead to behavioural challenges.

One cause is a lack of expectations being articulated to new team members. There was a general lack of information provided to athletes as to rules, consequences for breaking them, and broader expectations for being on the team. This highlights a need to improve the induction process, providing more information and outlining expectations.

Another cause is a lack of understanding and appreciation of what it means to represent Australia. There is also a perception among some athletes about their place on the Australian team. Specifically, some view themselves as *on the team*, rather than *on the team for that meet*. It is a subtle difference, but an important one.

Many members of the Olympic team are unaware of those who came before them. The induction process was widely criticised, with a feeling it could be enhanced to truly bring a new member onto the team.

The Australian cricket team has done an excellent job in this regard through the baggy green presentation to all debutantes. In the presence of their teammates, a past great is brought in to present the cap, speak briefly about what it meant to them, and wish the debutante well. The Panel could see a similar approach working well with swimming, perhaps through the presentation of a gold cap.

The absence of the gold cap in London was a relatively small thing; however, the public comment on its absence highlights its value to Australian swimming. SAL has already committed to having the gold cap return. The Panel suggests this be limited to official Australian open teams at major meets. This will add to the significance of making an Australian team.

Part of this problem comes from a lack of differentiation between being part of the broader high performance system, and a member of the Australian team. Youth teams receive the same uniforms as the open team, and there has been evidence of athletes being satisfied with simply making the team once.

Sailing is considered to be the current benchmark in high performance management. Its impressive results at London solidified this position. This success came on the back of a disappointing performance at Athens, and a review of its HP Program that followed.

In the sailing HP system, there is the Australian Sailing Squad (ASS), and the Australian Sailing Team. Only members of the AST receive the green and gold uniform. It is a small thing, but has been said to motivate those in the underpinning ASS.

Another contributing factor has been attributed to the lack of identity for the national team. The Australian Swimming Team was known as the Dolphins for a number of years. This branding was affixed to the major sponsor of the day; firstly Uncle Toby's, then Telstra. For some reason upon Telstra ending its sponsorship, the Dolphins identity ended as well. There was a proud history for Australian swimming as the Dolphins, and restoring the moniker may be a small step in restoring the sense of team among what is currently a group of individuals.

Recommendation 30 *Induction*

To create a culture of privilege rather than entitlement, SAL should implement an induction program for the team focusing on its past success, its champions, traditions, what the team represents and the honour in being part of it.

Role of team management and coaches

Coaches have an important relationship with their athletes, and are key influencers of behaviour. Team management should have clearly set out expectations and consequences, and used the coaches to reinforce the message.

It is well documented that a number of behavioural issues occurred over the Olympic campaign. From the consultations with members of the team, at all levels, it was apparent that the role of team management and coaches in

addressing behaviour was not clearly understood. The cultural impacts and considerations for addressing this are widely discussed within the Bluestone Edge report.

When behavioural issues arose, athletes turned to their home coaches. At some point beyond this initial conversation, there was a breakdown. The Head Coach and other members of team management were either not informed of the complaints, or decided to take no action. In either instance, this represents a breakdown in process.

The number of inexperienced coaches in London may have hindered this process and exacerbated the problem. This makes the case for team management intervening early even stronger. In the absence of leaders standing up within the team to set expectations, it should have been the role of coaches and team management to intervene.

Every part of the team – athletes, coaches and management – must accept responsibility for the decline in behaviour and team culture. A factor that contributed was the lack of written and agreed responsibilities promoted by SAL. Position descriptions are an essential part of human resource management and create understood lines of reporting and responsibility. These should apply to paid and volunteer staff equally and become an effective way of setting out these responsibilities amongst an ever changing workforce.

Moving forward, it is SAL and its team management's responsibility to set, communicate, demonstrate and enforce the behaviours it considers necessary for success. This process will include involving the coaches and athletes, and using each group as champions for the cause. Where an athlete or coach demonstrates behaviour in contrast to expectations, it cannot be ignored. This creates a poor culture of no consequences, and individuals acting outside of the team's values.

Recommendation 31 *Role of team management and coaches*

To define expectations for a culture of success, SAL must draft a full set of position descriptions applicable to all paid and volunteer staff. With these SAL must set, communicate and enforce agreed standards of behaviour for the Australian swim team.

To ensure this culture is promoted, it is reasonable to expect that management and coaches also demonstrate these standards.

Current team culture and leadership – Paralympics

Performance

As opposed to the disappointment of Australia's Olympic performance in swimming, Australia's Paralympic performance was outstanding. The team fell just short of its pre-Games target, winning 18 gold medals and finishing second in the swimming competition. There were a number of significant individual efforts.

This success came against a backdrop of negativity from athletes regarding their treatment by SAL. There were well-publicised comments made about the lack of media coverage given to Paralympic swimming at the selection trials, where events were completed during commercial breaks.

Funding support for Paralympic athletes also became an issue to play out in the media, adding to the feeling of the Paralympic team being second class citizens.

Given some of these challenges, the overall success of London was all the more impressive.

Culture

While there were issues being played out publicly prior to London, there were further issues prior to and during the Games which did not. During the course of this Review, the Panel was made aware of similar issues to the Olympic team. Specifically, a number of athletes identified a culture of favouritism and preferential treatment on the team.

This culture is indicative of the broader issues within SAL, and demonstrates the overall paucity of leadership throughout the organisation. Where those in positions of leadership not only allow but play a role in poor behaviour, it is clear there is a need for change.

Two residential Paralympic programs operated in the lead-up to London; one in Canberra at the AIS, and one at the University of the Sunshine Coast. The AIS program has been beset by problems from its beginning, and a modified program was maintained by the AIS under a new coach from late 2011.

The USC program similarly had issues, with half of its athletes leaving the program prior to London. Team management has been accused of giving preferential treatment at the Games to those who remained in the program. Members of the Paralympic community felt the USC program was heavily supported, perhaps at the expense of others who could succeed. This is further evidence the program suffered from a lack of transparent decision-making around its funding, resourcing and tangible link to strategy.

Relationship with the Australian Paralympic Committee (APC)

Like other SAL stakeholders, it appears the APC found itself operating in isolation of any national HP strategy. Without communicated strategies or key performance indicators (KPIs) to assist the APC in its support of programs for Paralympic swimmers, any decision on targeting of athletes, investment in the system or guidance on preparation for major events was driven in isolation rather than in line with national priorities. It is clear that the Sunshine Coast residential program was developed without the input of the APC. SAL also needs to work closely with the APC on identifying where the best opportunities are for success and utilise the support that the APC can provide in the best way possible.

Recommendation 32 *Paralympic program*

To build a culture of working towards agreed national targets and goals, SAL must strategically deliver the program with optimal allocation of resources in a way that ensures athletes with the best chance of contributing to targets are supported.

HP support in London

SAL engagement with coaches and athletes

Feedback from athletes was that the Head Coach did not have any significant interaction with them prior to or at London. Stakeholders suggested there was more of a focus on engagement with coaches and using this as the communication channel through to athletes.

This was because of the individualised approach, where coaches were charged with managing their own programs without micro-management from the HP management team. With a number of first time coaches on the team, it was suggested to the Panel that there should have been greater influence being exerted by the Head Coach. The results would support this comment.

In the lead-up to London, HP staff were spread far and wide, servicing the various coach programs around Australia and at overseas training camps. Throughout the Review, there were questions asked as to what exactly they were doing, and for what benefit were they doing it.

Athletes reported instances of SAL HP staff attending training camps overseas, then not being seen again when the squad returned home. From the athletes' point of view, it appears to be a lack of continuity in some of the support services, or at least a lack of communication as to what HP staff were seeking to achieve. What it again highlights is the lack of strategic delivery within the program and transparent communication on decisions that directly affected athletes.

Checks and balances

Overall the approach of supporting athletes in the home program, and allowing customised preparations, had a lot of support. Without appropriate checks and balances such as national training strategies or targeted team goal-setting, there was no assurance based on evidence that strategies chosen by coaches would be effective.

If this approach is to be used again, it needs to be managed more closely and with checks and balances in place. The approach of giving a coach a blank cheque to do with as they see fit should change.

Pre-Games training camps and competition

This was a highly contentious issue. There was a period of around 21 weeks between trials and the Olympics. Following the trials, most athletes were given time off, with a new training block beginning a few weeks later. Many programs went on overseas training camps, with minimal evidence provided as to what benefit was hoped to be achieved.

There was also evidence of training programs actually being compromised and altered so athletes could spend time sightseeing and partaking in other holiday activities. This seems at odds with the purpose of such trips. It was suggested to the Panel that the best training conditions for swimming in the world are in Australia. This seems to be a hard comment to argue given the level of facilities and the fact that countries such as the US identify the Australian swimmers as their main rivals.

In analysing the preparations of the team, only 11 athletes across six coaches did not hold pre-Games training camps overseas. The other 37 athletes across 15 coaching programs all travelled to at least one overseas location prior to London, with many travelling to multiple locations.

When comparing the relative performance of each swimmer at the London Olympics to the times achieved at the Australian trials in Adelaide, it demonstrates that of 84 races swum by Australians in the London Olympics, 39 or 46% were faster times than those swum in the trials (based on swimmers' last race swim at Olympics). Some squads performed better than others, with Pope and Menzies squad members swimming faster at the Olympics than in the trials in all races (note they only had one athlete in each squad).

Of the larger teams, the Brown, Rollason and Baker teams performed relatively well, with five out of six, three out of four and eight out of 12 athletes improving on their trial times. The Best and Widmer squads underperformed against their trial times. None of the Best squads nine race times at the Olympics were faster than those achieved at the trials, while the Widmer squad achieved one race time out of seven faster than the trials.

While it is particularly difficult to draw any correlation between the destination of pre-Olympic training camps and the relative performance of the squads, it is evident that there was no strategy or broader team investment plan.

There was only one planned pre-Olympic meet, which was to be held in Canberra at the AIS. Due to a whooping cough outbreak, this event did not occur, leaving most athletes without a competitive race between trials and the Olympics. This break was widely criticised, and a comparison was often drawn to the US approach to contrast the differences in approach.

The Americans hold trials at the conclusion of their summer season a short time out from the Olympics, with the team then heading straight into camp. Athletes, already on the back of a tough NCAA season, are then required to maintain condition through to the Olympics. This approach was used by the Australian team once in 2003, without success. Based on this one poor outcome, many were quick to write this off as a viable option. One poor outcome should not be enough to rule out this approach in the future. As part of the broader discussion around Recommendation 27, it should be looked at by SAL, with an informed decision made.

COACH	PRE OLYMPIC CAMPS	NUMBER OF ATHLETES IN SQUAD	NUMBER OF OLYMPIC RACES TIMES FASTER THAN TRIALS	% OF OLYMPIC RACE TIMES FASTER THAN TRIALS
Pope	Paris/Barcelona	1	2:2	100%
Menzies	Townsville	1	2:2	100%
Brown	Tucson/Sanata Clara/Hawaii	2	5:6	83%
Rollason	Thredbo	3	3:4	75%
Baker	Mexico/Dallas	5	8:12	67%
Fowlie	Townsville	2	4:6	67%
Cusack	Townsville/Sunshine Coast	3	2:4	50%
Cotterell	Tenero	2	2:4	50%
Bishop	Hawaii/Vancouver/Santa Clara	2	1:2	50%
Magee	Direct to Manchester	1	1:2	50%
Stoelwinder	Paris/Barcelona	1	1:2	50%
Bohl/Palfery	Hawaii / Vancouver/ Santa Clara / Stanford / Montpellier	10	7:16	44%
Widmer	Hawaii/Sanata Clara/Barcelona	3	1:7	14%
Hiddlestone	LA	1	0:1	0%
Gartrell	No pre-camp	1	0:1	0%
Wallace	Domestic camps / Barcelona	1	0:1	0%
McKeon	Mexico/Dallas/Sydney/ Canberra/Barcelona	2	0:3	0%
Best	Hawaii/Gold Coast	5	0:9	0%
Braund	Mexcio/USA/Tenero	1	n/a	n/a
Towle	Oceania/Tenero	1	n/a	n/a
Overall		48	39:84	46%

Sports science

Innovation

Australia has a rich history of scientific innovation, including sports science. In a competitive environment, small advantages can be of great significance. This is reflected in SAL's HP budget, with sports science expenditure increasing from \$500,000 in FY08 to \$1.5 million in FY12. Throughout the Review, however, it was suggested that this is an area in which Australian swimming has lost its edge. Of particular note was a lack of innovation.

Many observers of elite coaching that the Panel spoke to highlighted how in swimming there is also a growing lack of knowledge in how to use new sports science technologies within the DTE. Coach education is a complex and expensive undertaking but does enable true innovation to thrive where such cutting edge practices are employed. Comments were also made of how little the AIS facility had been exploited due to location and environment rather than focusing on the access to world class training technology and expertise.

The most consistent question to be asked was how, with so much money being invested in the sport, technical deficiencies could still be an issue? It is widely held in swimming that a good start and turn is invaluable; many stakeholders noted this was a deficiency on the team in London. Data was presented to the Panel by a number of high profile coaches from various sections of the swimming community to support this theory. SAL in partnership with the AIS has for many years utilised the facilities and expertise available in Canberra to build this skill of starts and turns. Interestingly, even with this time spent analysing and applying lessons in the training pool, the US is still statistically better. An explanation was provided for this due to the benefit of a higher frequency of competition that the US swimmers are exposed to that allows them to practice this new skill.

The Panel understands that leading into the London games a series of training camps, primarily for relay teams, were conducted. The Panel notes that this technical focus is a very important element of the HP program that needs to be continued and improved upon. However, stakeholders commented about the low level of commitment and understanding of the desired outcome from this specific work, leaving a number of the squad members not being exposed to this preparation as in previous campaigns.

What is also clear to the Panel is that the issue is a function of the technical component and its application. What is necessary is for HP management to have oversight of strategies for innovation and technology to ensure the lessons and applications are of greatest benefit to the entire program – this includes doing the technical work and applying it in the right environment.

SSSM also represents another example of communication breakdown between SAL and its stakeholders. Some stakeholders discussed how SAL HP staff attended programs in their home environment without any notice or understanding of the purpose for the visit. This lack of communication was thought to be a contributing factor to an environment of poor alignment and duplication of these services.

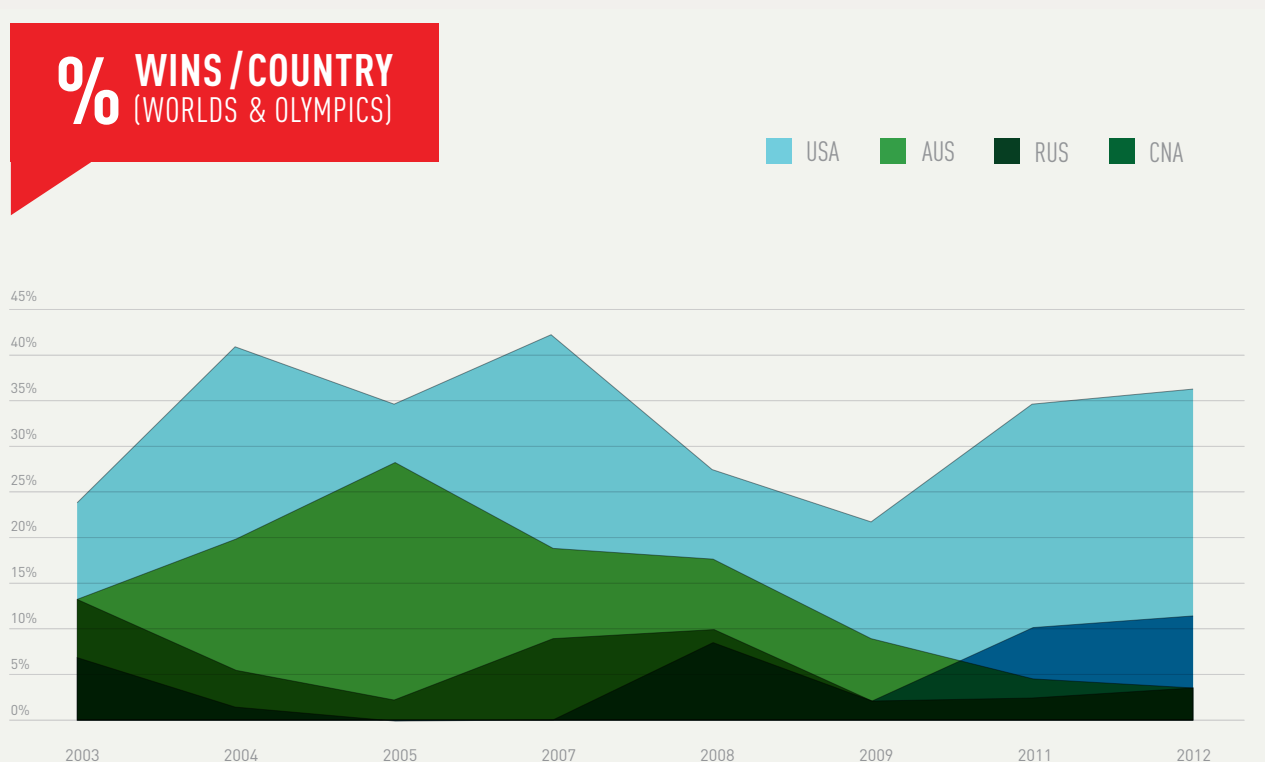
Through the approach of putting the best athletes with the best coaches in the best environment with the best support, there is ability for SAL to review how it provides quality assured SSSM services. For this to succeed, there needs to be greater engagement between SAL, the AIS and the SIS/SAS network to identify priorities and better use the combined resources across the whole sport.

Recommendation 33 *Sports science*

To promote greater use of resources across the sport and gain significant technical advantages for Australian swimmers, SAL should work more closely with its partners and the AIS and SIS/SAS network to identify and deliver a competitive edge through quality assured SSSM support.

Competitor nation analysis

The graph below displays the percentage of podium positions at each World Championship and Olympic Games since 2003. It shows clearly that Australia has been on a gradual decline since 2004 other than an exceptional result in the 2005 World Championships. The US after a sharp decline from 2007 introduced changes to the HP system and has shown an increase in success since 2009.



When looking at the results of each of these events for Australia, there is also a trend that shows the nation slipping out of the podium positions and towards 4th to 8th; this is shown in the graph below that displays the results from the World Championships and Olympic Games since 2003.

Below is a table that shows a summary of the top two World Rankings as at 5 July 2012 between Australia and the US. What it does demonstrate is the lack of medal opportunities open to Australia.

Summary of World Rankings as at 5 July 2012

	MEN'S		WOMEN'S	
	AUS	USA	AUS	USA
50FS	6,11	2,3	6,9	7,11
100FS	1,2	4,11	6,7	9,11
200FS	14,18	2,3	4,5	1,9
400FS	6,16	12,14	4,10	3,5
800FS			9,16	2,3
1500FS	33	4,5		
100Fly	5,17	1,2	7,11	1,6
200Fly	3,19	1,5	7,17	6,11
100BK	11,24	1,3	5,6	1,4
200BK	22,29	2,3	3,6	1,4
100BR	6,10	4,11	3,22	1,2
200BR	16	5,8	23,27	1,3
200IM	6,16	1,2	1,4	2,6
400IM	6,27	1,2	4,10	1,6
4X100FS	1	4	2	3
4X100MR	2	1	2	1
4X200FS	3	1	1	2

Ranking	Medal Chance
1-3	Very Good
4-10	Possible
>10	Unlikely

All of this information clearly demonstrates that there has been a gradual decline in the overall performance of the Australian Team. SAL and the coaching community would have access to this information plus even more detailed understanding of results such as relative split times, age relative progressive results and other indicators that would enable the sport to strategically target athletes and disciplines with a long term vision.

The Netherlands and United States

When discussing how Australia has lost its edge, the obvious question is to look at which nations are doing things well. The United States has already been identified, and was the most often mentioned example of a nation doing things right. The same caveat invariably was raised, however: their size makes it hard to make a reasonable comparison.

It was publically documented in the media that the US have historically considered Australia to be its main opponent, but leading into the Olympics much of the discussion was around the decline in Australian talent being replaced by nations such as Japan and Great Britain.

Another nation often mentioned by stakeholders was the Netherlands. The Dutch approach has been to adopt a targeted strategy concentrating on sprint events. This is due to the high number of such events on the program, meaning more medals for a smaller investment. Swimmers are brought together into a centralised training program, where they are in high intensity competition in their DTE. Most noted this was a good approach, but felt it would not be transferrable to Australia due to geographic restrictions and a desire for Australia to compete in all events. Australia over the past three Olympics has changed from a nation that has focused on and succeeded largely in the long distance events to one that has some level of attention across a far wider range.

US review of athlete pathway

US Swimming has carried out a significant review of its elite pathway with the view of implementing recommendations from 2013 to ensure the sport is able to provide the best possible opportunity for athletes to be discovered and nurtured through to Rio and beyond.

Broadly the recommendations from this review centre on “pathway” refinement. They create a distinction between the LTAD and elite athlete programming and provide guidance for refinement to enable strategic delivery of services to over 500 elite athletes in the system. Complementing this refinement is a renewed investment in the coaching system for those athletes, with a focus on consistency, quality and a national vision.

The underpinning recommendations address the linear manner in which the “pathway” is currently programmed and how this does not reflect reality. The review gives guidance to creating a system that has flexibility to allow elite athletes and coaches to move through the system under clearly stated goals within an overall vision. The outcome is that at any point all participants in the elite program understand what is expected and how they contribute.

What both examples show are systems being developed to achieve a clear objective. Australian swimming has been content doing what it has always done, and without a clear outcome. The HP strategy must be supported, with the system set up to achieve the objectives. This may include centralised contracts, centres of excellence and coaching specialisation.

The Panel found that, even though a large number of SAL stakeholders had carried out varying degrees of competitor analysis, it was not evident that this was conducted with any national coordination or applied broadly in a strategic context.

Recommendation 34 Competitor analysis

Internationally swimming is becoming far more competitive. Systems employed and the analysis of results, due to advances in technology, has enabled smaller competitors to progress and the larger ones to maintain their dominance. SAL must develop far more sophisticated and nationally-driven competitor analysis and apply this knowledge to strategic investment in its elite system.

Athlete preparation

Physical and mental preparation

A lack of competitive swimming in the lead-in to London has been discussed, as has the unsupervised training programs and camps. When these were combined with some of the cultural issues identified among the athletes, particularly a sense of entitlement, it was not surprising athlete preparation was a consistent theme to emerge in the Review process.

The poor Australian preparation showed in the pool, where only 39 of 84 races were faster at the Olympics than the selection trial times. For a pinnacle competition athletes spend four years training toward, it is startling that many were not prepared for a peak performance on the Olympic stage. This gives further weight to comments raised during the Review that some athletes were satisfied having just made the team, and were in London to *participate and party*.

Mental preparation has also been questioned. With many first time athletes and coaches in the team, there was a feeling many were underprepared for the intensity of the competition. While there is no substitute for experience, there is a suggestion this was more to do with a lack of respect for the competition and event.

There was much made of the lack of a sports psychologist with the team in London. Some stakeholders viewed this as an excuse for poor performance. This view was on the basis that a sports psychologist offers little value by the time an athlete reaches competition. It was also noted there was a team psychologist available through the AOC in the village.

The Bluestone Edge review looks deeper into the individual impact of this issue but from a structural position the Panel believes the use on teams in the past of a psychologist has a broader positive impact on the operation and wellbeing of the team as a group. This person’s primary responsibility was not for the individuals but the harmony of the team and support of the coaches and management to address issues impacting on team harmony.

While opinions were divided as to the benefits of a SAL-appointed sports psychologist in the village, it seems odd to have changed what has been standard practice for a major meet. Having said that, the idea that some athletes used this as an excuse for their poor preparation is consistent with the overarching theme of poor accountability.

Understanding media policies

Media plays a critical role in the development of a brand, communication of significant events and the production of assets in the form of athlete access or events which combine to promote the sport. The challenge in today's world is that media is not controlled by a central body, be that the sport or traditional broadcast channels. Athletes, coaches, members, fans, the general public and new phenomena such as the 'twittersphere'¹⁹ impact on the message and in varying degrees control the message.

On the eve of the world's largest sporting event to be fully *socially integrated* from a media sense, it is clear that SAL and the team were not prepared for the changes that had occurred in the media landscape.

Even within the media reporting during the games there were reports on how athletes' preparation and focus was distracted in attempts to draw publicity around social media usage. Comments about getting caught up in one's own hype on twitter made headlines. The photo of the Australian team sitting in the stands, collectively on their smart phones, became a defining image. Social media was often pointed to as a contributing factor for poor performance – the view being athletes are distracted by social media and the comments they receive directly from the world through it.

A strategy often suggested was to simply ban smart phones and social media use in competition. The issue is not that simple, and such suggestions only serve to highlight the lack of understanding and expertise within SAL management. This may have contributed to the manner in which some athletes dealt with the media in the aftermath of the Olympics.

In support of the athletes, there was a lack of meaningful social media training. Where it did happen, athletes recall the education being focused primarily on what not to do when using social media and focussed on regulation around the promotion of non-official sponsors. This is a considerable loss of an opportunity that other sports have excelled in.

It is critical to educate all stakeholders who have a voice on behalf of the sport. This needs to be supported by effective and articulate policy and underpinned by training that provides a broad range of skills to these stakeholders that will (as best as possible) protect the brand and reputation of the sport. This style of education can also create possible commercial viability for the individual and sport through strategic promotion of these brand assets.

Similarly, athletes have advised they did not receive any meaningful media training from SAL.

19 *Noun (the Twittersphere) informal* – postings made on the social networking site Twitter, considered collectively: *the Twittersphere was abuzz when the story first broke.*

Social media has become ingrained in society. Like any form of media, it is an environmental factor capable of distracting from productivity but equally contributing to it. Through the communication of the advantages, risks and consequences of media interaction, athletes, coaches and SAL would be better positioned to manage the multiple channels of communication being directed around them. To be successful, this requires accountability from all involved.

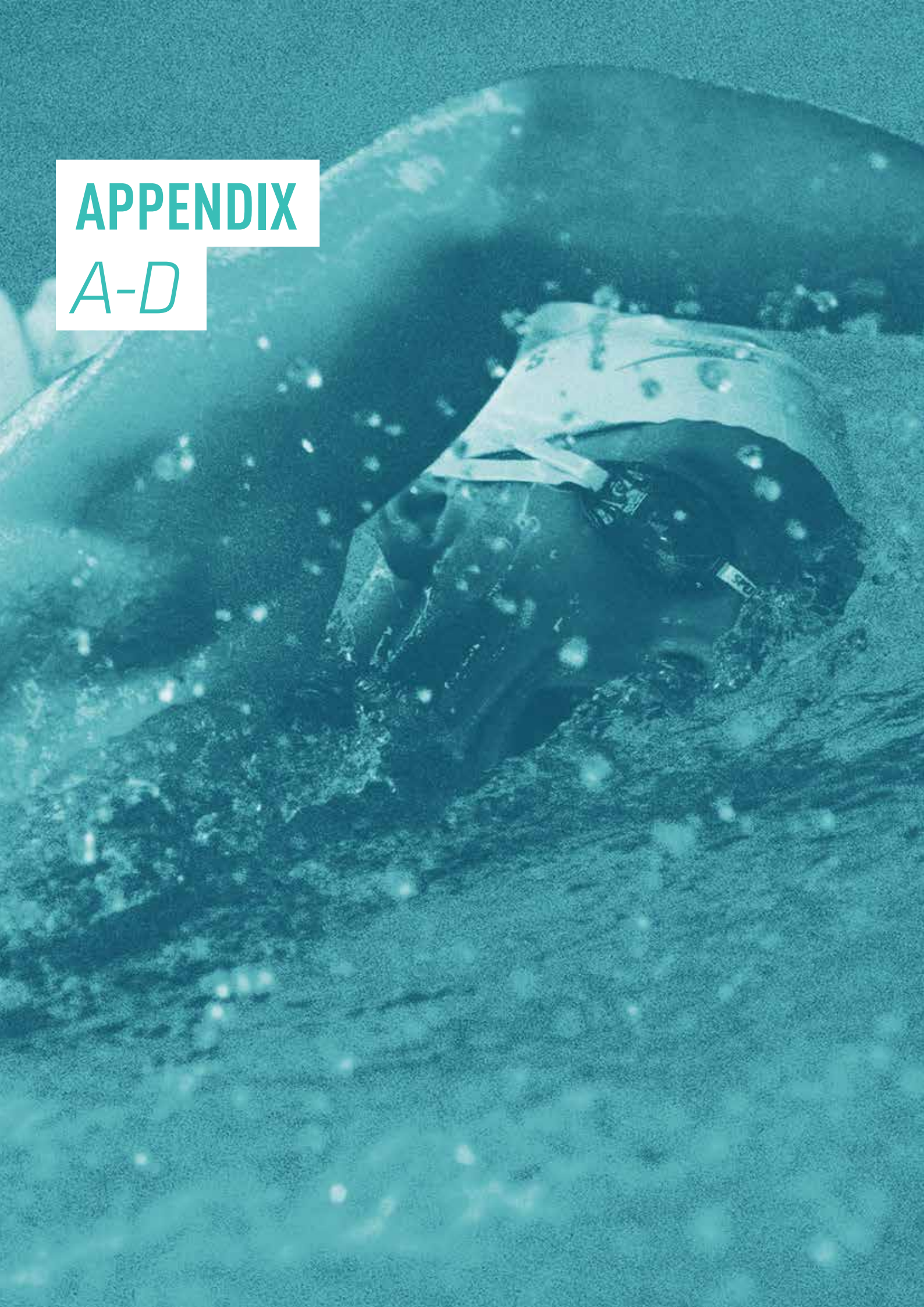
Recommendation 35 Media training

To equip elite swimmers, coaches and others who have actual or prospective influence in the media, SAL must review, design and implement media training that covers both traditional and social media.

SAL should also take the opportunity to work with these members to build its brand assets and collectively use these assets to promote the sport in a positive fashion and provide commercial revenue at organisational and individual levels where possible.

APPENDIX

A-D



APPENDIX A: INDEPENDENT REVIEW OF SWIMMING TERMS OF REFERENCE

Background

The performance of our swimmers has consistently underpinned Australia's Olympic campaigns. As historical context, swimming has provided 59 of Australia's 142 Olympic gold medals. Swimming has had particularly strong Olympic results over the past decade since the Sydney Olympics in 2000.

But past performance is not a determinant of future success. The London 2012 Olympics have shown that competition to be the best is fiercer than ever and the world has raised the bar when it comes to being the number one nation in swimming.

Australia's swimmers performed admirably at the London Olympics – delivering 10 medals. At the Paralympics, Australian swimmers had an outstanding Games with 18 gold and 37 medals. It is clear that if Swimming Australia (SAL) is to sustain high standards of success in an increasingly competitive environment, it must critically assess its High Performance Programs and the governance structures and administration that underpin them.

Purpose

Following the results of London, the Board of SAL, in partnership with the Australian Sports Commission, is commissioning an independent review of the design, delivery and administration of swimming's High Performance Programs to gather and evaluate evidence about the strengths and weaknesses. This will enable the Review Panel to make recommendations on how to improve on the existing approach.

Scope

The Review will examine all aspects of the High Performance Programs and administration from SAL as well as the support provided through the Australian Sports Commission (ASC), Australian Institute of Sport (AIS) and the State Institutes and Academies of Sport (SIS/SAS). It will also consider how these programs and support link to the broader swimming community to create the conditions for sustained high performance success.

The Review will assess the aims and objectives of SAL's High Performance Program and consult widely with the sport's stakeholders to describe and analyse the current arrangements for high performance design and delivery, to ensure it is best practice globally in the sport. The Review will identify gaps in performance and recommend changes to ensure the sport is capable of achieving its desired goals.

The scope of the Review will include consideration of the following:

1. Analyse the strengths and weaknesses of Swimming Australia's administrative and governance structures as they pertain to high performance, including the organisation's strategic planning, resource management, performance reporting and monitoring and risk management. It will assess the ability of the sport to proactively anticipate and respond to changes in the global competitive environment of swimming.
2. The effectiveness of SAL's overall strategy, structure, policies and processes that underpin its high performance system including:
 - a. the domestic, national and international competition structure
 - b. effectiveness of talent identification and development programs
 - c. coaching support, investment and development to ensure Australian swimmers have access to the best coaching possible

- d. current and previous SAL Olympic and Paralympic teams including current team culture and team leadership
 - e. high performance management, coaching and athlete support services in the lead-up to and during the London 2012 Olympics and Paralympics
 - f. aspects of sports science and its delivery
 - g. relevant competitor country analysis
 - h. the impact of social media on athletes' preparations
 - i. any additional matters considered necessary by the Review Panel.
3. Consider any other deficiencies, issues or opportunities relevant to ensuring that SAL is a world leading sporting organisation.
4. Identify the views of relevant stakeholders including:
- a. the Board
 - b. staff
 - c. state members
 - d. coaches
 - e. athletes HPP personnel
 - f. appropriate government agencies
 - g. commercial partners
 - h. relevant parties involved in the sport
 - i. any other relevant persons from swimming or the broader Australian sport system (including the ASC and National Institute Network).
 - j. In seeking stakeholders' views, the Review Panel will instigate a process to ensure that participants can submit their views confidentially if required, in order to receive frank and open input to assist in the Panel's deliberations.
5. Benchmark SAL's High Performance Programs and administration against other leading swimming nations, with a particular focus on the top three in London. It will also consider the approaches of other leading Australian sports.
6. Other factors that may be considered within the Review:
- a. any impediments to SAL's ability to deliver the recommendations of the Review
 - b. any differences in aims, objectives or pathway between SAL and its member states
 - c. use of ASC funding
 - d. any risks and opportunities.

Review Panel

The Review Panel will be chaired by the Hon. Warwick Smith AM. Additional Panel members will be Mr Tim Ford, Mr Kieren Perkins OAM, Ms Petria Thomas OAM and Mr Matt Favier. The ASC will provide secretariat support to the Review Panel.

Review timetable

The Review is to be commenced as soon as practicable. A detailed timetable will be formulated and agreed upon by the Review Panel. Consideration will be given to ensuring that the recommendations and implementation plan can be formulated ahead of the ASC's 2012/13 Annual Sports Performance Review of funding.

APPENDIX B: HIGH PERFORMANCE COMMITTEE CHARTER

HIGH PERFORMANCE MANAGEMENT ADVISORY COMMITTEE CHARTER III

General By-Law 5.1 requires the Chief Executive Officer to convene a High Performance Management Advisory Committee for the purpose of providing advice and recommendations to SAL management, along with serving as the joint P2P committee with the Australian Sports Commission. The Committee is to assess the appropriateness and effectiveness of the strategies and operations towards achieving the objective of being the Number 1 swimming nation in the world.

The composition, functions and operation of the High Performance Management Advisory Committee are detailed below.

Key functions

The key functions of the High Performance Committee are to:

- evaluate the rolling four-year High-Performance Plan, the short and long term objectives and strategies to deliver the results that achieve and exceed KPIs outlined within the national High-Performance Plan;
- analysis of progress towards achieving the strategic objectives outlined within the High-Performance Plan.

Membership

Details in relation to membership are as follows:

- SAL General Manager High Performance Unit (Chair);
- SAL Head Coach and SAL Youth Coach;
- AIS Head Coach;
- Three high performance personnel (e.g. coaches, scientists, managers) with the skills and experience needed for planning and analysis of high performance plans and their implementation, appointed by the CEO;
- A representative of the Australian Sports Commission.
- Note: The SAL CEO shall have a standing invitation to attend all Management Advisory Committee meetings.

Operation

In relation to the operation of the Advisory Committee:

- The Committee will meet annually;
- The CEO will call for applications by 15 October annually for the non-SAL employee positions on this committee;
- The CEO, with input from key members of the high performance unit will appoint members of this committee; and
- Members serve a term of 12-months and are eligible for re-appointment.

Note: The Chief Executive Officer shall submit to the Board for approval a charter setting out the composition, functions and operation of the High Performance Management Advisory Committee prior to the SAL Annual General Meeting each year.

APPENDIX C: KPMG SUMMARY OF FINANCIAL ANALYSIS

SAL income

- SAL revenue has increased consistently since FY05 at a CAGR of 7.4% driven by higher grants from public entities
- ASC grants have been the main driver of the increase, having grown at a CAGR of 15.4% between FY05 and FY12 and accounting for almost 50% of SAL total income in FY12
- Sponsorship has fallen from being the main source of income in FY05 representing 37% of total revenue to being only the 4th largest source of revenue representing less than 10% in FY12. The main drivers of the decline in sponsorship revenue was the loss of Telstra as SAL's long term headline sponsor and being unable to negotiate the new contract with EnergyAustralia on comparable terms

SAL expenditure

- SAL expenditure increased at the same rate as revenues since FY05 at a CAGR of 7.4%
- The High Performance Program (HPP) represents the majority of SAL expenditure followed by Support Units. HPP has consistently represented over 40% of the total expenses since FY05, and is currently at its highest proportion of 43%
- Support Units accounted for 28% of expenditure in FY12, compared to 35% in FY05
- Although historically the smallest component of expenditure, the Paralympics Preparation Program (PPP) proportion of expenditure has grown the fastest. Between FY05 and FY12, PPP expenditure increased almost 500%

High Performance Program expenditure

- Expenditure on the HPP unit has increased marginally faster than SAL total expenditure since FY05, 8.5% versus 7.4%
- The main components of the HPP expenditure relate to swimmer payments, administration expenses and international competition costs
- Payments to swimmers increased at a CAGR of 14.6% between FY05 and FY12. The average payment per swimmer has increased from \$6,077 (FY05) to \$20,500 (FY12), as a result of a higher funding pool to be distributed to fewer swimmers. We understand that the increase in swimmer payments has largely been a result of the increased Australian Swimming Association (ASA) representation
- Administration expenses also increased at faster rate than total expenditure, at a CAGR of 11.1%. This was largely driven by an increase in the number of HPP staff and an increase in staff salaries over time

- International competitions expenditure decreased at a CAGR of -3.6%. Between FY05 and FY08, international competitions had been the largest expenditure component of the HPP unit. The expenditure on international competitions is relatively volatile and dependent on a number of factors such as the number of athletes attending each competition and the location of the competitions, both international or domestic
- Other new expenses have become an increasing proportion of HPP expenditure. This increase has been driven by expenditure on programs such as athlete wellbeing, the coach retention program, centres of excellence and daily training environment, most of which have only been initiated (accounted for separately) since FY10. These four programs have grown to 14% of the total expenditure in FY12
- Between the two Olympic cycles of Beijing and London, SAL revenue (and therefore expenditure) increased approximately 30%. This was mainly a result of a 64% increase in grants
- Expenditure on the HPP increased \$7.1 million (32%) between the two Olympic cycles. The majority of this increased funding was spent on swimmer payments and administration costs (together increasing \$4.3 million)
- When compared to budgets, since FY05 actual HPP expenditure has always been below budget. The main reasons for this shortfall in expenditure are 'padding' of budgets, programs not being implemented as planned, budgets not being sophisticated and little accountability within the HPP to budgets
- In the 2012 London Olympics the HPP unit failed to meet its KPI targets to win seven gold medals and finish at least second in the swimming medals table, recording one gold medal and finishing in seventh place

Below KPMG has analysed the other elements of the High Performance Program expenditure not covered in the Review report:

<p>Sports science</p>	<p>Sports science expenditure relates to the study and application of the latest techniques to improve performance. The HPP employs several staff to implement this program. Sport science expenses have increased at a CAGR of 30.2%, from \$83,000 million in FY05 to \$526,000 million in FY12 (excluding staff salaries). The increase has been a result of an increased emphasis on sports sciences. As a result, SAL has increased staff numbers with the associated travel and administration expenses increasing costs. Grants and sports science services paid to third parties for research into specific areas of focus have also increased.</p>
<p>Open water program</p>	<p>Expenses in the open water program relate to individuals competing in the open water swimming disciplines such as the 10km swim. Expenses on the open water program accounted for only 1% of the total HPP unit expenditure in FY12. The expenses relate mainly to national camps and tours and, as such, fluctuate from one year to the next depending on the number of camps, competitions and athletes.</p>
<p>Youth / under 18 tour</p>	<p>Youth tours relate to a competition that typically occurs every other year. Tour schedules and activity can vary considerably depending on the year, which explains the volatile expenditure. The expenses are also impacted by the location and number of swimmers attending each tour. In FY12, youth / under 18 tours accounted for 1.5% of HPP expenditure.</p>
<p>State Institute funding</p>	<p>In FY12, SAL provided approximately \$744,000 to State Institute and Academies of sport (SIS/SAS) to support their swimming programs. Certain athletes receive support directly from the SIS/SAS (this is discussed in more detail later in this report). The payment from SAL to the SIS/SAS is dependent on the performance of the SIS/SAS athletes. Once the funds are distributed to the SIS/SAS, SAL has no visibility on how the money is spent.</p>
<p>Athlete wellbeing</p>	<p>The athlete wellbeing program started in earnest in FY11 to provide education programs to athletes on alcohol consumption, drugs and career plans etc. SAL receives funds from the government to assist this program. In FY12 the athlete wellbeing expenditure was approximately \$225,000.</p>
<p>Daily training environment (DTE)</p>	<p>The daily training environment program started in FY11, with funding allocated to each athlete to be spent on their training program and preparation, such as physiotherapy, altitude training, etc. The use of funds is at the discretion of the athlete. After the annual benchmark event, athletes that do not qualify are no longer entitled to these funds. In FY12 the expenditure on the DTE was approximately \$400,000.</p>
<p>Coach retention program</p>	<p>The intention of the coach retention program is to identify the top coaches in Australia and provide them with additional incentives to remain in Australia and coach up-and-coming athletes. Expenditure on the program is volatile with no payments in FY08, FY09 and FY11, while in FY10 and FY12 the expenditure on the program was approximately \$300,000 and \$351,000 respectively. The FY12 funding was targeted towards approximately 15 of Australia's elite swim coaches.</p>
<p>General coaching program</p>	<p>The general coaching program is designed to enable senior coaches (such as Ian Thorpe's ex-coach) to mentor up-and-coming Australian coaches. There are currently two coaches in the program. In FY12 the expenditure on the program was approximately \$360,000.</p>
<p>Centres of excellence</p>	<p>The centres of excellence initiative started in FY10, having been proposed by the Head Coach to provide private swimming clubs with funding to increase swimming activities across Australia. There are currently nine centres of excellence that each receive approximately \$30,000 in FY12. The centres need to meet certain requirements to qualify as a centre of excellence. They are required to provide expenditure plans. Centres of excellence are analysed in more detail in section 3.</p>

APPENDIX D: SAL CURRENT AND FORMER DIRECTORS (2008–2013)

DIRECTOR	ELECTED/APPOINTED	CEASED
Chloe Flutter	January 2013	Current
Nicole Livingstone	October 2012	Current
Graeme Johnson	October 2012	Current
Mark Arbib	May 2012	November 2012
Peter Lozan	October 2011	Current
Tom Picton-Warlow	October 2011	Current
Barclay Nettlefold	July 2011	Current President
Bruce Sullivan	January 2011	July 2011
Jeremy Turner	October 2009	Current
Clem Doherty	May 2009	Current
Matt Dunn	October 2008	October 2011
Pip Downes	September 2008	February 2012
Margaret Pugh	September 2008	October 2011
Lynne Bates	February 2008	October 2010
Kevin Neil	February 2008	August 2008
Gary Barclay	October 2006	Current
Lawrie Cox	October 2006	October 2012
Chris Fydler	October 2006	October 2010
David Urquhart	September 2004 (President Sept 08 – Oct 12)	October 2012
John Mannes	September 2004	May 2005
Neil Martin	September 2004 (President Sept 04 – June 08)	June 2008

