



## Letter to the Water Polo Community of Australia

Dear Water Polo Enthusiast,

We, the Presidents of the Water Polo States in Australia, write this update letter to you in order to inform you of the process and status of the current reform under discussion within our sport.

The need for reform is 100% supported by all State Members. In fact the impetus to commence the reform process was a result of the State Members voiced dissatisfaction with primarily the fiscal management within Water Polo Australia.

You may have received several pieces of information in recent weeks which in our opinion did not contain sufficient information for you to form your own view on proposed changes within our sport.

It is clear this is also the view of the State Presidents where State Members rejected the then proposed changes suggested by Sport Australia.

The following reasons for the rejection of the proposals were clearly communicated, and had been communicated by the Presidents prior to the deadline set by Sport Australia (15/8/2019):

- i. The timeline for change is far too compressed and places stress on the sustainability of the sport during the implementation of changes.
- ii. The details of governance changes at Water Polo Australia Board Level were not sufficiently discussed and detailed to be able to form a final solution
- iii. The voting model was incomplete and not reflective of the sports needs
- iv. Guarantees provided during the reform review have not been honoured.
- v. Many of the Operational Alignment changes were not supported by details of efficiency improvements

The need for reform has not diminished. This has been again stated in a recently provided update by The President of Water Polo Australia. "The case for change is a strong one" - a sentiment the State Members embrace. Work has to continue to develop solutions to ensure our sport has a vibrant future and the State Members continue to fully support reform that is structured to suit the needs of all Water Polo Organisations in Australia.

Enclosed is information regarding the reform process and status. The information is provided to ensure that community members have sufficient insight to what has occurred, what has been reviewed and what are the possible solutions.

The way forward to the Members is clear - a well thought through plan to improve our sport from Grassroots to Elite International Level is required. This plan will need more time than is currently proposed and in doing so will then result in a well-structured organisation, collaborative community providing Water Polo to enthusiasts across Australia.

Andrew Carney

Tom Hoad

Nick Hodgers

Michael McNeil

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## **Background to Reform**

Water Polo Australia Ltd. [WPA] has suffered a series of annual losses dating back to the Rio Olympics. These losses were not predicted and or advised prior to being incurred. In June 2018, a communication was delivered by WPA President that a financial surplus was expected but the final outcome in fact was a reversal of over \$400,000 and a loss (-\$235,989) was the final result.

The consistent failure by WPA to provide the State Members surety regarding improvement of operating results led the State Presidents to call for changes within the governance of WPA. (November 2018-January 2019).

Continuing limited response from the Board of WPA led to Sport Australia [S.A.] [April 2019] providing a mediating solution to resolve the poor performance, resulting in an agreed reform process. S.A. provided \$142,000 funding in support of the process.

S.A. provided a number of guarantees underpinning the reform process:

- i. The Australian Men and Women's team funding for the 2020 Olympics would not be affected
- ii. All potential models fit to serve Water Polo into the future would be considered
- iii. There was no predetermined outcome.

## **The Reform Process**

A Governance Reform Committee was established [GRC].

A timetable of 90 days to complete the data collection process was established, this was later extended to 120 days due to the noted lack of available time to complete the process.

The agreement deadline was set at 15<sup>th</sup> August 2019 by S.A.

Several other workshops and committees were established to support fact finding efforts

A National Survey was prepared and sent to individual members reportedly achieving a less than 10% response. A number of GRC Members requested that the governance questions on the survey be separated to define governance issues within WPA and the State Members separately but this was not implemented by the consultant.

Results of the survey were tabled but validity of the results were questioned at a workshop held in Sydney (17/6/2019) by participants.

## **15<sup>th</sup> August 2019 Deadline**

Proposals made to State Member Presidents on the 9<sup>th</sup> August 2019 verbally (not in a concise written presentation) were:

### Water Polo Aus. Governance Reform (To be Completed by 23<sup>rd</sup> November 2019)

- i. National Board Composition
  - a. 9-person board, with 6 x elected directors, 3 x appointed directors
- ii. Nominations Committee
  - a. 3 Members nominated by the State & Territories/Members ,1 WPA Director (who is not up for election during the 2-year term), 1 Sport Australia or independent representative
- iii. Voting Model
  - a. Hybrid model providing additional votes to clubs and transitional votes to State Members to compensate for smaller State Members losing voting rights in the new structure.

### Operational Alignment (To be Completed by 30<sup>th</sup> November 2020)

- i. One National Strategy
- ii. Centralised Finance System
- iii. One Workforce

**The proposal verbally presented was rejected by the State Presidents signatory to this letter.**

As a consequence, S.A. announced funding reductions to Water Polo as a sport:

1. \$200,000 participation funding to WPA
2. \$455,000 Ageing Australia funding to WPA
3. Loss of National Accreditation for Sporty School funding after Term 4 2019

Further, a recent review was conducted by WPA, where contestable funding was removed from the budget of Olympic teams and redirected for other use. The Member States are reviewing how to correct this deviation from the previously provided S.A. guarantee.

As the process continues the above proposals have now been modified to a different basis where Operational Alignment is now an Opt-In basis, the Nominations Committee has been reduced in numbers and adjusted in structure, while this may be a step forward in determining an outcome these however have not as yet been provided to State Members in a succinct documented form.

### **Main Concerns**

The State Presidents have raised, and will continue to raise, concerns regarding the process and the outcome. So great is the concern that several State Sport Ministers are now engaged in determining how the process was conducted. These concerns in summary are:

1. Only a single model was considered during the reform review as suitable for Water Polo as a sport (Unitary Model where legal, management and fiscal authority is centralised)
2. The deviation from established guarantees that were provided at commencement of the review
3. Speed of the planned implementation with limited planning information to safeguard the sport through transition
4. Lack of supporting evidence on proposed implementation outcomes as having been successful in other sports
5. Contradictory changes in proposals.
6. Release of incorrect information to the Water Polo community
7. Lack of understanding that the States require a mandate from their member clubs, and those clubs require a mandate from their members to agree to the changes.
8. Lack of consideration for the many volunteers who contribute to the delivery of grass roots Water Polo in all states
9. Changes to the governance delivery of our sport should be evidence based with a high probability of overall improvement for all involved

## **Next Steps**

1. Refine the Governance changes to the structure of WPA
2. Analyse evidence that the changes will support the expected outcomes
3. Finalise a valid proposal for Members to consider
4. Propose the changes to members and hold a correctly structured voting process to validate the changes in all Members and WPA

## **Feedback / Queries**

If you require any further information or have questions, please do not hesitate to contact your State President in the first instance. Please be assured that all is being done to ensure the great sport we all love is protected into the future.