

CORPORATE PLAN

2023 - 2027

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The Australian Sports Foundation acknowledges the Traditional Custodians of the land we are gathered and their connections to land, sea and community.

We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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INTRODUCTION

The Chief Executive Officer and Directors of the Australian Sports Foundation Ltd, present the 2023 Corporate Plan. The plan covers the four years, ended 30 June 2027 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.

Since the 1980's the ASF has distributed nearly \$700 million to Australian sports clubs, sporting organisations 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 (PAF's).

According to figures produced by the Australian Taxation Office (ATO), tax deductible donations by private individuals amount to around c\$3.8bn annually, with approximately 30% of Australians making a tax-deductible donation to a charitable or social cause each year. In addition, corporate donations account for a further \$7bn. This, along with a further \$2bn or so in structured giving, particularly by PAF's –a growing part of the philanthropic sector – values the overall philanthropic market in which the ASF operates at over \$13bn 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 'Green and Gold Decade' culminating in the Olympic and Paralympic Games being held in Brisbane in 2032 creates a once in a generation opportunity to grow philanthropic giving to sport to a level commensurate with giving to the Arts sector, which is estimated to raise over \$300m from philanthropic sources each year. However, to achieve these levels of growth will require:

- substantial investment in ASF's technology, capability and resources; and
- legislative change to make Amateur Sport a charitable purpose, in order to fully unlock the power of PAF's to invest in community and amateur sport.

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 2020 had a significant impact on sport at all levels, including the elite codes and our national Olympic and Paralympic athletes and teams. At community level, the impact was 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. While the immediate impact of the Pandemic on day to day lives has eased, its affect continues to be felt in sport.

Community sport plays a vital role in social and community life. 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 affected economic activity, and this has been compounded by an increasingly volatile geopolitical environment. Added to this is the impact of climate change, resulting in increasingly severe natural disasters which affect communities and sports facilities throughout the nation. The impact of these factors over the period covered by this plan is uncertain. What is clear is that the economic, environmental, and geopolitical conditions will remain volatile for the foreseeable future.

The Board and Management of the ASF believe the uncertain economic and geopolitical 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 to 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;
- Greater need for communities to replace lost or damaged equipment and infrastructure caused by natural disasters.

However, philanthropic giving is discretionary spending and previous recessions and economic downturns have led to a marked decline in philanthropic giving. According to the JB Were/NAB Charitable Giving Index (*A timely examination of giving in Australia*), 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 FY27, the continuing economic volatility and the potential for a general 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 registered to fundraise with ASF increasing from around 600 to over 12,000 in recent years. In the last few years alone, funds raised have grown from \$43m in FY20 to nearly \$80m in FY23 – a level of growth that demonstrates the scale of the opportunity, but one which can only be sustained with additional investment and support.

In addition, ASF is advocating for Amateur Sport to be given charitable status. This would reflect the important role that sport plays in improving physical and mental health, and in building social cohesion. It would also assist in elevating sport as a philanthropic cause and facilitate investment from PAF's into community and amateur sport.



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 2027, 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 received from the Federal Government to enable the proposed capacity and capability enhancements to be made.

TABLE 1: PERFORMANCE OBJECTIVES

	FUNDRAISING \$	ASF MEMBERS	COMMUNITY CLUB ACTIVATION RATE	MATCHMAKING	ASF OPERATIONAL REVENUES
KPI	Achieve >\$125m pa in fundraising for sport by 2027	Achieve >16,000 ASF members by 2027	Achieve a community club activation rate of 30% or greater by 2027	Generate \$5m in new philanthropic funding into sport via ASF grants and direct funding agreements	Generate annual operating income of >\$6.25m by 2027, sufficient to cover ongoing operating costs
FY24	\$80m	13,000	20%	\$1m	\$4m
FY25	\$112m	14,000	22%	\$2m	\$5.6m
FY26	\$120m	15,000	28%	\$3m	\$6m
FY27	\$125m	16,000	30%	\$5m	\$6.25m



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 established an online fundraising platform in 2014 that enables it to provide a basic community fundraising option to sports clubs, along with access to a portal to manage their fundraising programs. However, technology and market expectations have evolved considerably since then and ASF has not had the investment capacity to keep pace. To achieve the targeted growth in an environment where cyber-security and data privacy obligations are increasing, ASF will be required to invest in a modern digital fundraising platform and associated technologies to further facilitate fundraising for the sporting community whilst meeting community expectations relating to privacy and security – for example:

- Implementation of new donation and payment methods;
- Implementation of new fundraising options to broaden its service offering to the sports community;
- 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 our strategic plan involves considerable emphasis on digitally enabling fundraising, and using technology wherever possible, additional skills and resourcing will be required to deliver on the forecast growth. In particular, ASF will need to invest in the following areas:

- Increase digital and technology resources to upgrade and manage our evolving fundraising platform;
- increase the fundraising support we can provide to community sports clubs; and
- increase our digital marketing and insights/data analysis capabilities, to enable the ASF to reach and support a bigger proportion of Australia's thousands of community sports clubs.

TABLE 2: RESOURCING PROFILE GROWTH RATE

	2024 FTE	2025 FTE	2026 FTE	2027 FTE
EXECUTIVE	5.0	5.0	5.0	5.0
FINANCE	3.5	3.5	4.0	4.5
SPORTS FUNDRAISING MANAGERS	3.0	4.0	5.0	6.0
FUNDRAISING SUPPORT	3.0	4.0	4.5	5.0
MARKETING AND DATA INSIGHTS	4.0	5.0	5.5	6.0
DIGITAL	5.0	6.0	6.5	7.0
OPERATIONS & ADMINISTRATION	1.0	1.0	1.5	2.0
TOTAL	24.5*	28.5#	32.0##	35.5##

* Based on current headcount and projections for FY24.

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

Additional fundraising, marketing & digital resources. Incremental growth in finance & 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 over the period covered by the Plan:

- Creating a thriving community sport sector through online fundraising and capability building, using new technologies, tools and resources to facilitate increased donations in support of community sports clubs and athletes;
- Connecting sport with philanthropy to access new funding for community sports projects or grant programs;
- Partnering with Governments to grow philanthropy's role in sports funding; and
- Growing sport as a philanthropic cause by making Amateur Sport a charitable purpose, and through effective advocacy and impact reporting.

RISK OVERSIGHT & MANAGEMENT

The ASF acknowledges that risk is a fact of corporate and commercial life and seeks to mitigate those risks through its 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 2027.

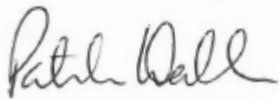
A copy of the *Risk Management Policy* is attached as an Appendix to this plan.

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 2027. 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 years.

The ASF notes that the targets are ambitious, particularly in light of the considerable economic uncertainty caused by the volatile external environment and emphasises that the organisation will require substantial additional investment to deliver on this plan and achieve these targets.

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



Chief Executive Officer



Grant O'Brien

Chair, Board of Directors

APPENDIX

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

BOARD	•Oversight and review
CEO	•Drives risk management
FINANCE, AUDIT & RISK COMMITTEE	•Reviews process and policy
EXECUTIVE	•Supports, manages, identifies risk
STAFF	•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.