
MAKING WAVES

By Denise Cullen



Surf lifesaving
carnival on
Sydney's Bondi
Beach, 1935

The famous red-and-yellow caps of Australian surf lifesavers symbolise strength, enduring spirit and a proud sense of community, but recent controversies have exposed the governance challenges.



William Gocher's midday dip in the Manly surf in 1902 was the start of the Australian surf lifesaving movement. Swimming during daylight hours was prohibited at the time, so Gocher was arrested once back on the sand. However, his act of civil disobedience triggered a change in the laws.

As more people entered the water, the dangers became apparent and groups of experienced swimmers formed lifesaving bodies. The clubs grew in size and number, and the New South Wales Surf Bathing Association was formed on 18 October 1907. This body was the forerunner to today's Surf Life Saving Australia (SLSA), part of a federated structure comprising 493 entities, including seven state and territory centres, 17 regional branches in NSW and Queensland and 314 separately incorporated local clubs. In addition, SLSA has subsidiaries such as the fundraising body Surf Life Saving Foundation (SLSF).

As is typical in federated structures, the SLSA doesn't function as a command-and-control corporate headquarters. It doesn't carry any responsibility for operational tasks such as surf rescues, which are delivered at the state and territory level. Rather, it is responsible for collaboratively developing

strategy and providing services to its members. These include promoting a shared vision (“zero preventable deaths in Australian waters”); learning opportunities such as online coaching and high-performance courses; undertaking and distributing research such as the *Facts about Rip Currents* campaign; and delivering flagship events such as the Coolangatta Gold endurance race and Ocean 6 surf lifesaving series.

SLSA CEO Adam Weir GAICD says because of its multiple layers, different levels of management and the diverse interests and opinions of 173,865 individual members, overseeing the surf lifesaving movement is extraordinarily complex. “We’ve been federated for 112 years, so [the structure] has served us well as an organisation, but it is not without its challenges,” he says.

One challenge is balancing competing interests and working collaboratively with those who hold different views about the organisation’s purpose. “It’s rare everyone agrees and it’s not reasonable to expect they would,” adds Weir.

Because maintaining both the perception and reality of unity is important, he and SLSA president Graham Ford AM FAICD regularly travel and consult with stakeholders in an effort to “get some alignment, insight and guidance on what’s important to members”.

While a proportion of SLSA staff is paid, most are volunteers, contributing around 1.4 million hours of labour each year. If paid at minimum wage rates, this would equate to a salary bill of around \$100m. “We’re lucky to have that amount of engagement,” says Weir. However, the corollary is that many of those who donate their time feel a greater sense of entitlement to comment on the organisation’s direction and priorities.

Another challenge associated with a federated structure is that SLSA is unable to ensure all clubs and club members swim between the flags at all times. Controversies occurring at the local level – including high-profile scandals at Queensland clubs on the Gold Coast and Sunshine Coast – can be difficult to rein in and can tarnish public perception of the organisation as a whole.

The SLSA highlighted this drawback in a submission to the Royal Commission into Institutional Responses to Child Sexual Abuse public hearing in 2016. It noted that those who operated at club level were “often beyond the direct supervision and control of Surf Life Saving Australia”. This has serious implications given more than one-third of members are Nippers between five and 13 years old.



Troubled waters

The deaths of three young competitors at the Australian Surf Life Saving Championships – in 1996, 2010 and 2012 – led to SLSA being accused of putting sponsorship deals before safety in a Seven Network current affairs program.

In September, ABC Radio’s *Background Briefing* reported the concerns of some volunteer surf lifesavers that the organisation is prioritising surf sport competitions ahead of lifesaving. The program reported an analysis of 19 surf lifesaving clubs showed 15 per cent of expenditure went on surf competitions; just six per cent on lifesaving.

In 2013, six members of the SLSA’s fundraising board resigned, expressing no confidence in the organisation’s then CEO Brett Williamson.

In late 2018, a complaint was made that a member of a Sunshine Coast surf lifesaving club was filming female lifesavers in the shower. A 60-year-old whistleblower twice reported it, but was subsequently denied renewal of his membership. He has since lodged a highly publicised grievance.

The incident came hot on the heels of a string of separate allegations into Gold Coast clubs, including the sharing of a sex tape involving an underage girl, a lifesaver drunk on duty and staff receiving kickbacks from suppliers.

In August 2019, former Surf Life Saving NSW (SLSNSW) general manager Matthew Hanks was charged with 55 fraud offences totalling \$2.7m,

following a two-year police investigation. The matter remained before the courts at the time of publication.

Together, these issues raise bigger questions, including whether the federated structure of surf lifesaving is the best model for the future, whether a lingering boys’ club culture has held back the movement, and whether enough is being done at all levels of surf lifesaving to ensure appropriate governance and transparency.

Need for change

Some figures within the surf lifesaving movement argue its federated model has had its day and that it’s time to consider alternative structures. Ron Rankin AM, an SLSA life member and life governor of Alexandra Headland Surf Life Saving Club in Queensland, has been in surf lifesaving for 54 years. After attaining his Bronze Medallion in 1965, he became the first SLSA president from outside NSW, a position he held from 2001 to 2010.

“The federated model and current governance structure of SLSA needs to be reviewed because it’s not working as well as it could,” says Rankin.

The SLSA board comprises seven state and territory-appointed directors who bring a solid understanding of their own jurisdiction, “but also a big conflict of interest”, he adds. Specifically, when making decisions, they may be torn between the interests of their own state members and those of the national body. “The governance model needs the organisation to position [itself] more strategically, as a truly national organisation, without separate agendas from the states and the territory hindering the development of greater capacity and capability to serve the Australian people,” says Rankin.

Maintaining representative boards comprised of state-based directors may also deprive national boards of much-needed skills. Rankin notes the introduction of independent directors many years ago aimed to remedy this, and paralleled a trend found in the corporate world, but it was not necessarily appropriate for NFPs. He says it was not ideal to be “bringing people to the table who don’t understand the organisation and culture”.

Rankin also questions the current success of the Surf Life Saving Foundation – the fundraising arm he established at state level during his term as president of Surf Life Saving Queensland. He says this arm of the organisation is yet to achieve its potential, or to support service delivery by clubs around Australia. “It has been a slow and disappointing process to bring all the states into

SLSA president Graham Ford AM FAICD (left) with CEO Adam Weir GAICD
Photography Quentin Jones



SURF LIFE SAVING AUSTRALIA

- On 18 October 1907, representatives from nine Sydney surf lifesaving clubs formed the New South Wales Surf Bathing Association, the organisation now known as Surf Life Saving Australia
- Surf Life Saving Australia is part of a federated structure comprising **493** entities, including **314** separately incorporated clubs
- Australia has **12,000** beaches and **36,000km** of coastline
- SLSA makes **100 million** beach visits each year
- Every day, lifesavers rescue **30** people – and conduct **451** preventative actions every hour

Source: sls.com.au

a national program that will benefit every club and the community,” he says. “It highlights the difficulties with the federated model and the problems each state jurisdiction has to deal with in terms of different state policies and legislation.”

Rankin further questions how much of the money raised by SLSF is spent on operational costs as opposed to filtering down to club level. “I understand the foundation is heading for a loss this year,” he adds. SLSF did not respond to a request for information on this point.

Another drawback associated with a federated structure is the duplication of services. Rankin believes there is a need to establish operational centres around the country. These would coordinate all surf lifesaving services, expand and establish support services, such as helicopter rescue services and drones, and remove some of the administrative and compliance burden on volunteers. “To achieve this, the organisation will need a more contemporary governance model and structure.”

Heads in the sand

Fraud triangle theory states that any fraud is committed in the presence of three key elements: motive, rationalisation and opportunity. Organisations can’t do much about the first two elements as they are unique to individuals.

The fact that Hanks now stands accused by police of taking \$2.7m over 10 years raises general questions about the adequacy of internal checks and balances. According to media reports, the police investigation – Strike Force Splint – has so far interviewed more than 100 people.

Steven Pearce GAICD was appointed CEO of SLSNSW in 2017. Pearce says the police allegations “redefined and refocused the whole organisation and was the tipping point for change”. So far, he has driven several initiatives, including enhanced procurement controls and governance, additional layers of independent auditing and refreshed policies and procedures.

Pearce is now introducing governance changes to improve how board members are elected and upskilled. For example, directors will be required to complete annual director induction training, and current and future chairs and CEOs will be required to complete the five-day AICD *Company Directors Course*. The AICD has been engaged to undertake an independent board governance review and an auditor has been tasked with conducting an expenditure reporting review. Pearce has also introduced



Surf lifesavers in 1959 and 1920 (below)



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Romilly Madew AO, vice-president Bilgola SLSC

new committees to support the existing finance audit and compliance committee, one being an independent risk and compliance committee focusing on non-financial risks such as beach safety, cybersecurity and mental wellbeing.

“We needed to sharpen the focus in those areas by ensuring we have the most appropriate governance at head office. The approach is more likely to permeate down and enhance governance and compliance within the surf clubs,” says Pearce. He stresses the shift towards greater regulation and compliance is “really challenging” for surf clubs and, indeed, all volunteer organisations. Most people who join surf clubs do so because they’re engaged in patrols, or their kids are nippers, and their altruism leads them

into volunteer management positions. “We need to acknowledge there are varied degrees of management skills among each of the members,” says Pearce. “Coupled with the fact we’re talking about volunteers whose primary focus, understandably, is on their paid work and family. The last thing they want to think about is governance in the club. This is the focus of our cultural change moving forward.”

Culture club

Romilly Madew AO is vice-president of Bilgola SLSC. In August, she vacated her position as president after six years in the role, and agrees the compliance burden can prove daunting to those unaccustomed to its demands. “A lot of

[volunteers] are passionate and willing, but have little experience in governance and may not realise poor decisions are being made,” says Madew.

With a background in government boards and committees, plus 17 years of industry association governance experience, Madew is a stickler for process and has no patience for unstructured and rambling meetings, clubbies “borrowing” from petty cash, or committee members with conflicts of interest. As president, she ran a tight ship. Sustainability reports undertaken by SLSNSW regularly rate Bilgola SLSC governance as best practice in the state on diverse indicators such as provision of information, the turnover rate of committee members, and member retention. “Some clubs could not meet basic criteria,” says Madew. “They completely ignore their constitutions and member expectations, and do not develop agendas or minutes of meetings.”

While president, Madew witnessed and inspired cultural shifts. Blue collar-dominated boards have given way to diversity. All-male boards have been replaced by those with more female members. It’s worth remembering women weren’t admitted as full members of SLSA until 1980.

“In some clubs, boards are all-male,” says Madew. “Further, they have sat as committee members for 10-15 years and wonder why their members are frustrated and disengaged.”

Another significant challenge involved working with older club members “who were used to being the life of the club for 30-40 years” but hadn’t moved with the times. They also expected to have a bigger influence in running the club. But across surf lifesaving clubs, demographics are changing. It’s the role of the elected committee to respond to the needs of members. “The newer constitutions are much more equitable, balancing power towards committees,” says Madew, while noting the disconnect between new and old ways is still jarring for some. “They’ll ask: ‘Why are you changing it – it’s always been this way?’

“Once upon a time, if members decided they needed something built in the club, they’d get a mate to write a quote on the back of a napkin. But times have changed. Transparency, governance and government grant requirements mean clubs have to be accountable for expenditure. If you aren’t, you get caught out.” ■

AUSTRALIAN VOLUNTEERS BY THE NUMBERS

Every week, millions of Australians raise their hands to volunteer in a wide variety of organisations. The Australian Bureau of Statistics reports that **5.8 million** people, **31%** of Australian adults, participated in voluntary work in 2014, contributing **743 million** hours to the community.

Safety first

For surf lifesaver organisations, the task of managing risk is especially tricky considering frontline volunteers face life-threatening danger every day they are on the job.

It was a sombre end to the 2019 Easter long weekend as surf lifesavers across the country, heads bowed, observed a minute of silence for two drowned colleagues.

Two long-time members of the Port Campbell Surf Lifesaving Club had died after their inflatable boat flipped during the rescue of a tourist from rough seas near Victoria’s Twelve Apostles.

The tragedy was a reminder of the risks faced by volunteers every time they venture into the water, says Steven Pearce GAICD, CEO of Surf Life Saving NSW (SLSNSW).

“Unlike other not-for-profits, one of the greatest

risks in the industry we’re in is loss of life or serious injury to members in the performance of their functions,” he says. “We need to balance risk, risk mitigation, risk appetite, community expectations and volunteer altruism and enthusiasm with the control of risk within an acceptable tolerance.”

According to Safe Work Australia, volunteers are required to exercise the same degree of due diligence as paid workers under the model *Work Health and Safety Act 2011* (Cth). But they cannot be prosecuted for failing to comply with that duty.

This blanket immunity doesn’t apply in all circumstances. Volunteers can be prosecuted in their capacity as a “worker” if they fail to take reasonable steps to maintain their own or others’ health and safety.

Pearce says the SLSNSW board maintains a risk register encapsulating all elements of risk, including physical, reputational, financial and cybersecurity. The risk register is attached to all board meeting packs and

reviewed at monthly senior leadership team meetings. Separate operational and policy reviews have recently been introduced to provide even greater assurance to the board in this area.

The Australian Charities and Not-for-profits Commission (ACNC) says all organisations must prioritise risk management, but specifics vary depending on their size, complexity and activities. Some of the main risk areas of interest to the ACNC include fraud and financial mismanagement, and failure to safeguard vulnerable people. All charities are encouraged to have risk management policies and procedures.

Pearce says there is sometimes a perception from volunteers that they can operate with more “tolerance” in relation to their compliance with risk management and risk mitigation. “Yet risk and the consequence of risk does not differentiate between someone who is remunerated and someone who is a volunteer,” he says.