



Take on Board

Transcript – Claudia Fatone

Helga Svendsen 0:00

Welcome and thank you for being here. Of course, I would like to start by acknowledging the traditional owners of the land on which we meet. For me, that is the Wurundjeri people of the Kulin nation. And as I can see, there are people from all around Australia and indeed the world. So I know that the traditional owners of the land, the various places where you are market different to the traditional owners of where I am, but I would like to acknowledge all of them wherever they may be. And as I think I've said a couple of times when we're talking governance as we are today, where we like to talk all things governance, and to take on board, I think acknowledging the traditional owners is particularly important because a very incredible stewardship of these lands for many, many years before we came on, and acknowledging that in a governance sense, I think is super important. The agenda for today we'll be hearing from Claudia Fatone who is on the board of cricket Victoria, you will have an opportunity before we do that part to meet some of the people that are here I will put you in breakout rooms. So guiding questions for your introductions, obviously your name, why you're here, just how you're feeling would be good and something you're proud of from the last month or so would be awesome. So head on over to the breakout rooms and I'll see you back here in 10. I think that's everybody magically been getting kicked out of their breakout room. Welcome back.

Everyone in the little introductory breakout rooms that you were just in, could you pop in the chat box some of the things that you found out about each other that they were proud of? I'd love to hear some of those things. Morgana has just got her FAICD, which is the becoming a fellow of the Australian Institute of Community Directors. That is an awesome thing. Congratulations Morgana. Getting through the lockdown with children and buying an apartment. That is pretty amazing work.

Morgana has just popped in there thanks to me for supporting replication absolute pleasure. Four and a half hour board meeting via zoom from so That is pretty incredible well done. Also from Greta, managing study and work from home. From Sophie, sailing, renovating, as always an awesome group of women here from Katrina. Dominique is homeschooling and it resulted in the fabulous artistic mural. You see in her backdrop, it is pretty extraordinary. Dominique, can you give everyone a wave so people know that it's you. And then that is an amazing backdrop. Nicole keeping up the fitness regime, incredibly impressive at this time, Fiona Oh, my goodness moving to another country at this time. Well done, Caitlin. That is pretty extraordinary. Well done, Caitlin. From just into maintaining my routine with meditation, training, yoga and fast river walks. In fact, just in touch, we both live near Merri Creek so I'm looking forward to one of those fast river walks with you at some stage soon. Awesome. Thank you for sharing all of that stuff. There was so much good stuff going on. From Alex juggling a toddler and work through the lockdown and incredibly difficult. Yeah, it's hard

times at the moment. And I actually, I should have acknowledged that at the start as well that during this weird period of covert that it is affecting all sorts of people in very different ways. Some are finding it an absolute pleasure, some are finding it incredibly difficult and all of the different things in between. Now I know this group is incredibly supportive. So can I just ask that people are not only kind let's be kind to ourselves during this as well because it's hard and of course kind to each other. From and I finished a training manual in time for project deliverables. Awesome. So much to be proud of. Let me introduce the fabulous Claudia Fatone.

Ah, Claudia is the CEO of Fitzroy legal service and she is also on the board of cricket Victoria. Claudia over to you if you could just share some of the insights you've got from cricket Victoria, around governance during COVID-19. Welcome

Claudia Fatone 4:00

Thank you. Hello, and hopefully everyone can hear me okay? And so I too would like to begin by acknowledging the traditional owners of the land that I'm sitting in and acknowledge that it's the core nation and pay my respects to elder's past, present and emerging and acknowledge me first nation of people that might be with us today. And thanks to Helga for the invitation to speak. So I was elected to the Cricket Victoria board in August 2011. And I'll be completing my maximum nine year terms in August of this year. And while cricket has had many challenges over that time, there's been man Beagle and COVID-19. If I can take you back to Sunday, the eighth of March 2020 International Women's Day win 86,174 people packed into the MCG for the finals, the women's t 20. World Cup between Australia and India, the biggest democrats for women's standalone sporting events in Australia. Three days later, on March 11th, the World Health Organization declared the Coronavirus a pandemic and on the 16th of March the Victorian Government effectively put Victoria interlocked. So within the space of eight days, did we lose the opportunity to capitalise on the energy and passion that was around the wind scan? And how do we recapture this as we emerge from this crisis and into the next summer crickets.

Claudia Fatone 5:12

So a bit of context on CV before COVID-19. So our vision is to be victorious favorite sport, a sport for all Victorians and a strategic objective center and three central pillars. We want to grow our fan base through the big gash Lake, we want to be number one for participation. We want to increase sustainable participation first, Victorian clubs and volunteers. And for our late players and teams, we want to be number one in all formats to deliver the best high performance system in the country. We have 490,000 cricket participants in Victoria, and we have achieved the highest levels in Australia for third successive year, having steady urine participation growth particularly in a female area, but also on the back of significant population growth in Victoria. Some nations are having acidity with cricket. We've enjoyed significant state Gump support for facilities infrastructure. Namely our flagship facility, the city pass Center, the junction oval as well as many community training cricket facilities. And when I started putting this presentation together and thinking about our response to

COVID-19 from a governance perspective, I went back and reviewed our board papers. And then we had a board meeting on the 11th of March. And the COVID-19 had five lines in the board papers at that time, and mentioned communication to the clubs and associations, supporting them to take appropriate guidelines and precautions and following the advice of state and federal health authorities. I think initially cricket thought of it escaped the worst of the COVID-19 Pandemic at 2019 2020 season attack in a hit towards the back end with a cancellation of matches of the men's and Australian women's teams and other elite competitions. And we also cancellation of finals for primary community cricket. media reporting throughout March suggested a cricket as a business could absorb the impacts of COVID-19. However, the health and economic impacts of the pandemic began to materialize. It became clear that wasn't the case. So as a board, we went into governance overdrive, we've had held a number of special board and finance and investment committee meetings. We had seven meetings over four weeks in April formal meetings and obviously lots more informal discussions. And we've had more meetings throughout May, including a number of stakeholder external stakeholder meetings. To think about our external stakeholders, we had a quite a complex matrix to consider in planning our response. We have our staff, including our contracted elite players, we have our critics to our members, which include the men's and women's premier clubs peak bodies for Victorian Metropolitan and country cricket, and which we have funding relationships with these organizations. We have the board of creative community consisting of our clubs, associations, players, volunteers and umpires, a commercial government and education partners, other sports that share grounds with cricket such as AFL, and finally cricket, Australia and the other state cricket associations. So I just wanted to outline our response on the five key risks headings so we consider financial risk. Situation facing cricket Victorian early April was this a minimum 25% reduction in funding from cricket Australia. reduction in revenue generation at the city pass into through suspended indoor center usage and event bookings whilst COVID-19 remains. We've got a challenging commercial marketplace to find new sponsors for the big bash and ongoing certainty around the big bash leg and our ticketing revenue forecasts. For example, the competition is played behind closed doors with no crowds. Three of our major big bash sponsors advised us early this year that they wouldn't be renewing. So ordinarily, that'd be fortunate that that will give them such early notice. But then the pandemic hit. One of the early decisions we had to make was whether we would look to draw down on our reserves, which includes an investment portfolio valued approximately 28 million. We also have a \$40 million facility at the city power Center, which requires considerable annual depreciation and maintenance costs. And so after much discussion about board made a decision to protect the balance sheet to ensure the state's cricket community was in a strong position to rebound from the crisis and also to underpin the financial viability of the organization moving forward. It should also be noted that these investments form generate earnings on an annual basis, which form part about operating expenditure, they are very important moving forward. We're also covering some of their greater risks. We don't know how long the pandemic will continue, when there'll be further spikes and lock downs. And for this coming season, it's still an unknown as to when the big bash leg we played in front of crowds or Indian men series will go ahead. There are further immediate risks to revenue and funding that exist for us. So we took a very what would probably be seen as conservative view.

Claudia Fatone 9:43

The second risk was around our people risk. And once the financial risk became clear, we have some key decisions as to how we manage our people risk. We're great early on in our planning process that it was preferable to implement our organizational redesign with preference to standing people down. I need to restart a few months time, without a provided certainty to all employees, particularly those being made redundant. And once we determined how we would reorganize ourselves, we didn't want to leave people in limbo, and stand down and potentially setting us up all their entitlements and still to be made redundant. And from May 1 to the 15th of May, we undertook an extensive redesign of the organization resulting in 36% of roles being made redundant. We took the approach that discussions with effective staff should be done face to face wherever possible. And as a result, we've seen some amazing people leave cricket Victoria and witness some excellent examples of leadership, integrity, camaraderie and support. However, emotions are mixed as you can appreciate, and we're keeping watch on some people aren't coping very well as others, and we need to continue that vigilance. Over the coming weeks and months. We've been encouraged. Our staff have been encouraged to make contact with crematoria and we intend to offer additional support as needed. The other people risk center around our league players. So the discussion between cricket Australia and the Australian cricket associations delay the Australian player contracting process, which then in turn delayed our state contracting process. We're now preparing for a turn to work by state players on the first of June and implementing all the necessary processes and policies to ensure that we adhere to government health regulations. And central to our people risk is our CEO and his senior management team will shoulder an immense workload and emotional burden during this time.

The third risk was around a reputational risk. Cricket has received considerable media coverage across the nation in relation to the situation at Cricket Australia and then the flow on effects to the state and territory cricket associations. The cricket Australia media coverage was very negative, almost citing a lack of belief that their actions were necessary. Some media have also tried to articulate a state versus Cricket Association narrative when in reality whereas the CV board have been working extremely closely with Cricket Australia and the other state and territory associations on a whole cricket response. To the pending recruitment to our perspective, we communicated a decision to restructuring the organization with all our stakeholders on the first of May. And following this communication, we sought to avoid ongoing media comment while the change process was occurring. We made an early commitment in this process to prioritize information sharing with our people. In hindsight, perhaps a bit of a naive approach. Additional comment by cricket Victoria would possibly have forced us to discuss some staffing changes in greater detail and then relate to discussions around staffing the various departments before the staff themselves were able to be fully engaged in the detail. But I think we underestimated the level of media scrutiny and commentary as this approach would attract. In fact very caustic negative reviews of crematoria decisions. Headlines such as crickets ruthless COVID-19 cross cutting, say they're using COVID-19 crisis as an excuse for its main job cuts. In cricket Victoria bailes and the Mallee Mallee region direct communications received from some of the cricket stakeholders have also expressed a sense of dismay and betrayal within community cricket at the loss of much of our field for staff. And now we're embarking on a series of proactive community stakeholder media engagement programs in

respect to our changes and possibly involving a series of virtual face to face meetings in community forums Metropolitan regional centers to explain the detail and context for our changes and our plans moving forward, and of course, been engaging in productive discussions with our government partners. Can we rebuild trust with the creative community? I think anytime we tell the fourth was around strategy risk. So our vision is for cricket to Victoria's favorite sport and the sport for Victorians. And so we've had to consider how COVID-19 impacts our three key strategic pillars. And as I mentioned earlier, how do we grow our fan base through the big bash into big bash doesn't occur? How do we grow sustain participation and increase support Victorian clubs and volunteers with a reduced field for staff? And how do we deliver the best high performance system in Australia on less resources and perhaps with less playing opportunities for our players. Their turn to play for professional community winter sports is guiding our plan in relation to the upcoming summer. And we've been having discussions with Erika Victoria and the current tripartite agreement around defines the seasons between cricket and football. It's also important to consider what we've had to put on hold to the significant resource and energy that COVID-19 response has required implementation strategies across men's and women's premier cricket and ml the metro strategy, activation of our regional cricket hubs and their view of that current strategy crematory strategy which finishes in 2022 in order to be able to contribute to the next whole Australian cricket strategy process. There's also a gender lens over COVID-19 responses. There's been some reported discourse around implications for the AFL W and the W league if the governing bodies in clubs are facing significant funding cuts. Do you preserve men's competitions at the expense of women's ones? Or do you hold firm to Australia Mike cuts to men's competitions to ensure you can offer women's lines as well. And there was a race major Can you pay spy Australian players Healy with the title. Healy warns against cuts to women's cricket and she was passionately arguing against any cuts to the women's game on the back of the energy and the passion that was around the women's T 20. World Cup final. So our challenge moving forward is how to support the clubs, associations and schools that ultimately deliver the cricket playing opportunities. And it's going to have to be different because the staff and changes we've made, whether that's through better use of technology or enhanced call center capability, and in this period of isolation and working from home, we've added a few nuggets already in terms of ways of working that will inform how we deliver certain programs community in the future. We now will need to work closely together with our cricket stakeholders to galvanize and support the volunteers why the lifeblood of cricket in Victoria and achieve strategic objectives. And if it was around governance risk, we have two directors myself employed and retiring at the oldest AGM and given the challenges faced cricket in the public scrutiny at the moment, are we an attractive proposition to attract talented individuals to our board? So some final reflections more questions that have been in my mind since this penned indicate what could we have planned for earlier? Was there information missing?

How do we better balance stakeholder needs and particularly important to proactive media and stakeholder communications? Do we need training of key people around crisis management and dealing with media in such situations? We've had almost a sole focus on financial risk, particularly at the start. So did we consider enough the value beyond the balance sheet? And not finally, what are the opportunities for innovation and bringing communities together that can arise out of the pending Thank you.

Helga Svendsen 16:44

Beautiful, thank you, Claudia. Amazing, beautiful insights there.