

Corporate Plan

2019-2023

Australian
Sports
Foundation

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Introduction

The Chief Executive Officer and Directors of the Australian Sports Foundation Ltd (Sports Foundation), present the 2019 Corporate Plan. The plan covers the four years ended 30 June 2023 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.

Company Purpose

The Sports Foundation is a company limited by guarantee. It was established in 1986 and its enabling legislation is the *Australian Sports Commission Act 1989*. The purpose of the Company is to raise money for the development of sport in Australia.

The Sports Foundation is a Deductible Gift Recipient (DGR) listed by name in Subdivision 30-B of the Income Tax Assessment Act 1997. It has a unique role as the DGR for sport in Australia; as sport is not a charitable purpose, it is generally not possible for donors to claim a tax deduction when donating to sport, unless that donation is made to the Sports Foundation. Accordingly, the focus of the Sports Foundation is to raise tax-deductible philanthropic donations from private and corporate donors, to invest in the development of sport in Australia. Donations received are granted to sports clubs, National and State Sporting organisations, community organisations and athletes throughout Australia to support approved sporting projects and initiatives.

In 2018, the Sports Foundation established a new charity, the Australian Sports Foundation Charitable Fund, which is also listed as a Deductible Gift Recipient with effect from 1 July 2018. The purpose of this entity is to raise funds to support sporting projects or programs with an underlying charitable purpose. The Charitable Fund will focus on raising philanthropic gifts from Public and Private Ancillary Funds, many of which are only able to distribute funds to charities.

The Sports Foundation Group's **Mission** is to *raise funds for Australian sport* and its **Vision** is *to build a healthier, more active and inclusive Australia*.

Environment in which the Sports Foundation operates

Philanthropic Market

The Sports Foundation 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), in 2015 tax deductible donations by private individuals amounted to c\$3.5bn, with around 35% of Australians making a tax-deductible donation to a charitable or social cause. In addition, the Giving Australia Report 2017 identified corporate donations of a further \$6bn. This, along with the

\$550m distributed by Ancillary Funds – which represents a growing part of the philanthropic sector – values the overall philanthropic market in which the Sports Foundation operates at over \$10bn. 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.

Economic Environment

Philanthropic donations represent discretionary spending on the part of the prospective donors; consequently donations can be adversely affected by economic uncertainty, rising unemployment and the rising cost of living.

In the period covered by this plan, the Directors consider that economic uncertainty is likely to continue and therefore the overall size of the market is not expected to grow rapidly.

Regulatory Environment

There are four principal regulatory instruments and environments which impact on the operation of the Sports Foundation Group:

- The Corporations Act 2001 – the 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 Agency, the Sports Foundation is subject to the provisions of the PGPA Act;
- As DGR's, the Sports Foundation and 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 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 on a relatively small organization that has limited administrative and compliance resources, and receives no ongoing Government funding.

Sports Foundation share of the philanthropic market

Given the opportunity to grow sport's share of the philanthropic market, the Sports Foundation 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 donors;
- New skills and resources – to enable the Sports Foundation to help the sporting community implement more effective fundraising strategies; and
- Enhanced marketing capability – to enable the Sports Foundation 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 registered projects increasing 600 to 2700 in recent years. In the last four years, donations to the Sports Foundation have totalled \$165m, more than double the amount raised in the preceding four years.

Performance Objectives 2019-2023

Following the establishment of the Charitable Fund, additional investments in resources and infrastructure are planned that will facilitate further substantial growth in philanthropic contributions to Australian sport. During the four years to 2023, the Sports Foundation has established ambitious growth targets and KPI's in the following key areas:

Table 1: Performance Objectives

	Donations \$	Registered Projects #	Sports Foundation Programs	Sports Foundation revenues
KPI	Achieve >\$75m pa in philanthropic donations to sport by 2023	Achieve >6,000 registered projects by 2023	1. Fully establish Sports Foundation's Giving4Grassroots Program as a significant national initiative; Generate over \$5m pa for grassroots sport through G4G by 2023 2. Secure Corporate Partnership revenues to assist in funding programs and covering operating expenses	Generate sufficient income to cover Sports Foundation operating costs, and develop and expand its operations. Achieve Sports Foundation operating income of c\$5m by 2023
2020	\$50m	3000	<ul style="list-style-type: none"> Raise \$500k for Giving4Grassroots™ Raise \$200k through Corporate Partnerships 	Generate Sports Foundation operating income of c\$3m
2021	\$55m	4000	<ul style="list-style-type: none"> Raise \$500k for Giving4Grassroots™ Raise \$300k through sponsorship 	Generate Sports Foundation operating income of \$3.5m
2022	\$60m	5000	<ul style="list-style-type: none"> Raise \$500k for Giving4Grassroots™ Raise \$400k through sponsorship 	Generate Sports Foundation operating income of \$4m
2023	\$75m	6000	<ul style="list-style-type: none"> Raise \$1m for Giving4Grassroots™ Raise \$500k through sponsorship 	Generate Sports Foundation operating income of \$4.5m

Capability, Resourcing & Strategy

Investments made in transforming the Sports Foundation in 2015 have laid a platform for the planned growth outlined above, and will now be supplemented by additional investments designed to achieve further growth in the period covered by the plan.

Capability - technology

The Sports Foundation has substantial developments planned, as digital strategy is constantly evolving and technology is at the heart of successful fundraising. Planned investments include developing a new website and digital platform capable of handling the projected growth in registered projects and online donations. Further enhancements include the development of a Community Giving/Peer to Peer fundraising platform. Continually enhancing digital capability will be fundamental to future growth and the Directors believe that continued investment will be required as the market evolves in the years covered by this plan.

The Sports Foundation has an established CRM system, which is a sophisticated platform that enables the Sports Foundation to automate tax receipting, and to carry out deep analysis and profiling of projects and donors. The platform is expected to handle the Sports Foundation's projected needs in the period, although given the pace of development in this space, it is anticipated that further refinements and improvements to the platform will be required in second half of the period covered by the plan.

Accordingly, while significant investment has been made in technology, further ongoing investments will be required in order to deliver on Sports Foundation's planned objectives.

Capability – resourcing

The strategy to achieve such a substantial growth in donations in the years ahead relies on leveraging sports clubs and the sporting community to raise funds. In addition, a continued focus on automating and streamlining processes wherever possible is intended to enable the Sports Foundation to handle projected growth without necessitating a substantial increase in administrative and operational staff.

However, the establishment of the Charitable Fund will require new fundraising resources, specialising in Major Gifts and Corporate fundraising, to be recruited.

In order to deliver on our planned performance objectives, resourcing profile is expected to grow as follows in the four years covered by this plan:



Table 2: Resourcing Profile Growth Rate

	2020 FTE	2021 FTE	2022 FTE	2023 FTE
Executive	2.0	3.0	3.0	3.0
Fundraising	6.0	7.0	9.0	9.0
Marketing/Tech	3.0	4.0	5.0	6.0
Finance	4.0	4.5	5.0	5.5
Client service	1.5	2.0	2.5	3.0
TOTAL	16.5	20.5	24.5	26.5
Notes/key changes	Based on current headcount and projections for FY20.	Additional digital, marketing & fundraising resources Incremental growth in Finance & Ops.	Additional fundraising resources.	Additional digital, marketing & fundraising resources.

Capability – Strategy

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

- Utilise our newly established Charitable Fund to enable the Sports Foundation to better access the increasing amount of philanthropic giving that is channelled through Ancillary Funds;
- Utilise partnerships to increase reach and profile, and to enhance functionality of our fundraising platform at a lower cost;
- Enhanced focus on mass participation sports, working with the relevant National and State Sporting Organisations to drive take-up among grassroots clubs;
- Increase impact of our athlete fundraising platform through collaboration with key stakeholders such as the AIS, AOC and National Sporting Organisations;
- Increase the profile of sport as a philanthropic cause through targeted media and PR strategies.

Risk Oversight & Management

The Sports Foundation 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 the Sports Foundation embarks on its projected growth journey in the period to 2023.

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

Conclusion

The Chief Executive Officer and Directors of the Sports Foundation have adopted this plan to provide a framework for achieving ambitious levels of growth in philanthropic donations to sport during the period to June 2023. The plan will be monitored and updated regularly during the years ahead to reflect progress and adapt to market and other environmental changes.

Patrick Walker
Chief Executive Officer

Mark Stockwell
Chair, Board of Directors



Appendix 1

Risk Governance Framework

The Sports Foundation 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 Sports Foundation 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 Sports Foundation Ltd 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 Sports Foundation 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 and 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 Sports Foundation and its employees to practice sound risk management with the intended outcomes of:

Enhancing the Sports Foundation's ability to meet its corporate objectives.

- Improving awareness and management of risk.
- Accepting that risk is an integral part of managing the Sports Foundation.

- Creating a culture of preparedness to manage risk and minimise adverse impacts.

The Sports Foundation 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 and Risk Committee.

Risk Governance Framework

The Sports Foundation 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 Sports Foundation is represented below:

Table 3: Risk Governance Framework

Board	• Oversight and review
CEO	• Drives risk management
Finance, Audit & Risk Committee	• Reviews Process & Policy
Executive	• Support, manage & identify
Staff	• Identify risks & 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 Sports Foundation’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 Sports Foundation’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 Sports Foundation 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 Sports Foundation 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.

