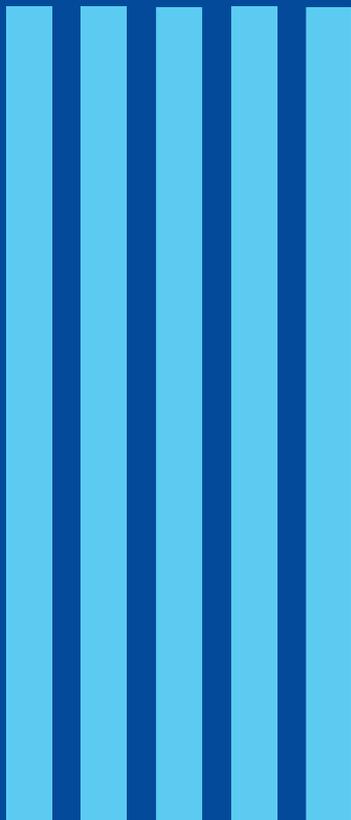
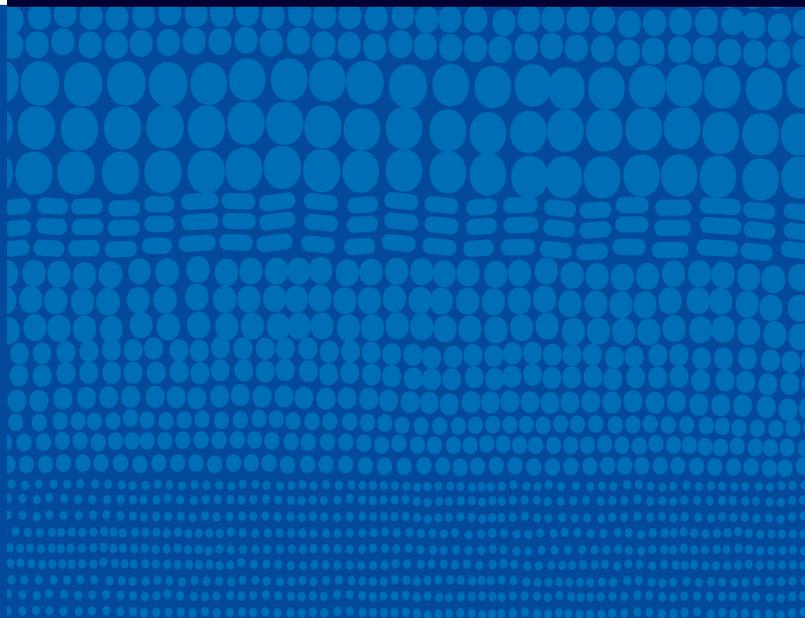
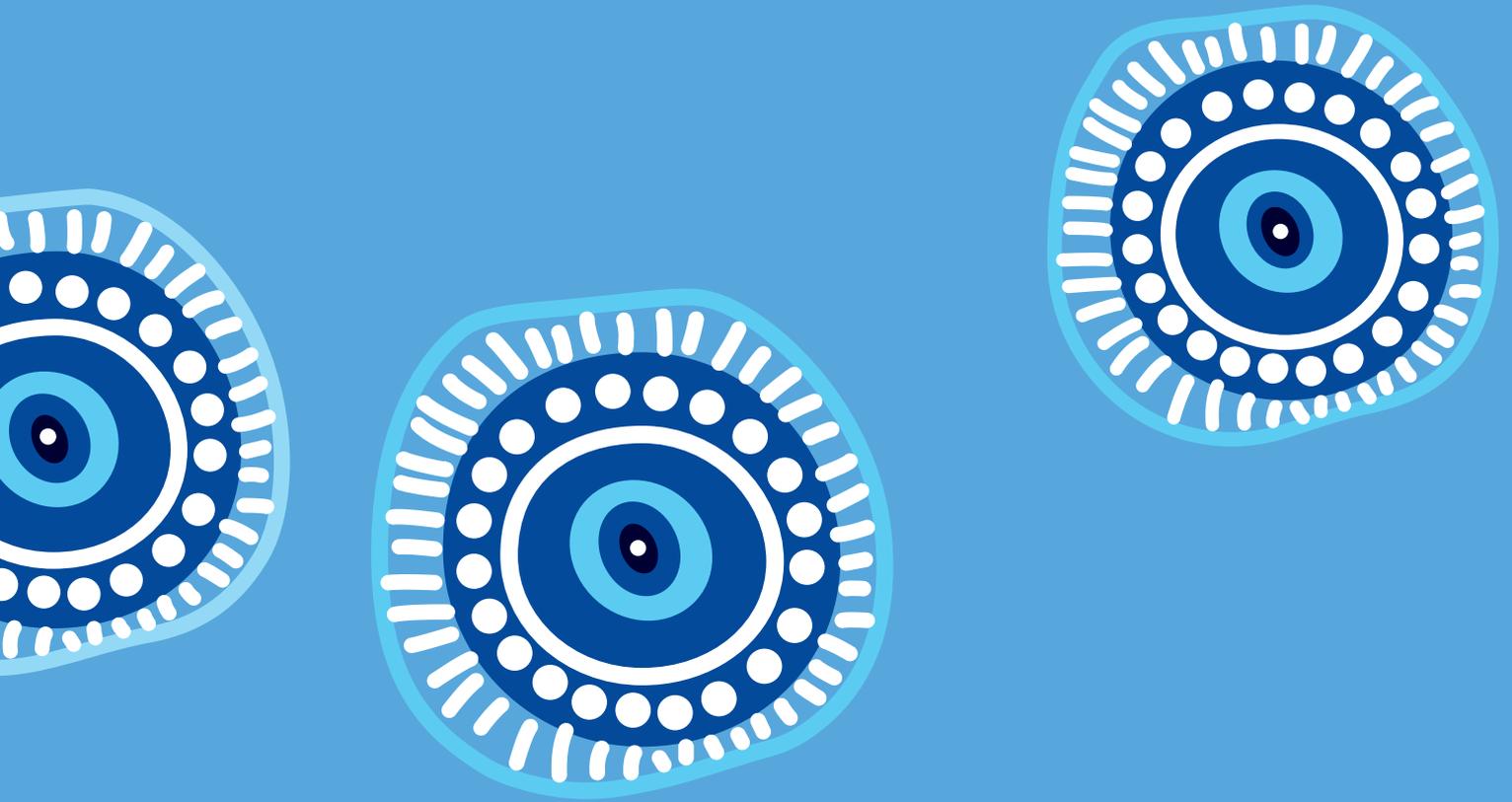


Australian Government
Australian Sports Commission

Sport Governance Standards Benchmarking Report 2023





AUSTRALIAN SPORTS COMMISSION ACKNOWLEDGEMENT OF COUNTRY

The Australian Sports Commission (ASC) acknowledges the Traditional Custodians of the lands where its offices are located, the Ngunnawal people and recognise any other people or families with connection to the lands of the ACT and region, the Wurundjeri Woi-wurrung people of the Kulin Nation, the people of the Yugambeh Nation and the Gadigal people of the Eora Nation.

The ASC extends this acknowledgment to all the Traditional Custodians of the lands and First Nations Peoples throughout Australia and would like to pay its respects to all Elders past, present and future.

The ASC recognises the outstanding contribution that Aboriginal and Torres Strait Islander peoples make to society and sport in Australia and celebrates the power of sport to promote reconciliation and reduce inequality.

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INTRODUCTION

Developed by the Australian Sports Commission (ASC), the annual Sport Governance Standards (SGS) Benchmarking Report provides insights into how funded national sporting organisations and national sporting organisations for people with disability (NSOs and NSODs) assess their governance maturity. This is the third edition of the report and includes year-on-year analysis.

NSO/Ds use the SGS to evaluate the effectiveness and efficiency of their governance systems and processes. Co-designed with the Australian sport sector, these Standards focus on accountability, transparency and continuous governance improvement in all sporting organisations.

In total, there are 35 SGS across 8 Sport Governance Principles. The number of Standards has decreased from 40 in the 2022 Benchmarking Report due to the removal of 8 Standards under Principle 8, which is now managed and supported by Sport Integrity Australia under the National Integrity Framework, offset with the introduction of 3 new Standards, designed to further embed best practice governance.

In May 2023, NSO/Ds were asked to self-evaluate their governance maturity against each Standard using a four-point scale, with a score of 1 representing low maturity and a score of 4 representing the highest level of maturity.

This report combines data from 61 NSO/Ds and is designed to provide insights into the results and findings of the self-assessment process against the SGS.

The SGS data in this document will be used by NSO/Ds and the ASC to:

- benchmark the current governance maturity of all NSO/Ds
- inform development of NSO/D Governance and Organisational Enhancement plans
- identify the major development needs of NSO/Ds to help prioritise support, education and the development of resources for the sector.

OVERVIEW

Improvement

Thirty two sports increased their governance performance in 2023. The average score reported for a Standard across all funded NSOs in 2023 was 3.09 out of a possible 4.



Priority standards

To provide focus for the sector, the ASC and state and territory agencies for sport and recreation (STASR) identified the standards in the table below as specific areas of focus for 2022. The priority standards were selected based on the areas of greatest opportunity for improvement across the sector.

Standard	2022 Ave	2023 Ave
1.1 Code of conduct	2.67	2.84
2.1 Engagement strategy	2.75	2.64
4.2 Board diversity	2.35	2.02
4.5 Nominations committee	3.20	3.20
5.5 Board Charter	2.94	3.15

Principles 1, 2, 4 and 7 have been identified as priority areas for governance improvement in 2023-24 based upon NSO/D SGS responses. This will provide a continued focus on these key areas of governance, including a sustained focus on Standards 2.1 and 4.2 which experienced a decrease in 2022, to deliver a positive impact in achieving greater maturity in these key governance areas.

Tier performance

All funded NSO/Ds are sorted into tiers, based on the financial investment from the ASC, and the revenue generated by the organisation. In this way, the ASC sets an expected governance maturity level based on resources available to the NSO/Ds.

Tier	2021 Ave	2022 Ave	2023 Ave
1. Sports funded > \$3 million	3.18	3.36	3.37
2. Sports funded > \$1 million	2.97	3.13	3.21
3. Sports funded > \$500,000	2.83	3.08	2.83
4. Sports funded < \$500,000	2.59	2.75	2.78

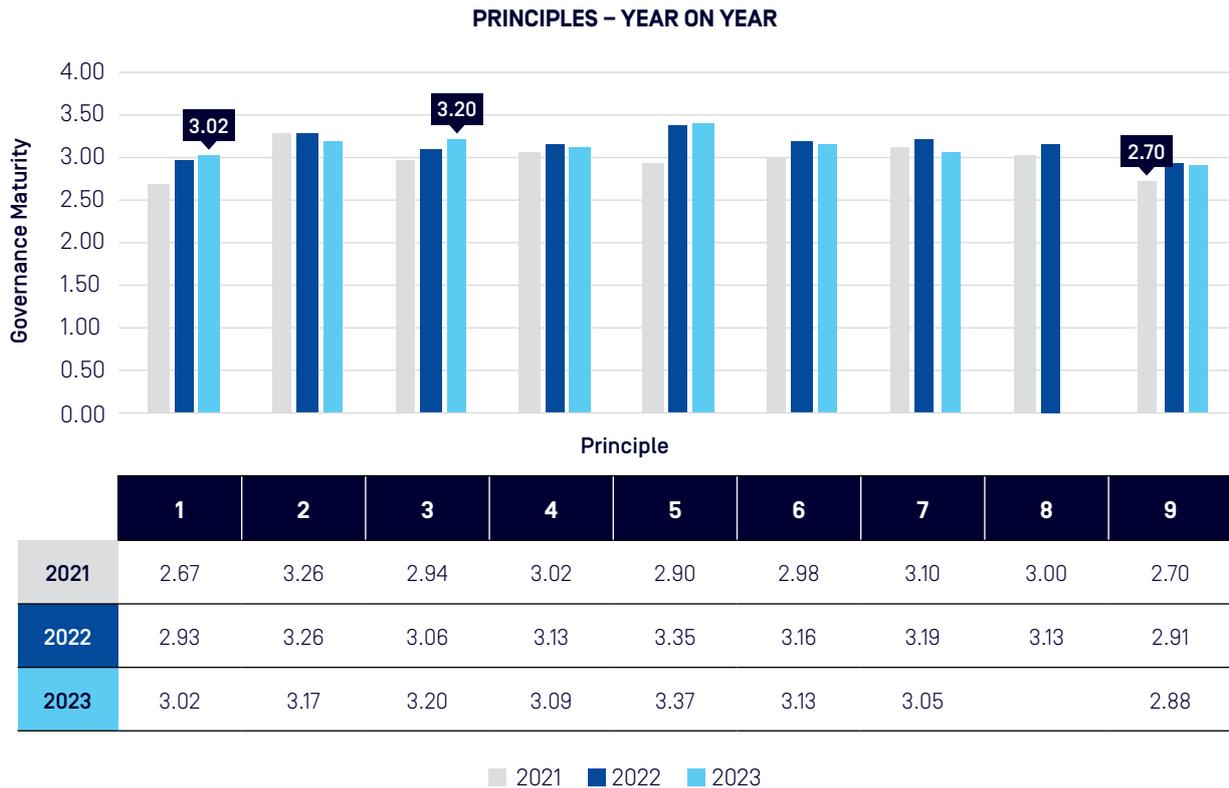
Sport Governance Principles – 3-year comparison

Year on Year (YoY) comparison of Principle performance highlights clear improvements have been made across the national sporting environment in:

- Principle 1: Values driven culture and behaviours, and
- Principle 3: A clear vision that informs strategy

Results also indicate consistent challenges in the following area:

- Principle 9: Embedded systems of internal review to foster continued improvement



*Principle 8 was not assessed in 2023, as Sport Integrity Australia has assumed responsibility for administering the Standards related to this Principle.

Top 5 Performing Standards

1 Legal Entity [Standard 5.1]

The organisation should be a legal entity incorporated under the legislation which best fits its size, need and jurisdiction

Score out of 4: **3.95**

2 Vulnerable Persons and Children [Standard 7.1]

The organisation has a documented process to ensure compliance with working with vulnerable persons legislation (that reflects the varying legislative requirements of all States and Territories) including maintenance of relevant checks

Score out of 4: **3.67**

3 Director Term Limits [Standard 5.2]

The organisation should have a staggered rotation system for directors, with term limits and a maximum tenure of no longer than 10 years

Score out of 4: **3.62**

4 Member Communication [Standard 2.3]

The organisation proactively engages, communicates and collaborates with its members, ensuring accountability and transparency

Score out of 4: **3.61**

5 Director Independence [Standard 4.4]

The organisation's directors should be independent, regardless of whether elected or appointed

Score out of 4: **3.61**

Bottom 5 Performing Standards

35 Succession Planning [Standard 9.8]

The board has a documented succession planning process for key personnel and the retention of corporate knowledge

Score out of 4: **1.89**

34 Diversity, Equity and Inclusion [Standard 4.2]

The board demonstrates a strong and public commitment to progressing towards achieving its diversity targets within its board composition including: Geographical locality, Aboriginal and Torres Strait Islander, CALD, Age, SES, Disability, Sexual Orientation, Gender Identity, Race, Religion

Score out of 4: **2.02**

33 Board Evaluation [Standard 9.1]

The board should regularly evaluate its performance and performance of individual directors. The board should agree and implement a plan to take forward any actions resulting from the evaluations

Score out of 4: **2.30**

32 Stakeholder Engagement Plan [Standard 2.1]

The board develops and publishes a strategy for engaging with, and listening to, the organisation's members and stakeholders (including boards of their member bodies)

Score out of 4: **2.64**

31 Implementation of Risk Management [Standard 7.3]

The board has established a risk management system that is appropriate for the size and context of the organisation, aligns with strategy and enables organisation-wide decision making for the management of threats and opportunities

Score out of 4: **2.72**

Biggest movers

The following table shows the Standards that had the biggest change year-on-year:

Standard	2022 Ave	2023 Ave	% Change
4.2 Board Diversity	2.35	2.02	-14%
9.7 CEO Evaluation	3.02	2.74	-9%
7.1 Vulnerable Persons and Children	3.42	3.67	7%
6.2 Chair Appointment and Evaluation	2.97	2.79	-6%
1.1 Code of Conduct	2.67	2.84	6%

ASC Supporting resources

Results from the annual Benchmarking Report help inform governance resource development.

In 2022-23, several resources were released to support NSO/Ds align to the highest level of maturity against the Sport Governance Standards.

These included:

- **The Defence – Risk Management course** (supporting Principle 7)
- **The Spirit of the Game – Organisational Culture course** (supporting Principle 1)
- **Board Stakeholder Engagement Plan** (supporting Standard 2.1)
- **Board Succession Planning** (supporting Standard 9.8)
- **Conflict of Interest** and **Director Independence** (supporting Standard 4.4)
- **Risk Management Process Implementation Guide** (supporting Principle 7)
- **Director Recruitment and Appointment** (supporting Principle 4)
- **Board Director Success Profile** and **Chair Success Profile** (supporting Principle 4)
- **Director Performance Evaluation** (supporting Principle 9)
- **Governance Committee Charter** (supporting Principle 5)
- **Finance, Audit and Risk Committee Charter** (supporting Principle 5)

The full suite of free governance resources is located on the **National Governance Resource Library**.

Developed in partnership between the ASC, STASR and NSO/Ds, all resources are designed to be fit for purpose and reflect best practice in sport.

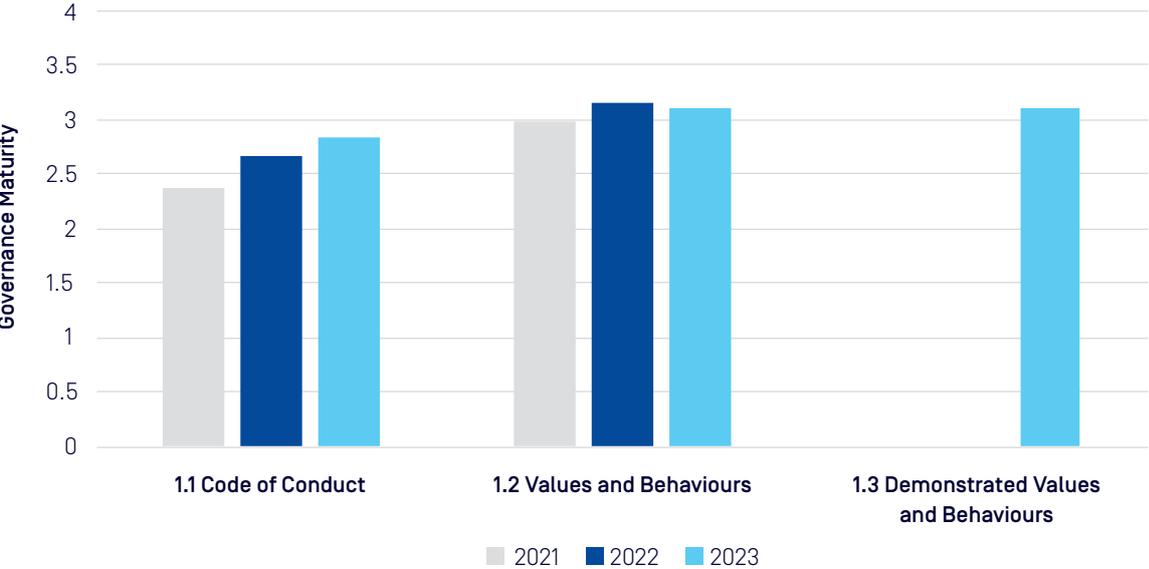
PRINCIPLE 1: THE SPIRIT OF THE GAME

VALUES-DRIVEN CULTURE AND BEHAVIOURS

An organisation’s culture and behaviours should be underpinned by values which are demonstrated by the board and embedded in its decisions and actions.



PRINCIPLE 1 – YEAR ON YEAR



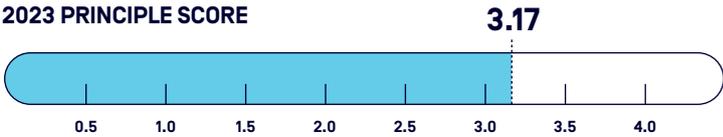
Observations

- Standard 1.1 *Code of conduct* was a priority standard for NSO/Ds in 2022. This standard registered the second highest improvement across the 35 Standards, up from 2.67 to 2.84.
- Standard 1.3 *Demonstrated values and behaviours* is a new Standard for 2023, designed to measure the active demonstration of the organisation’s values. In 2023, it scored 3.11.
- Supporting this foundational Principle, the ASC launched **The Spirit of the Game – Organisational Culture** course in June 2023.

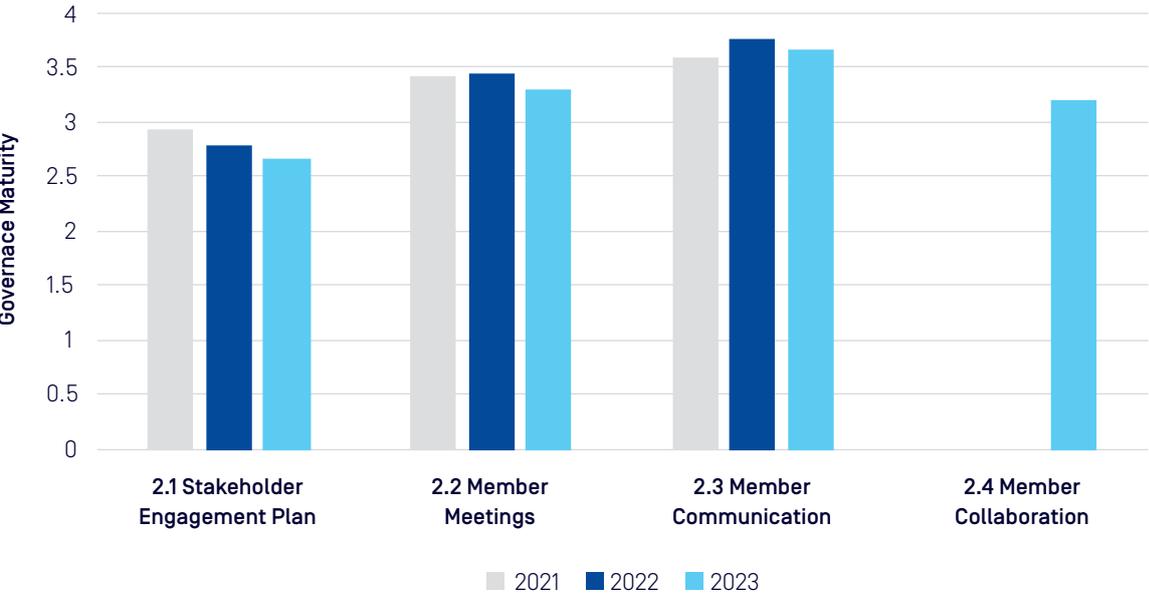
PRINCIPLE 2: THE TEAM

ALIGNED SPORT THROUGH COLLABORATIVE GOVERNANCE

Across a sport, boards should work together to govern collaboratively and create alignment to maximise efficient use of resources and implement whole-of-sport plans.



PRINCIPLE 2 – YEAR ON YEAR



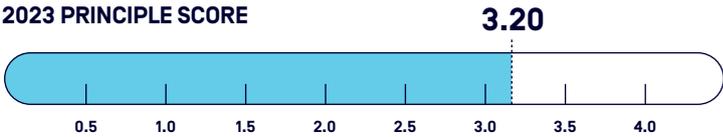
Observations

- Principle 2 scored above the overall average (3.09), yet slightly lower than in 2022 (3.26), reflecting the continuous challenge to align sport through collaborative governance, particularly within a federated model.
- Standard 2.1 *Stakeholder Engagement Plan* (2.64) was a priority Standard for 2022, with a **Board Stakeholder Engagement Plan** resource developed to support NSO/Ds.
- In order to provide further direction for NSO/Ds, Standard 2.4 *Member Collaboration* (3.16) was introduced in 2023, reinforcing that best practice is for an organisation to collaborate with its member bodies and (where relevant) national body to engage in collective decision-making that is formal, consensus-oriented, and deliberate. Further, there is a focus on organisations collaborating to maximise efficient use of resources.

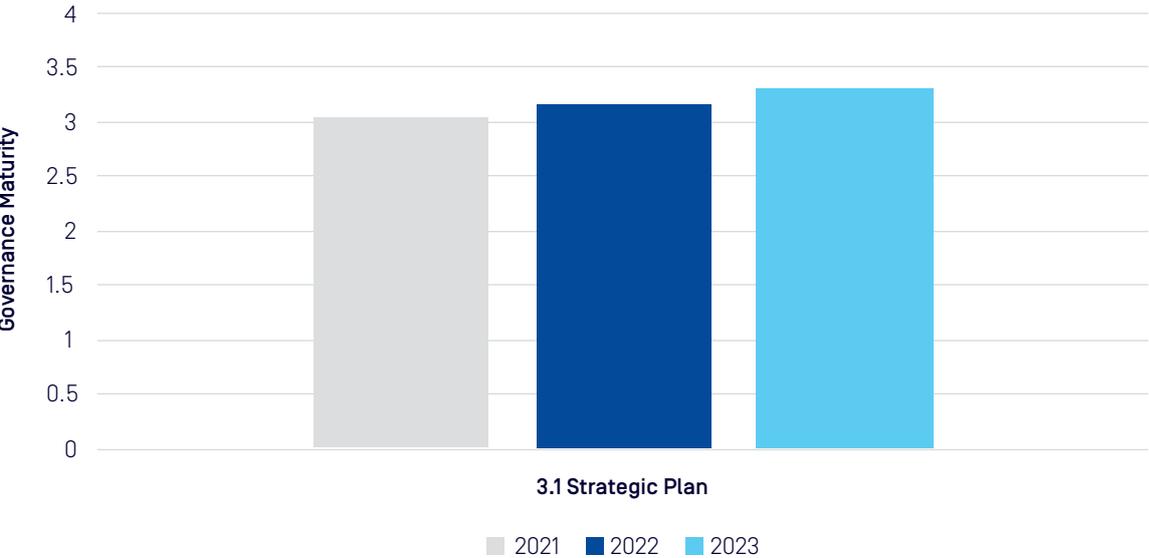
PRINCIPLE 3: THE GAMEPLAN

A CLEAR VISION THAT INFORMS STRATEGY

The board is responsible for overseeing the development of the organisation's vision and strategy as well as determining what success looks like.



PRINCIPLE 3 – YEAR ON YEAR



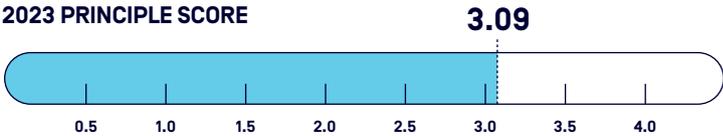
Observations

- Principle 3 – The Gameplan is measured solely by Standard 3.1, which seeks organisations to adopt, in consultation with its members, a strategic plan with clear and measurable targets which are linked to a detailed operating budget.
- NSO/Ds scored this Standard 3.20, a 5% increase over 2022, and a further improvement over the base score of 2.94 in 2021.

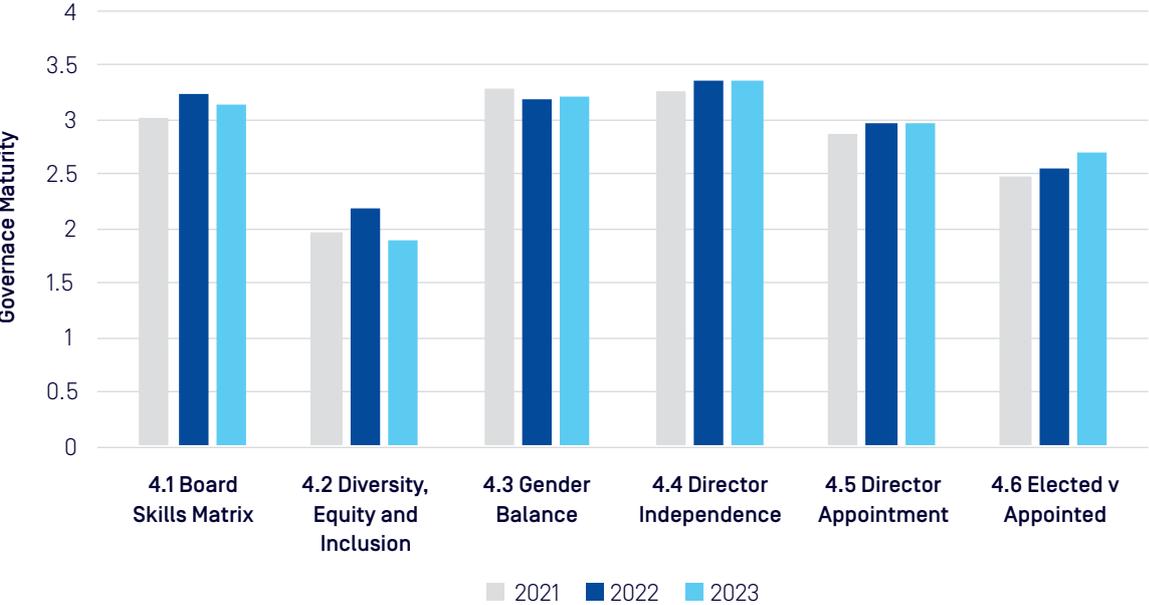
PRINCIPLE 4: THE PLAYERS

A DIVERSE BOARD TO ENABLE CONSIDERED DECISION-MAKING

A board should be a diverse group of people who collectively provide different perspectives and experience to facilitate more considered decision-making.



PRINCIPLE 4 – YEAR ON YEAR



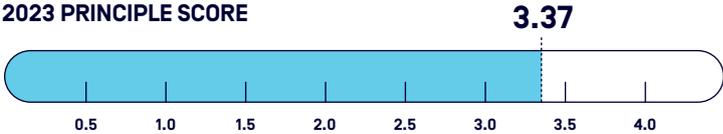
Observations

- Overall, Principle 4 remained consistent, however this somewhat masks the significant decrease in the average score for Standard 4.2 *Board Diversity*, which experienced the single biggest decrease of any Standard in 2023 (down 14% to 2.02). *Board Diversity* remains an area for further improvement and has been identified as a priority Standard across the sector for the third year running.
- Despite potential constitutional limitations for NSO/Ds, a continued focus on improving the balance of elected versus appointed directors resulted in a 5% increase in Standard 4.6 [2.90].
- In 2023, Principle 4 (and all six Standards) has been identified as a priority for the sector. The ASC has created a **suite of resources** for organisations to develop this critical element of governance.

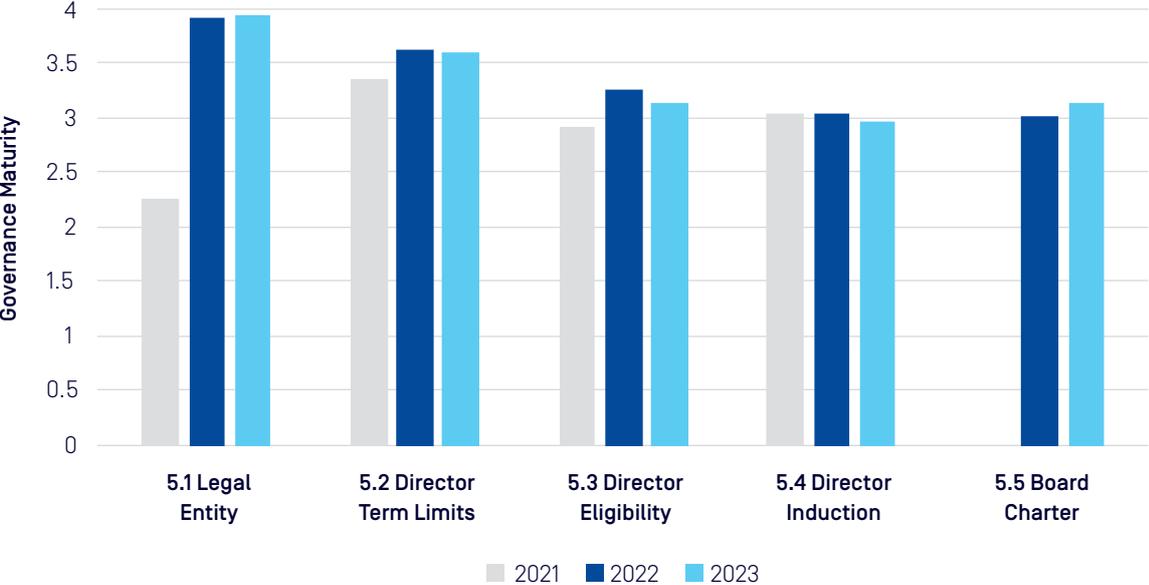
PRINCIPLE 5: THE RULEBOOK

DOCUMENTS THAT OUTLINE DUTIES, POWERS, ROLES AND RESPONSIBILITIES

An organisation should clearly define and document its structure and the duties, responsibilities and powers of members, directors, committees and management.



PRINCIPLE 5 – YEAR ON YEAR



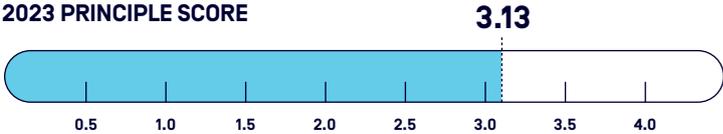
Observations

- Initially one of the lowest scoring Principles in 2021, Principle 5 experienced a significant improvement in 2022, primarily due to NSO/Ds acknowledging they were already incorporated as a Company Limited by Guarantee and conformed to the highest level of governance maturity in this area (in 2023, Standard 5.1 scored the highest average of all Standards with 3.95). Pleasingly, the results for Principle 5 have remained consistently strong overall (3.37 average).
- Resources** were developed in 2022-23 to support organisations to document duties, responsibilities and powers.
- Note: due to a systems error, Standard 5.5 Board Charter was not collected in 2021.

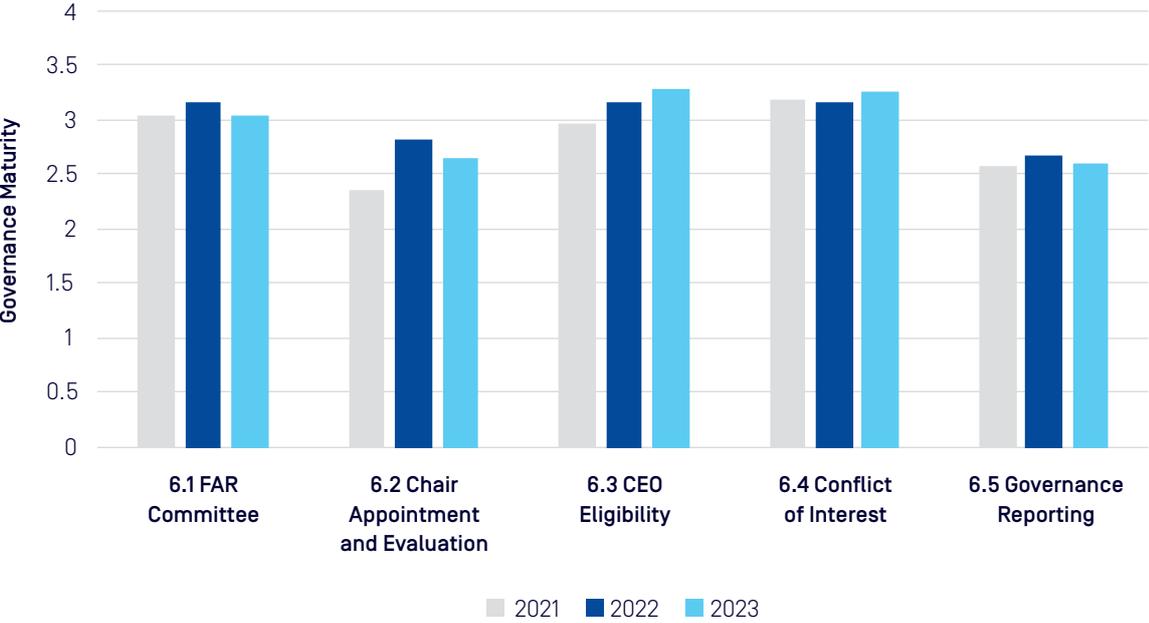
PRINCIPLE 6: THE PLAYBOOK

BOARD PROCESSES WHICH ENSURE ACCOUNTABILITY AND TRANSPARENCY

Through effective processes and continual review of its performance, the board is able to demonstrate accountability and transparency to its members and stakeholders.



PRINCIPLE 6 – YEAR ON YEAR



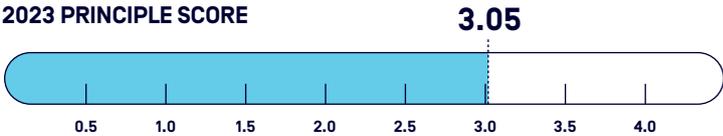
Observations

- Principle 6 remained steady in 2023, with the greatest improvement coming from Standard 6.3 *CEO Eligibility* (3.46), with 46 NSO/Ds reporting that their organisation has a minimum period of 3 or more years before a former CEO is eligible to become a director. Encouragingly, only 7 NSO/Ds reported the lowest maturity score of 1 for this Standard, compared to 14 NSO/Ds in 2022.
- In 2023, **resources** have been developed and released to support each of the Standards under Principle 6.

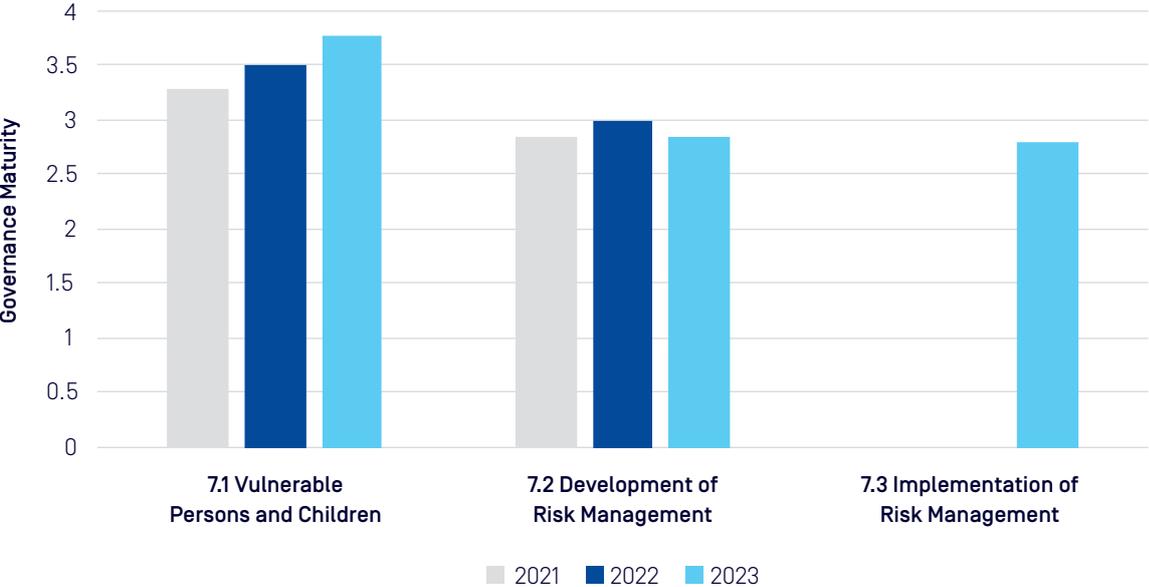
PRINCIPLE 7: THE DEFENCE

A SYSTEM WHICH PROTECTS THE ORGANISATION

To proactively protect the organisation from harm, the board ensures the organisation has and maintains robust and systematic processes for managing risk.



PRINCIPLE 7 – YEAR ON YEAR



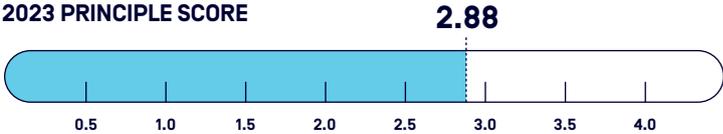
Observations

- The average score for Standard 7.1 *Vulnerable Persons and Children* increased substantially for the second year in a row, marking the largest improvement in a Standard score with a 7% increase to 3.67.
- In late 2022, the ASC launched **The Defence – Risk Management for Directors** course, designed to further develop capability in the area of risk management.
- Standard 7.3 *Implementation of Risk Management* was introduced in 2023, helping NSO/Ds measure the practical application of risk in their organisation.

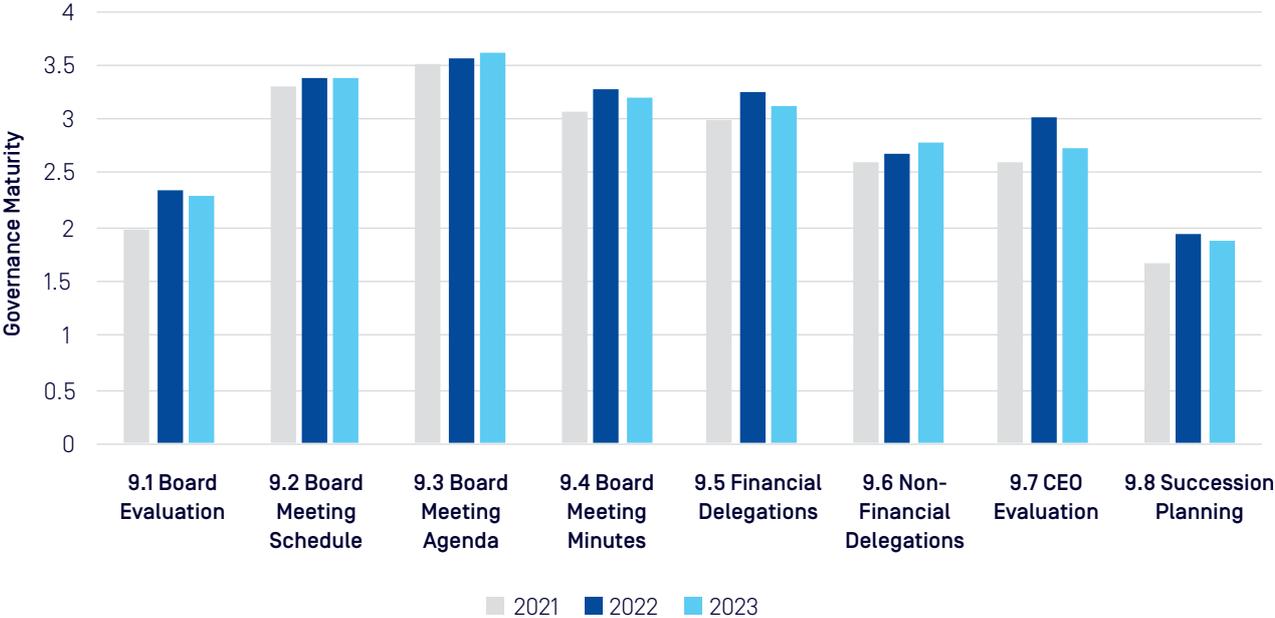
PRINCIPLE 9: THE SCORECARD

EMBEDDED SYSTEMS OF INTERNAL REVIEW TO FOSTER IMPROVEMENT

The board must have an appropriate system of internal controls to enable it to monitor performance, track progress against strategy and address issues of concern.



PRINCIPLE 9 – YEAR ON YEAR



Observations

- For the third year running, Principle 9 has the greatest variance in scores, with averages varying from 1.89 for Standard 9.8 *Succession Planning* to 3.61 for Standard 9.3 *Board Meeting Agenda*.
- A focus on Standard 9.6 *Non-Financial Delegations* as a priority Standard in 2022 resulted in a 4% increase in average scores to 2.79.
- The ASC provides support to NSO/Ds on 9.1 *Board Evaluation* (2.30), offering an independent service to administer this vital function.
- Standard 9.8 *Succession Planning* remains the lowest scoring Standard across all Principles in 2023 (1.89). In 2023, the ASC has developed **resources** to support NSO/Ds in this critical component of good governance.

BACKGROUND

Limitations of this report

The data in this report is self-reported by NSO/Ds. The ASC has reviewed the submitted data for obvious errors. However, due to the nature of self-reporting, the ASC is not able to independently verify all data in this report.

Due to the changes in the number of Standards measured in 2023 (see *New Standards for 2023 and Principle 8 and the National Integrity Framework*), the average scores for individual NSO/Ds are affected and should not be considered a direct like-for-like score. Consequently, these average scores should be treated as a guide and indicator of trends.

New Standards for 2023

The ASC annually reviews the SGS, ensuring the Standards and their corresponding measures continue to be fit-for-purpose in the evolving sporting environment. Further, the ASC seeks feedback from NSO/Ds on the relevance and effectiveness of the measures.

Based on this review and feedback, three new SGS were introduced in 2023:

- 1.3 – Demonstrated Values and Behaviours
- 2.4 – Member Collaboration
- 7.3 – Implementation of Risk Management

State and Territory adoption of the Sport Governance Standards

In a coordinated approach to drive national sport governance improvement, all State and Territory Agencies for Sport and Recreation (STASR) will have implemented the SGS with their respective SSOs by May 2024. Combining these results with the NSO/D data will provide the very first national benchmark for governance and enable a more coordinated approach to governance support for organisations across the country.

Principle 8 and the National Integrity Framework

Sport Integrity Australia (SIA) has assumed responsibility and support for the implementation of the National Integrity Framework by NSO/Ds. Consequently, activities in relation to Principle 8 (Standards 7.1 and 8.1 through to 8.8) are supported by SIA. The questions related to Principle 8 were removed from the Sport Governance Standards self-assessment in 2023 and will be directly supported by SIA.

Resources

An extensive suite of fact sheets, guides, tools and templates is available at the [National Governance Resource Library](#) to support sporting organisations on their continuous improvement journey.

Acknowledgements

The Sport Governance and Organisational Enhancement team would like to acknowledge the invaluable contribution of the STASR, as well as the NSO/D and state sporting organisation leaders who provided their time and expertise to the development of the Sport Governance Principles and accompanying standards.



Australian Government
Australian Sports Commission

ausport.gov.au



Leverrier Street Bruce ACT 2617
PO Box 176 Belconnen ACT 2616
+61 2 6214 1111

