

2022 Budget

DECEMBER 2021

Executive Summary

Context: Overview of 2021

2021 continued to be a year of turmoil and uncertainty due to COVID-19. Most of our sports programs, from grassroots participation to national competition, were put on hold, especially across NSW and VIC. Two of four budgeted fundraising events were also cancelled.

Furthermore, there was a change in leadership. The outgoing Chief Executive Officer, Corene Strauss resigned in May 2021 after 5 years leading the organisation.

Board and management maintained a stable and effective organisation during this transition period led by the former Head of Schools and Participation, Pierre Comis who is now the Chief Executive Officer, having formally commenced in August 2021.

Despite these circumstances, the operating loss is projected to arrive at \$205,000. This is a favourable outcome compared to the budgeted operating loss of \$259,000. This is mostly due to cost savings initiatives led by management, including 12 days of mandatory annual leave during Christmas.

The member's fund (equity) is projected at \$1,000,000 excluding funds raised by the state and club committees.

The 2021 cash position remains strong by 31 December 2021, estimated at \$5,400,000. This is mostly due to the early payment of NAB's final two instalments in 2021 instead of 2022, as per the agreed timetable.

Budgetary Process

This budget has been prepared using a top-down approach and has been informed by the current 2021 run rate, given the new organisation structure is not yet final and department heads will not be appointed until late January 2022.

A high-level starting budget forecast showing a breakeven result was presented to, and subsequently supported by, the Finance and Risk Management (FARM) Committee on 15 October 2021.

2022 Plan

The 2022 plan retains the current strategic pillars and identifies key areas of focus during a year of consolidation, with a breakeven budget seeking to build a platform for future growth.

2022 Plan on a Page

Our vision is an inclusive Australia through which people with intellectual disabilities live an active, healthy and fulfilling life

Our mission is to provide inclusive training and competition in a variety of sports for children and adults with intellectual disabilities enabling opportunities to develop physical fitness, demonstrate courage, experience joy, improve wellbeing, and participate in a sharing of gifts, skills and friendship with the community

Viable Business	Quality Experience	Expand Engagement	Inclusive Leadership
<p>NDIS</p> <ul style="list-style-type: none"> Package Development Scalable Program Model Education and Awareness 	<p>Athletes</p> <ul style="list-style-type: none"> Athlete Satisfaction Physical Literacy Athlete Leadership Healthy Athletes 	<p>Membership</p> <ul style="list-style-type: none"> Athletes (by category) Volunteers Coaches 	<p>Governance</p> <ul style="list-style-type: none"> National Council National Athlete Input Council National Sport Advisory Group Policies and Procedures
<p>Sustainability</p> <ul style="list-style-type: none"> Corporate Partnerships Fundraising Events Digital Campaigns Donor Acquisition Grant Acquisition 	<p>Coaches</p> <ul style="list-style-type: none"> Coach Satisfaction Accreditation Standards Training and Development Delivery Resources 	<p>Clubs</p> <ul style="list-style-type: none"> Strong Committees Centralised Delivery Model Sports/Programs 	<p>Sector Capability</p> <ul style="list-style-type: none"> SOA Learn NSO Partnerships Consultancy Services
<p>Digital</p> <ul style="list-style-type: none"> Website Redevelopment Cashless Payments Online Systems Data and Reporting 	<p>Volunteers</p> <ul style="list-style-type: none"> Volunteer Satisfaction Induction Training and Development Administrative Resources 	<p>Programs</p> <ul style="list-style-type: none"> Young Athletes Schools Affiliates Unified 	<p>Advocacy</p> <ul style="list-style-type: none"> Conference Presentations Webinars and Video Sessions Position Statements NSOD Alliance
<p>Public Relations</p> <ul style="list-style-type: none"> Government Relations LETR Partnership Stakeholder Management 	<p>Competition</p> <ul style="list-style-type: none"> Club Competition Games Pathway Junior Carnivals 	<p>Brand</p> <ul style="list-style-type: none"> Community Awareness National Partnerships Media Engagement Perth 2027 	

Explanatory Notes

Events Income

As we recommence events, the Fundraising Events Manager and Fundraising Consultant continue to revamp our events and bring new ideas. Hence, we are expecting a 'return to normal' in line with the 2019 actual result, less the Soar & Roar net margin.

Sports Partner Income

This new income stream from partnerships with National Sporting Organisations seeks to achieve mutually beneficial outcomes through collaborative efforts in club engagement, coach development, school engagement, and competitions and events.

Registration Fees

In response to the impact of COVID-19, the 2021 registration fee was 67% charged, whilst the 2022 fee is charged at the full standard rate of \$75 per athlete, per annum.

National Games Organising Committee

As reported by the Games Director, both income and costs are projected at \$2,700,000.

At the time this report is prepared, the confirmed sponsorships are \$972,000 and the projected athletes' levies total \$1,370,000 leaving the organising committee to raise a further \$342,000.

Activities of Club Committees

Activities of club committees are budgeted based on 2021 projections, as club committees do not prepare annual budgets.

Activities of State Committees

- Events, Program Cost and Salaries are as per 2021 run rate. Full year impact on salaries and coaches' fee.
- Competition income represents National Games State Team Levy for 1012 athletes at an average levy of \$3,000 per athlete.

Salaries and Operating Expenses

The 2022 budget includes allowance for:

- Recruitment of a 1 full time employee Fundraising Coordinator to assist the Fundraising Events Manager. The Fundraising Events Manager will absorb the stewardship of corporate partnerships as the vacant Fundraising & Partnerships role will not be replaced.
- Full year impact on NDIS resources and the WA State Manager position, both of which were hired in August 2021.
- Each employee taking 3 weeks annual leave.

Risk and Risk Management

This budget includes one high risk item, being a new partnership initiative of \$100,000. No new partnerships have been committed at the time this budget has been prepared.

There are other potential risks due to the possibility of a third wave of COVID-19. The risks are included in the following table, with an assessment as high, medium, or low.

RISKS OF THIS BUDGET	As of 29 Nov 2021	
	Rating	Amount
New Initiative in Partnerships is not realised	High	(\$100K)
Events are cancelled due to third wave Covid-19 between May 2022 to Sep 2022	Med	(\$250K)
Partnership is not renewed	Low	(\$53K)
TOTAL Risks		(\$403K)

National Games Organising Committee Financial Risk

Cash Flows

At the time this budget is prepared, the National Games Organising Committee has received cash support of \$782,000.

Furthermore, the Organising Committee will receive a further \$100,000 from Event Tasmania in July 2022 and a further \$30,000 from Launceston Council.

Hence, by July 2022, cash received will be \$912,000.

Conversely, the Organising Committee has spent cash of \$182,000 and scheduled its spending as outlined below:

- Jan 2022 \$150,000
- April 2022 \$150,000
- July 2022 \$200,000
- Aug to Oct 2022 \$1,900,000

From the above information, the net cash position is still positive through to July 2022.

Income

At the time this report is prepared, the confirmed sponsorship is \$972,000 and the projected athletes' levies is \$1,370,000, leaving the Organising Committee to raise a further \$342,000.

The Organising Committee and Games Director remain confident in raising \$342,000.

Details of risk on the National Games will be reported separately by the Games Director.

Risk Mitigation Plan

To minimise risk, the following actions are being applied:

1. FARM members will closely monitor actual results by deep diving against the budget on a quarterly basis in addition to monthly financial reports circulated to FARM members.
2. Budget remains flexible and the expenses can be cut if our ability to meet budgeted income is not achieved.
3. Focus on the plan to maximise the resources to build the platform for future growth.