



Australian Government

Australian Government response to the
Senate Community Affairs References Committee
report:

The future of rugby union in Australia

Introduction

The Australian Government is committed to supporting sport in Australia from grassroots to elite international performance; increasing participation in sport and physical activity to improve physical and mental health; staging world class major sporting events; and utilising sport as a vehicle for diplomacy and to address disadvantage and social inclusion challenges.

Rugby Union forms a significant part of the rich tapestry of Australian sport. Rugby Union has over 250,000 active players, coaches and officials in Australia. In 2017-18 the Australian Government invested over \$2.176 million in Rugby Union, \$1.52 million for high performance programs (Rugby 7s) and \$650,000 for participation programs. Rugby Australia is a partner in delivering the Government's Sporting Schools program. As part of the Sporting Schools Program, Rugby Australia's *Game On* program is teaching school children passion, integrity, discipline, respect and teamwork through a mix of non-contact classroom and field based skill sessions.

This response addresses the recommendations made by the Senate Community Affairs References Committee in the report *Future of Rugby Union in Australia* and has been coordinated and prepared by the Department of Health.

Recommendation 1: The committee recommends that the Australian Sports Commission consider an additional principle to be introduced in the Commission's Sports Governance Principles in relation to National Sporting Organisations' commitment and duty to player welfare.

The Australian Government, through the Australian Sports Commission (ASC), is committed to leading ongoing improvement in governance within the Australian sporting sector. The ASC has issued governance guidance in sport policy standards to help the sports sector implement and maintain transparent and robust systems of governance and best practice. The ASC is currently reviewing and refining its existing governance documents into a consolidated policy, to provide a single point of reference for sports. As part of this consolidation project an additional principle in relation to National Sporting Organisations' (NSO) commitment and duty to player welfare will be considered.

Recommendation 2: The committee recommends that Australian Rugby Union immediately transfer all intellectual property and trademarks associated with the Western Force to RugbyWA.

The Australian Government notes this recommendation. Since the tabling of this report Rugby Australia has transferred intellectual property relating to the Western Force to RugbyWA.

Recommendation 3: The committee recommends that the Western Australian Government:

- review evidence to the committee in relation to the process used to eliminate Western Force from the national Super Rugby competition; and
- seek further legal advice on what assurances were provided to them by Australian Rugby Union and in particular the Australian Rugby Union negotiations with both the Victorian and Western Australian Governments which informed the good faith investment decisions by the Western Australian Government on behalf of Western Australian taxpayers.

The Australian Government notes this recommendation.

The recommended action is for the Western Australian Government to consider.

Recommendation 4: The committee recommends that the Australian Securities and Investments Commission review the evidence received by the committee regarding transactions involving the Melbourne Rebels.

Recommendation 5: The committee recommends the Australian Securities and Investments Commission review the financial circumstances reported in the Australian Rugby Union's annual reports against the evidence presented to the committee.

The Australian Government notes this recommendation. The Australian Securities and Investments Commission (ASIC) has advised it is reviewing the matters raised during the Senate inquiry. The Government has been informed by ASIC that it will provide a response to the Senate Committee separately. Due to the volume of the material and the nature of the matters raised, ASIC has advised the Government it does not believe it will be able to provide that response for some time, but that it will progress matters should the evidence warrant it.

Recommendation 6: The committee recommends the Australian Rugby Union consider implementing measures outside of state based bodies which ensure the involvement and engagement with grassroots rugby union supporters, particularly in relation to consultation in decision making processes that concern significant change to the nature and future direction of the sport.

While noting the recommendation is for Rugby Australia to consider, the Australian Government, through the ASC, notes that involvement and engagement with grassroots stakeholders is important to ensure that all voices are given an opportunity to be heard before decisions that affect whole-of-sport are undertaken. While the ultimate decision making responsibility rests with the board of the sport, it is important that NSOs, as custodians for sports in Australia, inform themselves as fully as reasonably practical, including a process of consultation with stakeholders.

Recommendation 7: The committee recommends that the Commonwealth Government examine the structure of sporting organisations in Australia with a view to maximising community involvement, and increasing the accountability and transparency of organisations that bear the custodianship of a sport.

The Australian Government notes this recommendation and recognises the benefits and importance of sport to Australian communities. The ASC works continuously with all recognised sports in Australia to help them implement structures, behaviours and practices that increase their accountability and transparency, and by doing so helps ensure community involvement is maximised and services to grassroots sport are given due consideration and prioritisation.

The ASC annually reviews all recognised sports in Australia for compliance with their funding obligations and governance best practice through the Annual Sports Performance Review (ASPR) process. A key aspect of this process is to measure the structures that NSOs have in place to promote and ensure transparency, accountability and integrity in decision making.

The ASPR process provides data to the ASC across the whole sports sector, and also provides quality data to each NSO that helps drive continuous governance improvement.

The ASC's Mandatory Governance Principle 1.1 provides that best practice for the structure of sporting organisations is a single national entity for the sport, from grassroots and juniors through to high performance teams. Where a sport has a federated structure, the ASC's Mandatory Governance Principle 1.2 provides that all parts of the sport must work in cohesion and adhere to a strategic direction set by the national entity to maximise the interests of the sport. The sport should have a participation plan for grassroots and community involvement that is delivered consistently and effectively by member bodies. These are fundamental pillars of the ASC's Governance Principles, and the ASC works with sports to examine their structures and help them achieve these outcomes.

The governance and integrity of Australian sport is a priority for the Australian Government. The Australian Government will continue to work with national sporting organisations ensure their governance arrangements remain robust and contemporary.

Recommendation 8: The committee recommends that the Commonwealth Government undertake a review of world's best practice sporting policies in relation to sports funding and performance measures.

The Australian Government through the Department of Health and the ASC is continuously reviewing and improving policies and practices to fund high performance sport, grass roots sport participation and to maintain the integrity of sport.

The Australian Government is currently developing a National Sport Plan (NSP). The NSP aims to provide a long-term strategic direction that encompasses all aspects of sport, whilst guiding future Australian Government policy to promote efficiency and improvement in sport, health and economic outcomes.

In developing the NSP, a comprehensive public consultation process has been undertaken as well as a desktop review of relevant international sporting policies. Both the consultation and the desktop review are key sources of information which will inform the NSP.

The ASC undertook a review of Australia's Sport Investment Agreement in May 2017. As part of that evaluation, a number of agreements with international sporting organisations were assessed. The review highlighted that there are variable ways for government and other organisations to invest in sport. In all cases reviewed, the consistent requirements were a need for the sports organisation to provide an overarching plan that provided the direction for which the investment was to be used. The ASC continues to request plans (Strategic and/or Operational) from NSOs, and monitoring or feedback is to be provided by the ASC to NSOs.

The Australian Government is also deeply engaged in international fora such as the Commonwealth Sport Ministers' Meetings (of which Australia will host the ninth edition in April 2018), the Commonwealth Advisory Body on Sport and the International Conference of Ministers and Senior Officials Responsible for Physical Education and Sport. Further, the Australian Government maintains collaborative relationships with international peak sporting bodies and Government sport authorities, in particular with countries that share a similar sporting philosophy and countries in our immediate indo-pacific region. These

relationships are often formalised in Memoranda of Understanding on Sport Cooperation of which information sharing of best practice forms a significant part.