

# **CORPORATE PLAN**

# **2021 – 2025**

Version 1.2

Date August 2021





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# INTRODUCTION

The Chief Executive Officer and Directors of the Australian Sports Foundation Ltd, present the 2021 Corporate Plan. The plan covers the four years, ended 30 June 2025 as required under paragraphs 35(1)(b) and 95(1)(b) of the Public Governance Performance and Accountability Act 2013 (PGPA Act), and has been prepared in accordance with Rule 2014 of the PGPA Act.

## STRUCTURE AND PURPOSE

The Australian Sports Foundation is a company limited by guarantee. It was established in 1986 through the Australian Sports Commission Act 1989 to raise money for the development of Australian sport.

It is Australia's leading non-profit sports fundraising organisation and the only organisation to which donations for sport are tax-deductible. A subsidiary organisation, the Australian Sports Foundation Charitable Fund, was established in 2017 in order to access philanthropic funding from Private and Public Ancillary Funds to distribute to sporting beneficiaries. This plan covers the activities of both entities, collectively referred to as "ASF" unless otherwise specified.

Sport is at the heart of every community in Australia. It has the power to enhance lives; it improves physical and mental health and brings people together in a way that little else does. Sport is fundamental to the Australian way of life, and our mission is that everyone in Australia, regardless of background, ability or culture, has access to the health and social benefits of sport.

In the last 30 years the ASF has distributed over half a billion dollars to Australian sports clubs and athletes to help develop an inclusive and active sporting nation, and to strengthen local communities.

We are committed to an Australia where everyone can play.

# ENVIRONMENT IN WHICH THE ASF OPERATES

## PHILANTHROPIC MARKET

The ASF operates in the philanthropic sector and competes with other charitable and social causes to seek donations from individuals and businesses and, through its charitable fund, from Private and Public Ancillary Funds.

According to figures produced by the Australian Taxation Office (ATO), tax deductible donations by private individuals amount to around c\$3.5bn annually, with approximately 35% of Australians making a tax-deductible donation to a charitable or social cause each year. In addition, corporate donations account for a further \$6bn. This, along with a further \$500m or so distributed annually by Ancillary Funds –a growing part of the philanthropic sector – values the overall philanthropic market in which the ASF operates at over \$10bn pa.

Sport currently receives less than 1% of these tax-deductible gifts annually, which does not reflect the importance of sport to the Australian culture, nor the many documented health, social and community benefits of participating in sport. Accordingly, the ASF is seeking to grow philanthropic giving to sport in the coming years to reach a level that reflects its importance to society.

The Board and Management of the ASF consider that the opportunity exists to grow philanthropic giving within the next 10 years to a level commensurate with giving to the Arts sector, which is estimated to raise c\$300m from philanthropic sources each year. However, to achieve these levels of growth will require substantial investment in technology, capability and resources.

The decision to award the 2032 Olympic and Paralympic Games to Brisbane will generate both an increased need for sports funding, and increased opportunity to engage the philanthropic community for support. Accordingly, the ASF has adopted ambitious targets for growth during the period covered by this plan, but the Directors consider that further investment will be required to deliver the targeted levels of growth.

# ECONOMIC ENVIRONMENT

The Covid-19 pandemic that commenced in early 2020 continues to have a dramatic impact on sport at all levels, including the professional codes and our national Olympic and Paralympic athletes and teams. At community level, the impact has been no less marked – with thousands of community clubs facing a serious threat to their survival due to a combination of reduced income and increased costs.

Community sport will play a vital role in our recovery from the impacts of the Pandemic. Sport's unique ability to bring people together, to improve physical and mental health, and to build or sustain resilience has never been so important in our lives. The ASF considers it is vital that this sector is supported to enable it to survive and to help meet these challenges, and accordingly a key focus of our plan will be to provide additional financial support to community sports clubs.

More broadly, Covid-19 has affected economic activity, and the impact of this over the period covered by this plan is uncertain. What is clear is that broader economic conditions, and those of the market in which the ASF operates, will be volatile for the foreseeable future.

The Board and Management of the ASF believe the impact of Covid-19 and the uncertain economic conditions present both opportunities and risks during the coming years.

Opportunities for growth include:

- Greater need for fundraising, and the support offered by the ASF, among community sports clubs;
- Greater need to support elite athletes and those on pathways and encourage funding into sports in the lead up to Australia's cluster of world sporting events including the Olympics and Paralympics in Brisbane 2032 and ensuring that a participation halo occurs in communities;
- Greater awareness among the philanthropic and broader community of the important role of community sport in promoting physical and mental health, and helping our communities recover from the challenges of the pandemic;
- Greater need for revenue diversification among national and elite-level sports, given pressures on traditional income streams such as sponsorship etc;

However, philanthropic giving is discretionary spending and previous recessions and economic downturns have led to a marked decline in philanthropic giving. According to a recently released report (*JB Were/NAB Charitable Giving Index: A timely examination of giving in Australia*), indicates that FY21 marked the biggest downturn in philanthropic giving since 2016, falling by 4% in 2020 (although, buoyed by giving to the Australian bushfires) and further to 16% in the first half of 2021.

Consequently, whilst the ASF is targeting ambitious growth in the period to FY25, the continuing economic volatility and associated overall decline in philanthropic giving represent significant challenges.

# REGULATORY ENVIRONMENT

There are four principal regulatory instruments and environments which impact on the operation of the ASF:

- The Corporations Act 2001 – the Australian Sports Foundation is a company limited by guarantee, and accordingly must comply with reporting and disclosure provisions required by the Corporations Act 2001;
- The PGPA Act – as a Commonwealth controlled company, the Australian Sports Foundation is subject to the provisions of the PGPA Act;
- As Deductible Gift recipients (DGR's), both the Australian Sports Foundation and the Australian Sports Foundation Charitable Fund must comply with specific tax laws and regulations, in particular those relating to the tax deductibility of gifts and receipting of donors;
- As a charity registered with the Australian Charities and Not For Profits Commission (ACNC), the Australian Sports Foundation Charitable Fund must comply with appropriate regulations governing operating and reporting of charitable distributions.

The combination of these regulatory environments imposes a heavy compliance burden, particularly so for a relatively small organization that has limited administrative and compliance resources, and that receives no ongoing Government funding.

# SHARE OF THE PHILANTHROPIC MARKET

Given the opportunity to grow sport's share of the philanthropic market, the ASF invested in certain key areas in recent years to achieve this. The principal investments have been in:

- A digital fundraising platform and supporting CRM system – to manage an increase in community fundraising;
- New skills and resources – to enable the ASF to help the sporting community implement more effective fundraising strategies; and
- Enhanced marketing capability – to enable the ASF to better inform the Australian sporting community of the opportunity to seek tax-deductible donations, and to increase its footprint among sports clubs and community organisations nationwide.

These investments have had a significant positive impact, with the number of clubs and athletes fundraising with ASF increasing from around 600 to nearly 7000 in recent years. In the last four years alone, ASF community fundraising has exceeded \$181m, an increase of over 50% compared with the preceding four years.



# PERFORMANCE OBJECTIVES

Following the establishment of the Charitable Fund, investments have been made in resources and infrastructure to facilitate growth in philanthropic contributions to Australian sport. During the four years to 2025, the ASF has established ambitious growth targets and KPI's as set out below. These are based on the assumption that additional investment will be provided to enable the proposed capacity and capability enhancements to be made.

**TABLE 1: PERFORMANCE OBJECTIVES**

	<b>Community Fundraising \$</b>	<b>ASF Members</b>	<b>Community Club Activation Rate</b>	<b>ASF grants distributed</b>	<b>ASF operational Revenues</b>
<b>KPI</b>	Achieve >\$115m pa in community fundraising for sport by 2025	Achieve >15,000 registered organisations by 2025	Achieve a community activation rate of 28% or greater by 2025	Raise \$2.5m in philanthropic donations to distribute as grants to members by 2025	Generate annual operating income of >\$6m by 2025, sufficient to cover ongoing operating costs
<b>FY22</b>	\$65m	7000	22%	\$1m	\$3.25m
<b>FY23</b>	\$80m	9000	24%	\$1.5m	\$4m
<b>FY24</b>	\$90m	12,000	26%	\$2m	\$4.5m
<b>FY25</b>	<b>\$115m</b>	<b>15,000</b>	<b>28%</b>	<b>\$2.5m</b>	<b>\$6m</b>



# KEY INVESTMENTS

The ASF will need to invest substantially in key areas if it is to achieve the growth targeted in the period covered by the plan.

## CAPABILITY - TECHNOLOGY

Digital strategy is constantly evolving, and technology is at the heart of successful fundraising. Continually enhancing digital capability will be fundamental to future growth and continued investment will be required as the market evolves in the years covered by this plan.

The ASF has an established fundraising platform that enables it to provide a fit-for-purpose community fundraising option to sports clubs, along with access to a portal to manage their fundraising programs. However, in to achieve the targeted growth, the ASF will be required to enhance its digital capabilities to further facilitate fundraising for the sporting community – for example:

- Implementation of API's (Application Programming Interface) to collaborate with other organisations to grow reach and make use of enhanced functionality that has been developed by other specialist organisations; and
- Development of new technology-based tools and resources, delivered digitally, to provide better support to the community sporting sector, and enable them to raise funds more effectively.

## CAPABILITY - RESOURCING

Whilst the ASF's strategic plan involves considerable emphasis on digitally enabling fundraising, and using technology wherever possible, additional skills and resourcing will be required. In particular, additional skills and resources will be required in:

- Marketing – including digital marketing and insights/data analysis, to enable the ASF to reach and support a bigger proportion of Australia's estimated 70,000 community sports clubs;
- Technology/business systems – to support ongoing improvements in our technology platforms and enhanced cyber security; and
- Fundraising – to provide increased support to key national sporting organisations.

TABLE 2: RESOURCING PROFILE GROWTH RATE

	2022 FTE	2023 FTE	2024 FTE	2025 FTE
<b>Executive</b>	5.0	5.0	5.0	5.0
<b>Finance</b>	3.0	3.5	4.0	4.5
<b>Fundraising</b>	5.0	6.0	7.0	7.0
<b>Community Club Support</b>	3.0	4.0	4.5	5.0
<b>Marketing</b>	3.0	4.0	5.0	5.0
<b>Digital</b>	3.0	4.0	5.0	5.0
<b>Operations &amp; Administration</b>	1.0	1.0	1.5	2.0
<b>TOTAL</b>	<b>23.0*</b>	<b>27.5#</b>	<b>32.0##</b>	<b>33.5##</b>

\*Based on current headcount and projections for FY22.

#Additional fundraising, marketing & digital resources. Incremental growth in finance & club support.

##Additional fundraising, marketing & digital resources. Additional club support as footprint grows.

# CAPABILITY – STRATEGY

The ASF's strategic plan is designed to enable the planned growth. It involves the following key areas of focus:

- Enhancing the financial sustainability of key sports by partnering with them to increase fundraising effectiveness;
- Growing participation in community sport by establishing a specialist club support team and implementing improved tools and resources to increase fundraising activation rates among community clubs;
- Expanding ASF grant programs and using funds raised to grow participation in community sport;
- Increase the profile of sport as a philanthropic cause through a concerted advocacy campaign targeted at philanthropic organisations, backed by aligned media and PR strategies; and
- Enhancing operational efficiencies to support the targeted increase in scale.

## RISK OVERSIGHT & MANAGEMENT

The ASF acknowledges that risk is a fact of corporate and commercial life and accordingly has developed a Risk Management Policy. This provides a framework to address the key corporate, regulatory and commercial risks facing the organisation as it embarks on its projected growth journey in the period to 2025.

A copy of the Risk Management Policy is attached as an Appendix to this plan.

# CONCLUSION

The Chief Executive Officer and Directors of the ASF have adopted this plan to provide a framework for achieving substantial growth in philanthropic donations to sport during the period to June 2025. Furthermore, this plan lays a platform to achieve longer -term growth in philanthropic support for sport in the run-up to Brisbane 2032. The ASF believes that philanthropy has a major role to play in funding sport in the coming decade.

The ASF notes that the targets are ambitious, particularly in light of the considerable economic uncertainty caused by Covid-19, and will require additional investment to be achieved.

The plan will be monitored and updated during the years ahead to reflect progress and adapt to market and other environmental changes.

**Patrick Walker**

Chief Executive Officer

**Grant O'Brien**

Chair, Board of Directors

# APPENDIX 1

## RISK GOVERNANCE FRAMEWORK

The ASF and its employees understand that risk management is designed to assist the company to achieve its strategic objectives. Risk management is used to identify and manage uncertainty in the company so that there is a balance between risk and reward of the company's business for the best interest of its stakeholders. Hence, risk management provides for:

- Appropriate risk taking.
- Planning to reduce or control unforeseen or unexpected events and costs.
- Embedding risk management into critical business activities, functions and processes, with risk understanding and risk tolerance being the key considerations in decision making.
- Designing risk controls that protect the company from those risks of significant likelihood and consequences in pursuit of Sports Foundation's strategic objectives, with the effectiveness of those controls being systematically reviewed and reviewed where necessary.
- Protecting against personal injury and property damage, including having sound insurance management practices.
- Protecting assets and reputation against planned and unplanned events.
- Meeting legal or statutory requirements.

The ASF aims to maintain a consistent approach to managing risks by:

1. Maintaining a risk management framework.
2. Maintaining a risk management process.
3. Understanding the environment within which the ASF operates.
4. Using a structured, systematic and explicit risk management process such that:
  - 4.1. All current and future activities are to be risk assessed prior to commencement and risk managed throughout the duration of any activity.
  - 4.2. A risk assessment will be part of any Board paper seeking approval for a new activity.
  - 4.3. All ASF risk identification, analysis, evaluation and treatments are reported and updated within the Risk Register and ranked in a consistent manner.
5. Reviewing the risk profile and treatment plans on an on-going basis to ensure the information is contemporary and relevant.
6. Regular reporting to the Finance Audit & Risk Committee and the Board. The Finance Audit & Risk Committee supports the risk management function through developing, implementing and overseeing the Risk Management Framework.

The Risk Management Framework permits the ASF and its employees to practice sound risk management with the intended outcomes of enhancing the ASF's ability to meet its corporate objectives by:

- Improving awareness and management of risk;
- Accepting that risk is an integral part of managing the ASF; and
- Creating a culture of preparedness to manage risk and minimise adverse impacts.

The ASF views risk management as a continuous process and fundamental to driving effective corporate governance.

The Executive will develop and maintain a risk management plan in accordance with AS 31000: 2009 and report on that policy to the Finance Audit & Risk Committee.

The ASF will apply risk management to each organisational level. This includes strategic, operational, team and individual. Both top down and bottom-up approaches will be employed to facilitate a comprehensive program. The governance structure that is applied at the ASF is represented below:

**TABLE 3: RISK GOVERNANCE FRAMEWORK**

<b>BOARD</b>	•Oversight and review
<b>CEO</b>	•Drives risk management
<b>FINANCE, AUDIT &amp; RISK COMMITTEE</b>	•Reviews process and policy
<b>EXECUTIVE</b>	•Supports, manages, identifies risk
<b>STAFF</b>	•Identify risk and follow procedures

## THE BOARD

The role of the Board in relation to risk management is:

- Understanding the risks associated with the organisation's activities;
- Agreeing risk management strategies which are consistent with the ASF's Mission, Vision and Organisational Values;

- Ensure written management policies are implemented and monitored for compliance and are consistent with any regulatory requirements;
- Ensuring risk management control systems are established and operating effectively;
- Questioning the CEO on risk management processes and giving appropriate priority to discussion and action regarding risk management issues; and
- Regularly re-evaluating ASF's tolerance for, and exposure to, risks.

## THE CEO

- Reviewing key risk information, identifying key risk trends and assessing the impact for the organisation as a whole;
- Monitoring the management of significant risks and monitoring the effectiveness of controls;
- Ensuring adequate processes are being followed and promoting a strong risk management culture; and
- Advising the Board of key changes in risk or emerging risks.

## THE FINANCE AUDIT & RISK COMMITTEE

- Oversees the Risk Management Policy and overall risk management framework of the company and is to:
  - Review the risk register to ensure that the major risks identified are monitored within internal or external audit programs
  - Liaise with the CEO to ensure that major financial risk areas are addressed.
  - Consider the effect on the ASF of any new or proposed accounting practices, principles, disclosure requirements and legislative or regulatory pronouncements.
- Oversees the discharge of the compliance responsibilities including reviewing the Compliance Framework, ensuring compliance with legislative requirements and reviewing the findings of reports to ensure that issues are rectified in an appropriate and timely manner and is to:
  - Review and determine the adequacy of systems and procedures to ensure compliance with legislation, codes of conduct and any other regulatory and industry requirements.

## THE EXECUTIVE

- Supporting the CEO and staff in managing and identifying risks.

## THE STAFF

- Identifying and reporting risks
- Involving themselves in the management of risks.



# MONITORING AND REVIEW

The ASF maintains a Risk Register which is used as the basis to monitor and review the risks. They are also recorded in order of control effectiveness and risk rating. All risks are reviewed annually by the Board and the Finance and Risk Committee. Where risks have unsatisfactory control effectiveness, in order of risk rating priority, a treatment plan must be established.

Specific key risks are reported to the Board on a regular basis, with performance monitored against objectives with each Board report.

## POLICY ADMINISTRATION

The policy is reviewed annually