

1. Introduction

Mr Donald Wells opened the workshop by welcoming participants and thanking them for taking the time to contribute to the next two days. He then introduced Mr Colin Osborne, President of the Confederation of Australian Motorsport (CAMS), as the facilitator of the workshop. Donald stated that the workshop was designed to have a focus on the governance of karting by the Australian Karting Association (AKA).

2. Objectives of the workshop and the participants:

Colin requested that each participant take 2 pieces of paper and place 1 thought on each covering "WHAT DO YOU WANT TO ACHIEVE FROM THE WORKSHOP?" Responses were then grouped together with like ideas. The outcome is listed below.

Make karting accessible to all	Lower costs	Effective cooperative communication
Focus resources on grass roots	Safe, cost efficient karting for karters	
Safe/relaxed race meeting	Proactive in classes: - Safety - Environment - Cost - Direction	Even voting rights = LIC holders
Management load back to the States		
The AKA can be seen as a responsible body to karters	Control of our Intellectual Property	Unity of purpose in Australian karting
		Keep it simple for all to understand
Best outcome for the karters (ie members)	Professional business management	Reflect stakeholders' rights
Determined effort to go forward to fairly, openly & fix the problems	Recognition there is a huge problem with management & culture in AKA & karting	Better understanding of how, and process of, decision making within AKA
	Effective strategic management	Less argument/ acrimony
The progression of karting	Consolidation & improvement of organisation	Cohesive teamwork as organisation
To grow our sport of karting	Best management model for all stakeholders	Improved working structures

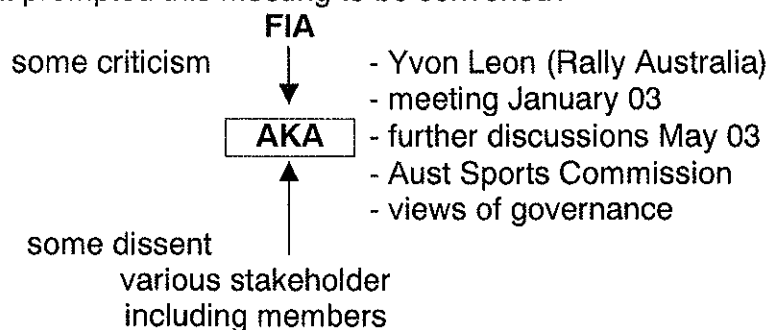
Direction - growth	Revised administration Smooth running, Efficient, respected, Organisation	Positive direction Consensus on management direction
Stability rules Stability of rules and regulations	Higher profile for karting Better public awareness	Unified organisation Direction of karting Uniform governance for all of Australia Clear direction for future structure

3. Overview of the need for the workshop:

Colin Osborne briefly detailed the events which led to the workshop being convened, those principally being:

- Some concerns expressed by CIK about the perceived direction of karting in Australia
- An apparent increase in expressions of discontent from various stakeholders within Australia
- Preliminary discussions between senior officials of CAMS and AKA about the issues

What prompted this meeting to be convened?



Colin was asked to provide a summary of the views of the FIA, CIK and CAMS which might be relevant to the purpose of the workshop. The following information was provided:

3.1 FAI VIEWS ABOUT DELEGATIONS:

- Delegations are generally not favoured because it leads to disaggregation of Sport
- Australia (CAMS) often criticised for having too many delegations (especially for 20 M people)
- ASN are responsible for the actions of delegated authorities
- ASN which delegate are to work closely with delegated authorities to ensure SAFE, FAIR, Socially Responsible motorsport

- Social responsibility includes competent sporting and corporate governance
- Delegation does not equal Abrogation

3.2 FIA/CIK VIEW OF AKA/KARTING IN AUSTRALIA:

- Pedantic Representation (might have changed recently)
- Unco-ordinated
- Fragmented
- Limited commitment to International alignment of regulations
- a little bit hillbilly
- enormous potential/significant talent

3.3 CAMS VIEW OF AKA/KARTING IN AUSTRALIA:

- Fragmented/inconsistent approaches
- not a sense that a single shared vision exists
- Limited commitment to International alignment
- Culture that is unique to karting, and which is often not constructive
- Significant activity conducted outside AKA
 - Commercial Leisure
 - Endurance Karting
 - Superkarting
- CAMS agreed approach was to have only ONE delegation which effectively governed all aspects of Karting.

In summary, CAMS wants to have a delegation for karting in Australia, but it wants to have a single delegation which covers all aspects of karting.

4. Introduction of participants:

Each member of the group identified their name, the state they were from and their association with the AKA and/or involvement with Karting.

It was noted from the introductions that the group collectively had over 365 years of experience in Karting, and that they represented a wide range of interests and were cognisant of the needs, views and expectations of a wide range of stakeholders.

The group was advised that for the remainder of the workshop they were to contribute as individuals who had enormous experience and understanding of, and commitment to, Karting in Australia; they were not to participate "wearing the hat" which might have been the reason for them being asked to participate.

The group agreed to do this.

5. The role of the facilitator:

- Facilitator not Participant
- Dilemma in picking a facilitator - cost, availability, understanding of context
- Absolutely Independent - Lack of Knowledge
Knowledge - Baggage (potential lack of objectivity)

"You will need to keep me honest - please do this. Remember, I am the President of CAMS and I might slip up in maintaining position as an independent facilitator. If I believe I am doing this I will place the CAMS hat on, likewise if you believe I should be wearing the CAMS hat stop me & tell me to put it on." (Colin Osborne)

6. Rules of the workshop:

- no phones or pagers
 - listen, listen, listen - to your colleagues
- to requests
 - when you speak be - concise - precise - honest
 - There are no Titles in the room (tribal uniforms) - you are here henceforth as individuals, not with your official hat on
 - Everyone has an equal voice
 - No shrinking violets - no wallflowers
- The group agreed to abide by the rules.

7. Strengths of Karting or the AKA

The group were then asked to identify three thoughts and put each thought on a single piece of paper. The thoughts were to address the question "WHAT ARE THE STRENGTHS OF KARTING OR THE AKA IN AUSTRALIA?"

In random rotational order, each participant was invited to present one of their thoughts, and other participants who had similar thoughts were able to combine their contributions resulting in groups or thoughts as follows:

<i>Group 1</i>	<i>Group 6</i>	<i>Group 10</i>
Family	Cheap form of motorsport	Australia wide
Family	Affordable	National sport
Family	Relatively low cost	Democratic process
Family involvement	Low cost racing	Australia wide
Family can be involved	Cost effective motorsport	National body
Karting encourages	Very good value	

participation	For money	<i>Group 13</i>
Family motorsport (involves all age groups)	Minimal cost motorsport	AKA
Family orientated motorsport	Most cost effective Motorsport	Debate all issues
Family involvement	Low cost (motorsport) competition	Recognition Of issues
Family sport	Relatively cheap as a motorsport	<i>Group 12</i>
Family orientated	<i>Group 15</i>	Karting - encourages discipline & involvement
Family sport	AKA	Develop driving skills on the road
Assessable to many	- sound leadership	Develop technical responsibilities for teenage children
Fun (depending on attitude)	<i>Group 11</i>	<i>Group 3</i>
Family fun sport	Racing side of the business well run	Large volunteer Base
Family type sport	Events	Use of volunteers
Family sport	<i>Group 2</i>	Volunteers
<i>Group 8</i>	Team spirit	Sport of volunteers
Challenge	Enjoyable	Volunteers
<i>Group 7</i>	Fellowship	Easy involvement
Communication	Comradeship	<i>Group 14</i>
<i>Group 9</i>	Friendship	Wide age range
Consistency of rules	Develop strong club relationships	<i>Group 5</i>
Uniformity	<i>Group 4</i>	Competing
Consistency of rules	Fun & excitement	Competitive motorsport
	Exciting sport	

The participants then reviewed each grouping and identified a concept that clearly articulated what the grouping meant.

Group 1	Family involvement
Group 2	Friendships/relationships
Group 3	Volunteers
Group 4	Excitement
Group 5	Competitive sport
Group 6	Cost efficient Motorsport
Group 7	Communication
Group 8	Challenging

Group 9	Consistency of rules
Group 10	National Body - Democratic
Group 11	Well run events
Group 12	Youth development
Group 13	Recognition of issues
Group 14	Wide age range
Group 15	Sound leadership

Once the concepts were listed each participant was issued with 2 red dots and 3 blue dots:

Red dots = 5 points
Blue dots = 2 points

Participants were given a period of time to consider the importance of each concept and distribute each dot in any way they wished (eg if they saw one concept as important they could place all their dots in it. If on the other hand they wished to distribute their dots across 5 concepts they could). They were then asked to write the number of the concept they identified as important on the dot then approach the butchers paper on which the concepts had been recorded and stick the dot in the appropriate location.

At the end of this process they identified which of the concepts were associated with karting (the sport) and which were issues that identified with the AKA (the association). The table below outlines the relativity of the strengths and whether the strength relates to the sport or the AKA.

No.	Concept:	Vote:	AKA/Karting:
1.	Family involvement	107	Karting
2.	Friendships/Relationships	30	Karting
3.	Volunteers	42	AKA/ Karting
4.	Excitement	4	Karting
5.	Competitive sport	31	Karting
6.	Cost efficient motorsport	33	Karting
7.	Communication	4	AKA
8.	Challenging	5	Karting
9.	Consistency of rules	15	AKA
10.	National body - Democratic	18	AKA
11.	Well run events	13	AKA/Karting
12.	Youth development	32	Karting
13.	Recognition of issues	2	AKA
14.	Wide age range	2	Karting
15.	Sound leadership	30	AKA

8. Weaknesses of Karting or the AKA

The group were then asked to identify three thoughts and write each thought on a single piece of paper. The thoughts were to address the question "WHAT ARE THE WEAKNESSES OF KARTING OR THE AKA IN AUSTRALIA?" Like thoughts were grouped together. The responses are listed below.

<i>Group 3</i>		<i>Group 5</i>	<i>Group 1</i>
Respect for the rules (regulations)		Negativity	No safety & environment plan
Rule inconsistency approved		Infighting	Lack of extensive strategic management
Varying interpretation of rules		Too much manufactures "control"	AKA inconsistencies with outcomes/decisions
		Trust in Decisions made	No forward Structure
<i>Group 2</i>		Politics	Time taken to introduce new rules - Decision making
Too many Minor changes to the rules			Long term Planning
Bad rule changes		<i>Group 4</i>	AKA: - management doesn't stay focused
Inconsistent application of the rules		Vested self interests	Good intention / no conclusion / finish
Rules too complex		Industry self interest	
Rule interpretation (State to State)			<i>Group 6</i>
Rule changes too often		<i>Group 17</i>	State Controlled
AKA/karting rules change too often		Driver Grading	State's own Interests
Constant rule changes			Unity between the States and the AKA
		<i>Group 19</i>	Unfair Voting rights
		Officials Training in all areas	
<i>Group 20</i>			<i>Group 11</i>
Lack of professional financial management		<i>Group 10</i>	Admin costs duplicated in some areas
		Volunteer's Few do everything	Perception of AKA By clubs
<i>Group 7</i>		Too many "CHIEFS" not enough "INDIANS"	Complicated Structure
Too many Classes		Large Volunteer base	
Too many Classes		Lack of involvement of club members	

Too many Classes	Club karters lack of interest	Top Heavy
Too many Classes (days too long)	Qualified/appropriate trained volunteers → errors problems	Too much admin costs & bureaucracy
<i>Group 8</i>	<i>Group 12</i>	Too many <u>legal</u> requirements
Youth Development	Communication	Club office requirements excessive
<i>Group 13</i>	Distorted information (rumour) - (antagonism)	Administration Process
Publicity - nobody knows about karting	Recognition of issues. Effective communication	<i>Group 15</i>
Not a highly recognised sport	<i>Group 16</i>	AKA - Perceived expensive organisation
Low Profile	Lack of Growth	Cost compared to other organisations
Lack of Public Profile	Reducing numbers in karting	<i>Group 18</i>
<i>Group 9</i>	<i>Group 14</i>	No formal Industry involvement
Participation Restrictions	Cost of Competition	

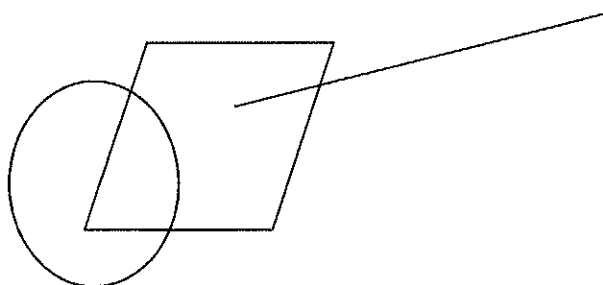
Using the same process as that was used to consolidate and prioritise the strengths of the group, the perceived weaknesses were grouped into:

No.	Concept:	Vote:	AKA/Karting:
1.	Lack of focus - no strategic plan	125	AKA
2.	Too many rule changes	9	AKA
3.	Inconsistent rule interpretation/application	2	AKA
4.	Vested interests (sports v industry)	19	AKA
5.	Politics - infighting - negativity	50	AKA
6.	State v state v National	61	AKA
7.	Too many classes	28	AKA
8.	Lack of Youth development	2	AKA
9.	Barriers to entry - kids need help	7	Karting
10.	Development of volunteer base	6	AKA
11.	Complicated admin process	2	AKA
12.	Poor communication	9	AKA/Karting
13.	Poor marketing/public profile	13	AKA

14.	Cost of competition	4	AKA/Karting
15.	Top heavy/expensive organisation	14	AKA
16.	Falling participation	4	AKA/Karting
17.	Driver grading	0	AKA
18.	No formal industry involvement	2	AKA
19.	Officials training - lack of	0	AKA
20.	Lack of professional & financial management	9	AKA

9. Review of the Weaknesses:

Colin noted that before morning tea he had heard a member of the group state that it was a pity that they identified more weaknesses than strengths. He presented the group with the following diagram and requested participants to "TELL ME SOMETHING ABOUT THE WHEELBARROW?"



Responses included:

- Wheel too big
- Job always in front
- No one holding the handle
- Empty
- Only 1 handle
- Out of balance
- ? Direction
- No axle
- No legs
- No ground

He then brought the groups attention to the fact that he had simply asked them to state something about the wheelbarrow, not to identify its weaknesses or faults. The group agreed on reflection that of the comments offered about the wheelbarrow, each had inferred a criticism. Discussion then ensued over the fact that it is common for people to look for the faults in something before looking for its strengths and that the weaknesses were actual issues that presented opportunities for improvement. It was noted that the remaining part of the workshop would concentrate on the opportunities for improvement.

The group then reviewed the highest ranking weaknesses and agreed that the most important issue that needed to be addressed was number one - "LACK OF FOCUS - NO STRATEGIC PLAN".

However, following lengthy discussion the group agreed that this could not be achieved without 4, 5 & 6 being addressed:

4. VESTED INTERESTS (SPORTS v INDUSTRY)
5. POLITICS - INFIGHTING - NEGATIVITY
6. STATE v STATE v NATIONAL

The group agreed that these would be addressed first. In doing this the group further agreed that the combination of these three issues would be addressed by reviewing the governance of the AKA.

10. Message form the Australian Sports Commission:

Colin then introduced Bob Kershaw, representative from the Australian Sports Commission (ASC), to the group and invited him to present the views of the Commission.

The main points of Bob's address included:

- These discussions could occur in any sport and in 99% of cases the issues highlighted today would surface;
- Today's discussions need to concentrate on what is referred to as the helicopter view, that is when in the air there is a clear overview of the lay of the land, once the helicopter comes close to the ground it raises dust and you can only focus on the immediate vicinity;
- The Commission is hoping that today's discussions will focus on structure and ensuring the National body concentrates on the helicopter view;
- Focus on the strengths that can be used to support the cultural change ie there is a national body, sound leadership.
- On reviewing the weaknesses discussion has already touched on the fact that addressing 4, 5 & 6 will support the rest of the change required;
- You are not Robinson Crusoe, no one expects you to do this on your own. You have the support of the Commission and CAMS;
- This process will takes as long as it takes, we do not want to slow it down, on the other hand we do not want it rushed to the point that nothing can be achieved
- In selling the structure you will need to be open, transparent and clear;
- You need a National body for support from CAMS, funding and to comply with legislature;

- Need to recognise that change is essential otherwise nothing will change;
- While you will all want change you need to accept that to achieve this you will have to give something up;
- This is not about people it is about structure and systems;
- It will not initially solve the problems and this may leave a perception that you are the problem. However, down the track in two years time and some of the achievements are realised people will see and understand the change;
- There needs to be a separation of governance and management. This workshop is about governance not management!;
- There will be costs involved. You will need to engage legal people to assist in the drafting of both process and structure;
- The structure needs to focus on giving a National body control over the vision of the sport while the states maintain control of the local issues;
- There is a perception that everyone has a seat on the Board. This is not our preferred model, the Board should be small enough to make decisions eg 5 to 7 people, with some members being independent to the sport (reference made to the CAMS model);
- The ASC has the authority to require change as they have the funding. The best time to approach the ASC is prior to the end of the financial year, as this is the time they are planning their grants for the following year;
- The ASC should be approached verbally, prior to developing the proposal to ensure they have a competitive chance at funding. Funding concentrates on those organisations that can demonstrate achievements, those that can not show achievement will not gain funding;
- ASC budget and funding is published in their annual report;
- The sport is measured on performance for funding. Initially a good proposal is required. The proposal should concentrate on the activity to be funded, its benefits to the sport (& community), needs to have a concise budget and a presentation of expected outcomes (the outcomes should define the value of the project or stages of the project). The outcomes are monitored throughout the duration of the project. Future funding is based on previous results;

Colin was asked to provide an overview of the CAMS model. This included:

- 6 State elected directors;
- up to 3 independent directors
- State Council in each State
- The State council elects its member to sit on the National Body
- 2 States hold election for the National representative each year
- The State Council does not instruct its delegate on how to vote for any issue

- When appointed to the National Body an oath of office is taken to ensure that when sitting on the National Body their work is for the betterment of sport in Australia not their State
- "They are not allowed to attend CAMS wearing two jumpers, they are required to take off the old one before they arrive".

11. The Current Governance Structure of the AKA:

Using the concept of one thought per piece of paper and three pieces of paper the group were asked to address the following question - "WHAT ARE THE CHARACTERISTICS OF THE CURRENT STRUCTURE?"

Like responses are grouped below:

Reactive not pro-active	Lack of input from most karters	State complacent - Delegations to committees
Too operationally based	Lack of karter's input	Afraid of loosing power
No vision or mission statement		
No strategic planning - Directionless	+ Information flow up & down	Committee's decisions Need to be final
Limited direction		
Non-strategic	No representative	Democratic
Inward focused	Losing site of the average karter	Democratic Structure
Too close to the ground	Out of touch	Democratic
Not always democratic	Industry driven	Clouded decisions
Oligarchic		Conflict of interests
	Not cohesive	
Expensive		Vested interests
	Can not make decisions	Clouded decisions
Lack of experience committee members	Complexity of decision making - Inefficient	
Better /Qualified personnel for committees /executives	Cumbersome - reactive - ineffectual	Vested interests
Secular	Slow to react	
	Double voting on committee items	Centralised
	Over democratic	Lousy authority
Too muck inexperience	Too democratic	Delegation
Structure of management	Not working effectively	
State controlled	Cumbersome	No body in control
Parochial orientation	Covering too may areas	
Parochial		

State v State (Decisions Parochial)	Duplicated processes with the States
Lack of national focus	
State interaction with AKA admin	
State ownership	
State influence nationally	

Using the same process as before concepts were given a single phrase to describe what the group meant. This time however, there was no need for a vote and every concept was in relation to the governance of the AKA. The outcome is listed in the table below.

- Too centralised –Lack of delegation
- Conflict of interest (too many hats) (manufacturer relationships)
- Democratic process for election off office bearers
- Complexity of decision making process (too many layers)
- State based & potentially parochial
- Not always democratic (lack of proportional representation)
- Operationally focused not strategically focused
- Hold office by virtue of popularity or availability not expertise
- State bodies are members of the AKA national
- Clubs are members of the state body
- Drivers are members of clubs
- AKA Incorp in Victoria
- State Incorp in relevant State
- Club Incorp in relevant State
- Not for profit
- Perceived as being expensive

12. Future direction for the governance of Karting:

This section commenced and progressed with discussion concentrating on the question "WHAT ARE THE DESIRABLE CHARACTERISTICS OF A STRUCTURE FOR THE GOVERNANCE OF KARTING IN AUSTRALIA?". While a floor tiling exercise similar to that of previous sessions was conducted the bulk of the exercise concentrated on discussion which included:

- Good stability and solid leadership - which the group had acknowledged had been identified as a strength in the first session, that could be built upon;
- Skills based leadership (committees) - governance level. Committees were further defined as the Board and its sub-committees. Discussion proceeded covering the relevance of State representation on these committees, or should they concentrate on skills representation;

- Accountability - ensuring a system is designed to make the Board accountable for its decisions and confident to delegate decision making (subject to certain parameters defined by the Board) to the Board sub-committees and delegated working parties. It was further identified that this mechanism should be transparent and measurable and driven by milestones identified in the strategic plan;
- The process by which the strategic plan is evolved is important and needs to be inclusive of all stakeholders. Accountability needs to be transparent with accountability defined up & down the organisation;
- The structure to date is perceived to be expensive - further developments of the structure need to be seen to be efficient, cost effective and timely, thereby representing value for money;
- Big picture focused ie strategic not operational. The Board needs to concentrate on governance while the successive levels should focus on the operations;
- Accountability also needs to be independent and responsible. There should be no baggage in the room it should be objective not subjective in its decision making. Directors must be unfettered and provide equal and fair representation of members not State or electorate based;
- Keep it simple stupid - no double processing. Delegation should be given with authority and then they should be held accountable for their actions;
- The independent appointed Directors concept - discussion ensued as to whether or not these members should be paid for their services. It was noted that sports organisations were volunteer driven and as such the independent appointed positions should also be. Colin Osborne noted that in the case of the CAMS Board they had no problem in filling these positions with volunteers;
- The grass roots karter has no understanding of the AKA. For this reason a number of issues need to be taken into consideration: Communication of the new structure; Organisational Chart; Club officials should be informed about the changes and why they are made; (people think if they haven't seen it it is a secret) transparency;
- Discussion covering the need to ensure the structure has positive links with the industry. The concept of potentially having a Director with a portfolio of industry liaison was tabled;
- All participants of the sport should be a member of the National Body. Further discussion covered how this would occur; the legal issues that would need to be addressed; the duty of care involved (noted that this will get greater as time moves on); requirements under the international sporting code (Colin Osborne offered to check this out for the group);
- The need for categories of membership was noted (it was also noted that the wider you spread the net the easier it is to represent yourself to Corporate sponsors and Government);

- Who is a member? - If you are a member of an affiliated kart club are you a member of the AKA? (this differs to that of voting rights);
- Discussion covering "Is this 1 incorporated organisation or 7 State incorporated bodies?" this discussion was extensive and not resolved on the day, it is one the AKA will need to resolve.

The result of the consolidation of issues identified in the "floor tiling" exercise resulted in a number of conceptual characteristics which the group agreed should be embodied in, or result from any revised structure of the AKA as follows:

- Leadership and stability
- Skills based governance board
- Skills based board sub committees
- Office bearers accountable by election
accountability both up and down
- Is cost effective- value for money
Efficient
Timely
- Big picture focus - Strategic not operational
Board ↗ ↖ sub- committee
- Office bearers are "independent" – Objective
(Directors must be unfettered)
- Equal and fair representation of members (not necessarily State based)
- K.I.S.S. – keep it simple stupid
Delegation of authority to committees which are then held accountable
- Consider engaging appointed directors (in addition to elected directors)
- Volunteer based (honorary contribution)
- Transparent process
- Have a mechanism which effectively and productively relates to and engages the industry
- Every member of an affiliated kart club is a member of the AKA
- Maintain some form of State sub structure
- Need to have multiple classes of membership
- Not for profit
- Generally encompass all karting activity

It needs to be recorded that no decisions have been made today, we have simply come to a number of conclusions that need to be looked at.

13. What do we do now?

- Prepare a statement of outcomes of this meeting
- Develop the draft design for consitiutional / structural reform for Karting governance by:

- 1 Forming working group(s)
 - 2 Design a conceptual structure
 - 3 Draft constitutional clauses
- Working committee for the above will consist of:
- 1 Donald Wells
 - 2 Pam Arnett
 - 3 Graham Barnes
 - 4 Mark Worsnop
 - 5 Graeme Drew
 - 6 Max Laybutt
- Authority given by the National Karting Committee (NKC)
- Accountable to report to the NKC and this group
- The workgroup will report back to this group no later than November 2003
- Donald Wells and Colin Osborne will investigate the opportunities for external funding to support a proportion of the costs for the November meeting.

14. Feedback:

Likes:	Dislikes:
Morning tea & afternoon tea	Drawn out & a rushed end
Finally a direction	Lack of time
Positive future direction	Maybe - still set in our old ways
Excellent facilitator	Nil
Broad agreement of delegates	The French
Positive outcome - all heading in the same direction	Nil
Structure & Content / Facilitator / location	Some still have self interests
Nothing negative	Nil
Positive	Would like to have gone further
A new direction is emerging	State parochialism still evident
Uniformity of participants	"Hillbilly's" - and "Froggies"
The general acceptance of the overall principal	1. Occasional State scars appear
Open & frank discussion - target the actual perceived problems	2. Would like to be further convinced that the AKA is totally committed to the betterment of the average Karter
General acceptance that there are problems and change is required	- Some people speaking/interjecting
- Facilitator methods	- Spent too long on some issues
- Facilitator did generally good job	That parochialism is not "DEAD" and will need addressing
- Positive outcome, hopefully leading to strategic direction	Only the fact that the biggest knockers of the current system didn't come
Enjoyed the experiences and thoughts the results were productive	We still have the 'state v state' mentality