



Tennis NSW

Structural Governance Review of Tennis in NSW Stakeholder Report

Board Advisory Services

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This report contains 19 pages

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Third party reliance

This report is solely for the purpose of providing information to the Board of Tennis NSW and affiliated stakeholders in the tennis in NSW network, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

The report has been prepared at the request of the Board of Tennis NSW in accordance with the terms of KPMG's original engagement letter dated 16 November 2007 and scope extension engagement letter dated 30 April 2008. Other than our sole responsibility to Tennis NSW, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Inherent limitations

The procedures performed in undertaking our work, i.e., our Review, constitute neither an audit nor a comprehensive review of operations in accordance with Australia Auditing Standards and, consequently, no assurance is expressed.

The findings are based on a qualitative study and the reported results reflect a perception of the governance practices within tennis in NSW at the date of the report, but only to the extent of the consultations held, being the Tennis NSW Board and the approved sample of management and stakeholders provided. Any projection to the wider management and stakeholders is subject to the level of bias in the method of sample selection.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the Tennis NSW Board and management and the stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form. The findings in this report have been formed on the above basis.

1 Stakeholder overview

1.1 Purpose of the Review

This report presents the findings and recommendations of a Review of the structural governance of tennis in NSW.

Governance refers to the system by which something is directed and controlled. This includes the *structural governance framework* and the *functions* involved in ensuring the objects and goals of what is being governed are fulfilled successfully and sustainably.

This definition holds true for any organisation, sporting or otherwise.

The sports governing body is responsible for ensuring that the structural governance framework is effective and operates in the best interests of the members it represents and other stakeholders with a legitimate interest in the sport.

This is the basis upon which we have assessed the structural governance of tennis in NSW and the ability of the related key governing bodies to ensure that the framework is as effective as possible to develop, promote, foster and assist the game of tennis in all facets of sport from the wider tennis community through to the elite level.

1.2 Scope of the Review

Those governing tennis in NSW face many challenges going forward including (but not restricted to):

- Oversight of disparate operating activities State-wide.
- Effective decision making on the allocation of limited funding.
- Engagement with a variety of different affiliated and non-affiliated stakeholders and interests.
- Implementing strategies that aim to triple participation across the State.
- Achieving consensus across the State on modernised governance arrangements.

These factors have been previously widely and vigorously discussed and debated over the years without much resulting change. The Board of Tennis NSW ("TNSW"), with the recent appointment of a new President, Steve Healy, have decided that an "independent review of operations", including the effectiveness of the governance structure, should be undertaken and form the basis for substantive discussions with stakeholders at forums early in 2008.

The terms of reference required us to consult with the various key stakeholders across tennis in NSW and consider options to best govern and administer the sport. We conducted interviews with 37 leading people across TNSW, the NSW Country Management Committee ("NSWCMC"), the NSW Hardcourt Tennis Association ("NSWHTA"), the Metropolitan Grass Court Tennis Club Association ("MGCCA"), independent coaches and Tennis Australia ("TA") representatives. The names of the interviewees were provided by the President of TNSW and are listed in Appendix A. These consultations generally focused on:

- Strengths and weaknesses of the Affiliation network within tennis in NSW.
- Key areas where administration could be improved, including the TNSW business, management and governance.
- Options that would best govern tennis in NSW.
- The appetite for change and possible impediments.

- The confidence in the TNSW Board and management to lead change.
- Other matters and concerns of the relevant Affiliations.

We thank all of those involved for their candour and guidance. No individual responses are attributed in this report to any particular person unless a particular person has unintentionally identified themselves by virtue of their particular views.

A glossary of relevant definitions and acronyms used in this report is included as Appendix B.

1.3 Background to the Review

The background provided to us, prior to commencing our review, painted a picture that highlighted:

- Between 55,000-60,000 players registered with TNSW which is potentially only 1/6th of the regular players in NSW. These registration levels lag Victoria by half and have fallen by a total of 17% over the past five years.
- An ageing membership base.
- A number of well-meaning committed people, but some that cannot, or are unwilling to, see the bigger picture for tennis in NSW.
- A legacy of structural arrangements and historical differentiation between Hard Court ("HC") and Grass Court ("GC") in metropolitan tennis.
- A disengaged and fragmented coaches network.
- A dilution of a historically strong volunteer base with younger people who are less willing to volunteer.
- Changing competition formats, timing and preferences with a migration between playing Associations (hard court and grass court) and steadily decreasing numbers playing in competitions.
- Changes in community and family demographics, with increased pressures on family time.
- Ageing community facilities, high maintenance and replacement costs and changing court surfaces, some of which may not be conducive to developing elite players.
- Increased and aggressive competition from other sports (particularly team sports) in the Sydney growth corridors and in the school system.
- Past marketing and awareness initiatives (e.g., leaflet drops) that may not continue to be the most appropriate.
- Fragmented administration of tennis across the State with disparate and replicated administrative activities, no agreed view of strategic priorities and mixed messages during efforts to cooperate / collaborate.
- Parochial affiliation networks with a rich and successful history, but past propensity for protecting vested interests, factional representation, fiefdoms and political infighting.
- Procedural and ineffective governance arrangements with out-dated constitutions and voting structures.
- Poor stakeholder engagement and communication by TNSW – uninspiring brand perception, with people only seeing or reading anything about tennis in January (when it is really a year-round sport).
- Limited corporate sponsorship.
- Limited success in recent times in developing high ranking elite players (Todd Woodbridge and Jason Stoltenberg are the last high profile players of any note).

- A lack of a shared vision for tennis in NSW.

Overall, the picture is far from encouraging. The sport is not thriving as much as it should be. Seemingly many efforts to improve participation - as a central goal for TNSW - in the past, has only tinkered at the edges. A more unified governance structure has a large part to play in rectifying the situation.

A startling observation was provided early in the consultation process that related to an example of a certain Hard Court District Association in a growth corridor of Sydney that had around 70 children participating in their junior competitions and believed that they were doing all of the right things to grow the sport in their area. Their competitor was a local private operator who apparently had 1000 unregistered participants with whom TNSW has had no contact and, therefore, relevance.

In presenting our findings and recommendations, we are mindful of the many positives available to the administrators of tennis in NSW, including:

- The largest of the state Associations in terms of potential participation base.
- Extensive coverage and passionate club support and heritage.
- One of the cheapest sports around and widely recognised as “sport for life”.
- Opportunities in the Sydney growth corridors.
- Genuine male and female participation.
- The close nexus between the Associations, clubs, coaches and the playing public.
- Over 40 members of management and staff at TNSW with established processes and systems.
- State-of-the-art Sydney Olympic Park Tennis Centre (“SOPTC”) facilities.
- Many self-sustaining activities (no longer financially dependent on distributions from TA) with further financial stability due to the reserves from the sale of White City.
- The ability to quickly leverage from attractive remarketing and profile initiatives being implemented nationally by TA.

1.4 The governance ‘state-of-play’

It is commonly accepted that governance structures have a significant impact on the performance of a sporting organisation. Ineffective governance structures also undermine the confidence in the sports sector as a whole.

Our critical assessment of the existing structural governance framework of tennis in NSW is that it **is not as effective** as it should be to develop, promote, foster and assist the game of tennis in all facets of sport from the wider tennis community through to the elite level now and into the future.

With the number of people involved in tennis across NSW, there is undoubtedly a hive of activity, but the consensus across the many people we interviewed was that it is happening with little forward effect and that change was required (need to work smarter, not just harder).

The strengths in the tennis infrastructure that were relevant in the 1960’s, 70’s and 80’s have dissipated over the years. Thirty years ago the profile of the sport was at its height in terms of public interest and elite success. People had the luxury of regularly playing all day on weekends, in the absence of other demands on their family time, and land was less expensive and more available ensuring that most had access to facilities. Also, the country was certainly not subject to the prolonged drought conditions that we have today.

The resulting legacy of structural relationships and governance arrangements, however, do not appear to be attuned to the modernisation of society, the changing demographics and family dynamics or the growing business of tennis. Country Tennis may retain some of the characteristics of the past (e.g., Saturday afternoon tennis as part of the social fabric of the bush), but itself is also evolving. The increasing difficulty and expense in travelling across metropolitan Sydney also poses problems for some of the present competition formats.

This evolution and changes also place tennis in NSW at great risk of falling further behind other sports (not just the traditional ones like cricket, football and soccer, but newer sports like triathlon, surfing, touch football, beach volleyball and cycling) and pastimes (e.g., gym, media, technology, arts, shopping, family time, etc) that are competing for greater participation, interest and consumer support.

Judging by the evidence gathered throughout our review, there appears to be much room for improvement in the existing governance when assessed against the central tenets below:

Central tenet:	What we mean by this:	Existing structural governance framework:
• Clear vision and agreed outcomes.	Everyone is working from the same page towards the same goals.	Not apparent even at TNSW level.
• Simple aligned organisational structure.	As few layers as possible with no overlap or gaps.	Complex and illogical in current day terms.
• Clear understanding of roles and responsibilities.	Everyone is aware of who is doing what.	Not defined so no clear understanding.
• Trust, shared values and openness.	Treating others with dignity and consideration.	Lack of trust in an opaque environment.
• Clear delegations and accountability, free of conflicts of interest.	Everyone is doing what is expected of them and doing so freely from all interests.	Self-interest exhibited and no clear delegations nor accountability.
• Clear protocols, policies and codes of conduct.	Everyone is aware of the guiding ethics and standards for key activities.	Some protocols and policies, but no formal mechanisms to monitor.
• Strong leadership, tone-from-the top and visible oversight.	The Board and Management are seen to be leading the way.	New leadership and initiative, but tone and oversight capability have little impact.
• Single / common view of key strategies and risks.	Everyone is focused on what matters.	Everyone is focused on what matters to them. No shared view on strategy for tennis in NSW, nor profiling of common risks.
• Proactive stakeholder engagement.	Input and participation by those that matter.	Reactive engagement, poor communication.
• Independent, objective, informed and responsible decision making.	Making the right decisions in a timely manner.	Slow decision making in the absence of agreed decision criteria.
• Transparency, openness and good communication.	Everyone understands why decisions were made.	Ineffective reporting and communication.
• Aligned performance reward system.	Recognising the contribution that people make.	Few agreed performance indicators with poor links to reward system.

The few strengths of the existing governance framework (which includes the broad commitment and propensity of many of the Council, Board and Committee members to meet regularly and the close relationships between the clubs and coaches and their members or customers) are few and far between and are significantly outweighed by the perceived deficiencies.

In addition, there are simply way too many governing bodies involved (including incorporated and unincorporated affiliation bodies and associated councils, boards, committees and sub-committees), and many do not appear to act as effective governing bodies in today's understanding of good sporting and corporate governance practices.

This fragmentation is also cannibalising a diminishing registered player population and affecting its ability to compete against other sports for interest and participation.

1.5 The broad structural governance issues

Issue 1 TNSW direction and organisational effectiveness

A common theme from our consultation process was the critical assessment of the organisational capability and the effectiveness of the management of TNSW to lead the administration of the sport in NSW.

The variety and mixed comments received during the consultations included:

- Very poor visibility of TNSW in the key stakeholders' eyes. Nobody knows who they are or what they do. They are not widely trusted and do not provide much assistance.
- The TNSW CEO does not have any power, is missing for four months a year managing the Medibank International event and does not stand up and take responsibility.
- There is constant discontent with TNSW management and staff by affiliated stakeholders. They are said to lack problem solving capabilities and have many plans and initiatives that get little traction. There is also too much staff turnover to facilitate sustainable processes and corporate memory.
- The sub-committees are a hive of activity that doesn't go anywhere and are quite disruptive. Sub-committees were necessary in the past as TNSW did not have the necessary staff. However, TNSW sub-committees are no longer required given the breadth of TNSW management. The sub-committees also provide an opportunity to undermine the CEO and Management decision making.
- There has been no communication of the strategy to affiliates, nor adoption by other governing bodies.
- TNSW registration not widely seen as delivering much benefit. TNSW's pure revenue motives are too transparent. Past efforts to increase fees (i.e., the 'AdvantageReceiver' initiative) failed to indicate clear justification and articulation of benefits to registered players.
- Some progress recognised with the employment of Community Tennis Officers, but other TNSW Board, Management and Staff need to get out into the Associations and affiliated clubs, and coaches to understand their issues, challenges and concerns.

Issue 2 Governance of metropolitan tennis

The consultation process has highlighted strong support for greater unity in the governance and administration of tennis in the Sydney metropolitan area. For many, the metropolitan situation has grid-locked tennis in NSW, and they have a view that whilst metropolitan tennis is being managed, it is not being sufficiently scrutinized.

Key insights and perspectives from stakeholders consulted on the strengths and weaknesses of the existing structure of metropolitan tennis highlighted:

- Fragmentation of the HC and GC Affiliations with the growing incidence of independent, unaffiliated private coaches as a key weakness. People involved in the administration of tennis across the metropolitan region do a very good job doing what they do, but not necessarily for the optimal benefit of tennis in metropolitan Sydney.

- Many stakeholders question the NSWHTA's relevance in today's tennis environment (some people labelling it a "historical anachronism"). The NSWHTA's incorporation and perceived independence is taken too literally, with many believing that it does not really govern the Associations in a formal sense and has more of a role as a channel for sharing ideas and better practices.
- Similarly, others believe that the MGCCA Executive Committee includes well-meaning people, but they are not widely recognised as dynamic leaders.
- The inter-district competition is showing many signs of stress – reduced interest and participation, unattractive formats, etc. The Badge competition has had some recent success in terms of greater participation because of changed formats and timing, plus people leaving the inter-district competition to play Badge. Overall, however, it appears that whilst family dynamics and playing preferences have changed dramatically over the years, the administration of metropolitan tennis competitions has not kept up with these preferences.

Many believe that the developments implemented in the existing competitions across metropolitan Sydney have just filled the gaps. The respective HC and GC competitions are not aligned, coordinated or optimal. In the present environment with clubs and private coaches forming their own different competitions, they are responding to consumer demand, but are also cannibalising the sport. It is confusing to the players and they need a competition structure and pathway that they can clearly understand and respond to.

- HC have lost members to the private coaches and tennis centres. GC is also slowly eroding as it mainly caters for adult competition formations and, in some areas, is losing its teams. Only 3 of the 18 GC affiliates actually still have grass courts.
- The differentiating points between GC and HC are few, but there are financial differences. Facilities at HC clubs have deteriorated, leading to demand usurp of the private tennis centres. These are expanding in the outer suburbs with the assistance of local councils, particularly in fast developing areas.
- It is difficult for smaller Associations to match the service delivery of the larger ones in terms of meeting administrative costs, demands on time and variety of services. We understand that some of the HC Associations are essentially defunct, others have some assets but little revenue, others have assets that generate revenue for allocation across affiliated clubs. This inequality makes it hard to generate consistent performance across Metropolitan tennis and TNSW does not do much to address the inequality (e.g., through grants).

These issues appear to have long dominated discussion at the TNSW and the respective metropolitan Association levels, without a coordinated and pragmatic solution and concerted effort to bring about change. A common view is that some sort of unification across metropolitan tennis is necessary before any progress can be made. Many believe that there is no longer a rationale for the separation of HC and GC. There is another view, particularly amongst some HC stakeholders, that the present situation has its problems, but is still working to a large extent and should not need to be fixed until it is actually broke.

Issue 3 Governance of country tennis

On the whole, we found the governance structure of country tennis less problematic than that of Metropolitan Sydney.

Most people were generally happy with the way in which the NSWCMC operates.

Some stakeholders, however, acknowledged that the governance structure may need greater focus as some Country Associations have dropped away. There is also recognition that country tournaments may need a revamp and concerns about whether all grassroots issues are being addressed.

Direct player registration with TNSW, which subsequently eroded the Tennis Country databases, may have contributed to these issues and reduced the visibility of the NSWCMC in the eyes of country participants (particularly junior players).

The Country Associations also receive more dedicated assistance from the TNSW Community Tennis Officers ("CTOs") than their equivalents in the Sydney metropolitan region. It was recognised that the clubs that were doing well have an increased presence of CTOs and also there was a lack of CTOs in certain regions (e.g., the Central West). This may have also affected the visibility of the NSWCMC.

Issue 4 Engagement with Tennis coaches

Tennis Coaches are a critical element of tennis in NSW. Many serve the 5/6th of potential participants that are outside the TNSW strategies, processes and systems (i.e., no affiliation fees, no marketing, no communication from TNSW).

There are approximately 600-700 coaches in NSW (1/3rd of coaches in Australia), many of whom are not affiliated and have little present engagement with TNSW, or do not have a progressive perception of TNSW's relevance to them. There is very limited communication between TNSW and the coaches (the clubs typically have the established relationships with the local coaches).

The variety and mixed comments received during the consultations included:

- Many coaches are sceptical of the role TNSW could play. Ironically, many have capitalised on the apparent ineffectiveness of both TNSW and the present affiliation network by attracting participants (particularly in the growth corridors) through more innovative playing and competition formats, tournaments, training programs and other initiatives, including access to courts and facilities.
- The central imperative of most coaches is to maximise their business incomes. Any diversion to this imperative will not be given much priority, unless it helps to contribute to a strong and healthy business. Overall, many coaches feel that they have to sink or swim on their own efforts and cannot rely on TNSW for much.
- Many believe that the coaching standard across Sydney is deteriorating. Many think that the coach engagement problem is actually larger than the metropolitan tennis administration problem. 50% of the coaches still operate outside the TA or the Tennis Coaches Australia ("TCA") / Tennis Professionals Association ("TPA") accreditation frameworks. Many are singly focused on running their businesses and feel that they get little from accreditation as they are already extensively trained (only relevant for new coaches), nor need to be affiliated with TNSW as they do not rely on TNSW for support. Accreditation is seen as a money rort by many non-accredited coaches who do not appreciate a need for adherence to consistent coaching standards. Some question the relevance of whether you are TA or TCA / TPA accredited to the local tennis player.
- The past conflict between the TCA and TA regarding their accreditation and coach education introduces disunity that detracts from initiatives to ensure all coaches are accredited (and subsequently affiliated with TNSW). There is, however, more recent evidence of improving negotiation / collaboration between TA / TNSW and the TCA on certain longstanding impasses (i.e., separation of the roles of accreditation / quality assurance and education provider / member's advocate, etc).
- Many private coaches have substantially higher charges than club-based coaches (some will charge as much as \$100 over the club fee). A further affiliation fee for TNSW is often dismissed as another added cost that they (both coach and player) receive little added benefits beyond allowing their players to play in club competitions. Most coaches already have their own insurance. They need to be shown more benefits and feel more inclusive for them to bother with registering players.
- There is also some dislocation in the tennis club and coaching setup. Some clubs believe that some club-aligned coaches also only respond to money and run on a different philosophy to the clubs. Some coaches are not registering club players and seek to keep players for themselves.

- Many coaches find the administration to register players as onerous and admit that they are not good at paperwork. Coaches, with already heavy schedules, say that they are asked to do a lot to promote the sport, but do not think they get much in return. A number do not trust the integrity of TNSW in regards to what happens with the registration data that they supply. Both coaches and TNSW do not have a shared view that what's good for tennis is also good for business. The coaches have a mental block of "collecting money" for TNSW.
- There was broad consensus that the coach network should be used as the catalyst for greater promotion and participation of tennis in NSW. The coaches are the people with access to the numbers. Tennis centres are the nursery of the game and are the temperature gauge of what's happening at the grassroots. But the coaches need to be given an attractive product and further performance based incentives to sell (including consistent competition formats, marketing, talent development and scholarships). TNSW also needs to help relieve some of the administrative work of the coaches with regard to registration - make it easier such that they can concentrate on tennis coaching rather than the paper work.
- Non-affiliated coaches could be more inclined to become affiliated if there was driving leadership from TNSW on aspects such as competition formats, schools access imprimatur, serious promotion and awareness at the junior levels, sponsored programs and scholarships, financial benefits for coaches, etc.
- Coaches also need to be held more responsible and accountable beyond just running their business. TNSW should only recognise those coaches that perform (or want to perform). This must be assessed on balanced criteria or a balanced scorecard (not just on business performance). These could then be used as drivers and key results areas to better engage coaches in marketing and promotion, player development, community tennis initiatives, training and squad programs, etc.

Issue 5 TNSW Board composition

The Australian Sports Commission ("ASC") advocates that Boards of sporting organisations be structured to reflect both the constituency that it represents and the complex operating environment facing a modern sporting organisation.

It goes on to suggest that a Board will normally:

- Comprise between 5-9 Directors. The number of Directors should reflect the size and level of activity of the organisation.
- Have a sufficient blend of expertise and skills necessary to effectively carry out its role. As such, the ASC advocates a Board with the necessary skills to carry out its governance role rather than a representative Board.
- Have the ability to make a limited number of external appointments to the Board to fill skills gaps.
- Institute a staggered rotation system for Board members with a maximum term in office to encourage Board renewal whilst retaining corporate memory.
- Where appropriate, consciously work towards increasing female representation on the Board.
- Be broadly reflective of the organisation's key stakeholders, but not at the expense of the Board's skill mix. When Directors do represent a constituency, they must never allow representation to become advocacy at the expense of the organisation as a whole. It adds to avoid potential or perceived conflicts of interest, Directors should not hold any other position at State, regional, club level or corresponding administrative position.

Presently, the TNSW Board comprises a maximum of 12 Directors with the following representation:

TNSW Board	No.
MGCCA delegate	1
NSWHTA delegates	3
NSWCTA delegates	3
Special External Directors	2
President, VP and Treasurer	3
Total	12*

*: At the time of undertaking this Review, there was a vacancy in a NSWHTA delegate position

As such, and in light of feedback from the review and consultation process, compared to the ASC principles and other recognised good corporate governance practice:

- The Board size exceeds the 5-9 better practice. The TNSW Constitution allows for 9-12 Directors.
- Is a largely representative Board with a majority of Delegate Directors. The Delegate Directors include the President, Secretary and another nominated person from the respective NSWHTA and NSWCTA and the President of the MGCCA.

For some stakeholders, tennis experience is a key Director nomination criteria. Independent directors do not have this and the present size of the Board allows for reasonable representation of tennis experience in proportion to where tennis is being played. They believe that skills-based composition of the TNSW Board is too idealistic, given all Directors are volunteers and are more likely to have a broad range of skills.

Others feel that the TNSW Board is run too much like a tennis Committee. It doesn't need as much sport representation. The Board needs to spend more time on oversight, less focus on the playing of tennis. The Board has good intentions, but is not effective, and it needs to be much more dynamic. There are too many nice people on there that are there for the position and do not make the contribution normally required of a modern Board. The Board should be run like a business with Directors predominantly out of business ranks who have good business acumen, high profiles, are well regarded and have a tennis appreciation.

- The Board has two special external 'Director-elect' appointments to fill skill gaps (i.e., Marketing and Commercial Business backgrounds). These appointments are based on clause 12(d) of the Constitution requiring suitable skills and experience as the Board thinks necessary and beneficial to TNSW. However, this clause, nor any other part of the Constitution, has explicit independence criteria. Whilst we do not doubt, nor did we find any evidence, that the present special external Directors are nothing but independent, there is widening thinking that even the Boards of sporting organisations should follow more commercial views on independence and have predetermined criteria for the appointment and ongoing qualification of independent Directors.
- Whilst there are some longstanding Directors (three of the present Board members have held their positions for over 10 years), there appears to be proactive Board renewal whilst retaining corporate memory. There are, however, no term limits in the TNSW Constitution (nor any term limits for Delegate Directors in the respective Constitutions of existing Affiliations).
- The Board has three female Directors, two of whom were recently appointed.
- The TNSW Constitution highlights conflict of interest criteria by virtue of its Director disqualification clause that essentially requires Directors to declare related transactions, not vote on any matter where there is a declared interest, etc (these requirements are not as broad as some that we have seen in other sporting bodies).
- Board tenures are way too long and the present Board composition is far too senior in its ranks.

- Notwithstanding the overwhelming support for the past work, expertise and commitment of the current Treasurer, many believe that the role of Treasurer is now defunct (more akin to a role usually adopted by a local tennis Association or club) given the extended finance department at TNSW and a possible elevation of Audit and Risk Committee responsibilities.

Overall, we believe many of these factors relating to Board composition have contributed to the inertia and lack of progression of discussion around many of the related matters and issues highlighted in this report. Variations to the present Board composition could greatly enhance the prospects of successful implementation of the recommendations and the change aspects considered in this report.

Issue 6 The clarity of roles and delegations of the governing bodies

One of the pervading themes of the consultation process was the apparent lack of clarity and understanding of the roles of the various governing bodies through tennis in NSW. This has greatly contributed to the poor coordination of the administration of tennis in NSW and undoubtedly produced replicated efforts in some areas and gaps in others.

Many believed that the governing bodies overall lacked visibility and credibility. Many were critical of the effectiveness of the governing bodies, particularly:

TNSW Council:

- The TNSW Council is of very limited value, it barely meets and often cannot get a quorum (15 out of 28 councillors). Council meetings are effectively seminars.
- It is ineffective in a role as a “Board of Review on matters relating to tennis in NSW”. It serves no purpose that could not be dealt with by the TNSW Board and office bearers. The Council shouldn't need to ratify decisions of the Board if the Board is doing its job properly. A Council with a role of ‘Board of Review’ over the decisions of the Board itself is increasingly becoming irrelevant in modern governance structures.
- The TNSW Council also does not effectively act as a “vehicle for communication between the Board and the respective Affiliations and Associations”.

TNSW Board

- Many stakeholders through tennis in NSW do not recognise TNSW as their ultimate governing body, so believe that they have no perceived accountability to TNSW.
- Most people do not understand the role of the TNSW Board or accountabilities (e.g., KPIs). Some believe that the TNSW Board has had years to do something but has achieved little progress. Others think the Board purely rubberstamps management decisions.
- Some believe that the TNSW Board should have a commercial mandate, be responsible for providing direction on the future of tennis in NSW, safeguarding the finances, overseeing a viable tennis centre and related facilities at SOPTC and developing and supporting Affiliations and Associations. It should have a remote responsibility for grassroots and player development through the creation of relevant processes, programs and pathways. Day-to-day tennis playing issues should be dealt with by the Affiliations and Associations.

Articulation of the present role (and powers) of the Board is mainly through the Constitution and related By-Laws (i.e., management of the business and affairs of TNSW is vested in the Board with the power to delegate certain authorities to management, affiliates or committees).

The Board does not have a separate Charter, including its role and responsibilities. In the absence of a Charter it is more difficult for both Directors and external stakeholders to have a similar understanding of what is expected of the Board as a whole. The By-Laws provide an overview of the delegated roles of certain sub-committees of the Board.

NSWHTA Grand Council

Many stakeholders dismissed the HC Grand Council as ineffective (e.g., decisions are made by the Grand Council but not followed through). We understand that not all Grand Council members attend Grand Council meetings..

MGCCA Executive Committee

The MGCCA Executive Committee's role is limited and primarily focused on running the Badge Competition and dealing with matters of behaviour and appeal. It is supported by respective Grade Committees..

NSWCTA Management Committee

Consistent with the findings in Issue 3 above, the Country Management Committee's role is dictated by a TNSW Special By-Law. Most people believe that it has fulfilled this role in the past, but may need to adapt its role and responsibilities to accommodate present and future Country tennis developments.

We understand that many of the matters and issues are long-standing and have been widely discussed prior to this review. In fact, many of the recommendations are being implemented in some shape or form at a local level by many clubs, but in a disparate and inconsistent manner.

We believe that progress should not, however, be about cutting up the existing (and some would say shrinking) pie in a different way. TNSW needs to build a bigger pie and provide everyone with an equitable share.

1.6 Solution-based recommendations to deliver a comprehensive governance structure for tennis in NSW that addresses the needs of all stakeholders

A structural governance review should not lead to another bureaucratic layer, but provide focus, direction and workable solutions, such that tennis in NSW can reach its targets and strive for more ambitious success.

An overview of the key recommendations for enhancement and related benefits include:

Recommendations		Key benefits for tennis in NSW (if implemented successfully)
Issue 1 - TNSW direction and organisational effectiveness		
1	The TNSW CEO needs to be held accountable, and seen to held responsible, for both the management and administration of tennis in NSW, and the TNSW organisation itself. The CEO's position description should be altered accordingly.	<ul style="list-style-type: none"> • A CEO who has the power to make decisions and is held accountable for those decisions. • A focus on what matters to tennis in NSW as well as TNSW.
2	The Board should approve a clear schedule of delegated authorities to the CEO and Management.	<ul style="list-style-type: none"> • Management who have the autonomy to make decisions.

Recommendations		Key benefits for tennis in NSW (if implemented successfully)
3	Management reporting lines to the CEO should be broadened with clear responsibilities, performance targets and timeframes for all appointed General Managers. All General Managers should report directly to the CEO (including the Player Development Management) rather than to a Board sub-Committee.	<ul style="list-style-type: none"> • A better resourced TNSW. • Clearer communication lines. • More accountable staff. • Possible improvement in staff retention rates.
4	All Board sub-Committees should be disbanded except for the following Standing Board Committees: Audit and Risk Committee; and Nomination and Remuneration Committee. The CEO and the Management team should be responsible for all day-to-day decisions. The Audit and Risk Committee should also assume the role and responsibilities of the Investment Advisory Committee.	<ul style="list-style-type: none"> • A structure that supports the Board's workload and better utilises Board and management time. • A more formal approach to risk management.
5	The Board and CEO have critical roles in communicating the vision, mission, strategy and values of TNSW to key stakeholders in a convincing manner, such that Associations and affiliated clubs, tennis centres and coaches have aligned goals and can actively contribute (and benefit from) successful execution of the strategy and alignment across tennis in NSW towards meeting the performance targets. For this to occur, those Associations and affiliated stakeholders must also be held accountable.	<ul style="list-style-type: none"> • Everyone has a shared view on what's important to advance and foster tennis in NSW. • Everyone working towards the same goals.
6	Management needs to spend more time and focus on implementation of processes, programs and initiatives out at the affiliates. Processes must be tried and tested (even piloted) before being released and management responsible for the programs need to give the autonomy and held accountable and rewarded for successful execution.	<ul style="list-style-type: none"> • Programs and initiatives that are robust in application. • Better support from TNSW. • Stakeholders are rewarded for adopting TNSW initiatives.
7	The tennis product and registration offering to Associations, affiliated clubs and coaches, and non-affiliated tennis centres to attract player registration needs priority focus and attention by TNSW Management.	<ul style="list-style-type: none"> • Associations, affiliated clubs and coaches, and non-affiliated tennis centres get their share of increased registration revenue. • Players see value in registering.
8	The President and CEO should lead an effective engagement plan with TA with shared views on achievable performance criteria and targets.	<ul style="list-style-type: none"> • Better coordination between TNSW and TA. • Improved trust and communication. • Potential for financial support.
Issue 2 – Governance of metropolitan tennis		
9	The NSWHTA and MGCCA should unify into "Tennis Sydney" and be affiliated with TNSW as a sub-group, similar to the present arrangements with the NSW Country Tennis Association (which should similarly be renamed 'Tennis Country').	<ul style="list-style-type: none"> • New and fresh, but not inconsistent with the present arrangement with Country Tennis. • Retained as a generally autonomous body with equity in representation, such that no one is seen to be taking over the other. • Better coordination of Metropolitan tennis competitions. • Professional administration. • Growing participation. • Involved coaches.

Recommendations		Key benefits for tennis in NSW (if implemented successfully)
10	Formation of a Tennis Sydney Management Committee ("TSMC") comprising representatives from the HC Associations, GC Associations and Sydney based coaches. The Committee should have no more than seven members (e.g., two HC, two GC, two coaches and a General Manager). The nominees could be provided by the respective Affiliations prior to being wound up (could also initially be the present delegate directors of TNSW, if appropriate). The coach nominees should ideally include one TA accredited coach and one TCA accredited coach. All nominees should have the skillsets appropriate to involvement on the Committee. The Committee would need to be supported by a paid General Manager and an appropriate level of paid administrative support, as well as the existing volunteer base. The General Manager would be delegated the authority, by the TSMC, to undertake actions to deliver on TSMC's terms of reference. The General Manager and Committee would engage with local Associations through the regions and affiliate clubs as they are presently structured (incorporated or unincorporated). There would be no requirement to change their status.	<ul style="list-style-type: none"> • An autonomous and active Committee, managing and directing what matters to tennis across Sydney. • Unified governance activities. • Equity in representation. • Eliminate replication and create economies of scale.
Issue 3 – Governance of country tennis		
11	The NSW Country Tennis Association should change its name to "Tennis Country" to be consistent with Tennis Sydney and Tennis NSW. The NSW Country Management Committee ("NSWCMC") would similarly be renamed the Tennis Country Management Committee ("TCMC").	<ul style="list-style-type: none"> • Consistency in positioning and branding across tennis in NSW.
12	We believe that the effectiveness of the TCMC would be improved through a greater focus on the promotion and development of tennis in Country NSW. TNSW would provide additional resources beyond the current regional CTO's through the appointment of a paid General Manager and an appropriate level of paid administrative support, consistent with the Tennis Sydney recommendation.	<ul style="list-style-type: none"> • A more active Committee. • Better coordination of country tennis. • Professional administration. • Growing participation. • Involved coaches.
13	The size of the current NSW Country Management Committee is quite large at twelve. A preferable size for an effective Committee is closer to seven (e.g., one from each of the six regions and the General Manager). This may be achievable given the additional time and resources provided by the General Manager and some administrative support. We understand that the present NSWCMC already includes coach representation, and as such, recommend that the TCMC composition continue to include coach representation (e.g., two out of the six members).	<ul style="list-style-type: none"> • Consistency across Management Committees. • Maintain equity in representation.
Issue 4 – Engagement with tennis coaches		
14	Nomination of two leading coaches (one TA accredited and one TCA accredited) for the TSMC (in addition to the two other Committee members from HC and GC).	<ul style="list-style-type: none"> • Understanding the grassroots concerns, needs and ideas of coaches.

Recommendations		Key benefits for tennis in NSW (if implemented successfully)
15	The role of Tennis Sydney and Tennis Country should include explicit reference to close engagement of coaches and tennis centres (affiliated and non-affiliated).	<ul style="list-style-type: none"> • Growing registration levels. • Increasing coaches' participation rates and bottom line. • Better competition and tournament coordination.
16	All key stakeholders should receive clear communication on the progress of the resolution of coach accreditation and TA and TCA / TPA representation issues.	<ul style="list-style-type: none"> • Understanding of what the impasses are and how they are being worked through, including how it affects the tennis playing public.
Issue 5 – TNSW Board composition		
17	All TNSW Directors should have terms of three years, with a maximum period of three terms, after which Directors would be required to stand for annual re-election. All Directors seeking re-election would be required to undergo a formal performance assessment, irrespective of the period they have served on the Board. Such amendments would require Constitutional change.	<ul style="list-style-type: none"> • Refreshing the TNSW Board. • A focus on Directors' individual performance.
18	Ideally, the TNSW Board should be much smaller (seven to nine Directors), with a majority of non-delegate Directors.	<ul style="list-style-type: none"> • A more effective and independent Board.
19	The Board's Nomination and Remuneration Committee should have the specific responsibility to the Board to begin succession planning, which will ensure that they have sufficient and appropriate Board members or candidates to meet key position requirements in the future as Directors retire / rotate off the Board during the transition step and further compositional change.	<ul style="list-style-type: none"> • Stronger focus on Board and Management performance. • Getting the right Directors for the role.
20	We recommend that the TNSW Board should agree and approve criteria for Director independence that embraces existing requirements and good practice. Independence is generally defined as being free of any business or other relationship that could materially interfere with – or reasonably be perceived to materially interfere with the independent exercise of judgement.	<ul style="list-style-type: none"> • All Directors making decisions in line with the TNSW strategy, rather than who they represent or what their interest is.
21	The evolution towards a more professional Board may require some consideration of appropriate monetary remuneration or the assessment of the adequacy of present in-kind benefits.	<ul style="list-style-type: none"> • Recognition of a more effective professional Board.
Issue 6 – The clarity of roles and delegation of the governing bodies		
22	The TNSW Council should be disbanded with future emphasis on the TSMC and TCMC jointly facilitating forums for Association and affiliated clubs and coaches' input and feedback.	<ul style="list-style-type: none"> • A more effective channel to gauge stakeholder concerns, needs and ideas. • A Board whose decisions are final.
23	The Board of TNSW should adopt a charter with agreed roles and responsibilities. The key roles of the Board should be direction, development and oversight of the strategy and policies of tennis in NSW. It should oversee the health of the tennis industry in NSW, operationally and financially, including ensuring that there are effective processes and systems to manage the key risks that threaten organisational goals. It should also focus on providing direction and oversight of the strategies and risks of the TNSW organisation.	<ul style="list-style-type: none"> • Clear direction for the Board's agenda. • A framework against which Board performance can be judged.

Recommendations		Key benefits for tennis in NSW (if implemented successfully)
24	The NSWHTA Grand Council and MGCCA Executive Committee should be disbanded. The creation of an effective TSMC will adopt the key roles and responsibilities previously held by the NSWHTA Grand Council and MGCCA Executive Committee.	<ul style="list-style-type: none"> • More effective administrative arrangements for Metropolitan tennis.
25	The Terms of Reference of the TSMC and TCMC should be developed relevant to their delegations from TNSW and key roles and responsibilities previously held by the NSWHTA Grand Council, MGCCA Executive Committee and NSWCMC. The Terms of Reference of both the TSMC and TCMC should be consistent with each other, where practical, and aligned with the TNSW Board roles and responsibilities to avoid any duplicative effort. The emphasis of the role of the Management Committees in the terms of reference should be on managing and promoting.	<ul style="list-style-type: none"> • A Committee that takes an active role in managing and promoting Metropolitan tennis. • A Committee that takes an active role in managing and promoting Country tennis. • Clarity on how TNSW should support tennis in the Sydney Metropolitan and Country regions. • Everybody working from the same page.

1.7 Implementation considerations

Recommendations are not intended to be presented as a “fait accompli”, rather to provide options for further consultation and consideration at a future stakeholders forum.

The recommendations in this report also need to be implemented in conjunction with recommendations made to the TNSW Board as part of its Board self-assessment and evaluation process. Whilst many of these relate to the activities and dynamics of the Board, four key findings are relevant to the broader governance effectiveness of tennis in NSW. These include the Board’s role in:

- Strategic planning and execution
- CEO, Management and Organisational performance and development
- Risk management oversight
- Stakeholder engagement

We believe that the implementation of the reform recommendations, in totality, has the best potential to provide a sustainable framework going forward for the tenets central to good governance.

In order to properly implement approved recommendations, we would, however, advise the TNSW Board to appoint an ad-hoc “Governance Reform Steering Committee”.

The membership of this Committee should include:

- President (Committee Chair);
- One HC Delegate Director;
- One GC Delegate Director;
- One Country Delegate Director; and
- TNSW CEO.

The role of the Steering Committee would be to manage, monitor and review reform initiatives until they become embedded and sustainable within the governance framework of tennis in NSW. This may take up to two–three years.

We hope that this report provides a well-founded business case for change that will lay the foundation for growth in the sport into the future.

Appendix A - Consultations

TNSW Board and Management

- Stephen Healy – President
- Harry Beck – Vice President
- Des Nicholl – Treasurer
- Brian Armstrong – Special Director
- Dennis Bindon – NSWHTA Delegate
- Greg Doyle – Country Delegate
- Margot Dal Broi – Country Delegate
- Mick Parslow – MGCCA Delegate
- Stan Pedersen – NSWHTA Delegate
- Susan Woodward – Special Director
- Wendy Saville – Country Delegate
- Craig Watson – CEO
- David Eland – General Manager

Hardcourt

- Scott Fearnside
- Yvonne Tucker
- Narelle Weekes
- Terry Stewart
- Ian Campbell
- Sue Delmege
- Denzil Campbell
- George Fletcher

Grasscourt

- Clifford Sproule
- Paul Deuble
- Peter Roach
- Harry Romeike

Country

- Ellen Gordon
- Col and Lynne Maher
- Stephen Gibson

Seniors

- Max Ward

Coaches

- Paul Hoysted
- Neil Smith
- Kym Warwick
- Scott Riley

Tennis Australia

- Steve Wood
- Geoff Pollard

Tennis SA

- Bill Cossey

Appendix B – Definitions and acronyms

Affiliation	The NSWHTA, MGCTA and NSWCTA are Affiliations of TNSW.
Affiliates	Clubs, coaches or Tennis Centres affiliated with a respective Tennis Affiliations either differentiated by geography or playing surface.
Association	District or regional Associations of tennis clubs, tennis centres and coaches. Associations are typically affiliated with an Affiliation.
Privateers	Coaches who run tennis centres not affiliated to TNSW.
NSWHTA	New South Wales Hard-court Tennis Association. This is a separate incorporated body. It is an Affiliation of TNSW.
MGCCA	Metropolitan Grass Court tennis Clubs Association. This is an existing sub-Committee and Affiliation of TNSW.
NSWCTA	New South Wales Country Tennis Association. This is essentially for the formal entity known as Tennis Country. It is an Affiliation of TNSW.
NSWCMC	New South Wales Country Management Committee. This is an existing sub-Committee of TNSW and represents the NSWCTA.
HC	Hard Court
GC	Grass Court
TS	Tennis Sydney
TC	Tennis Country
TNSW	Tennis NSW
TA	Tennis Australia
TCA	Tennis Coaches Australia
TPA	Tennis Professionals Association
SOPTC	Sydney Olympic Park Tennis Centre
Non-delegate director	Directors nominated and appointed to office either as special independent directors or the TNSW President, Deputy Chairman and Treasurer
Delegate director	Directors nominated and elected to office representing their respective Affiliations (i.e., NSWHTA, MGCCA and NSWCTA)
CEO	Chief Executive Officer
GM	General Manager
CTO	Community Tennis Officer