

GIVING FOR SPORT

TOWARDS 2032: A SPORTING CHANCE FOR ALL THROUGH PHILANTHROPY



CONTENTS

EXECUTIVE SUMMARY	03
PREAMBLE	07
GIVING FOR SPORT 2022 REPORT	09
1. The importance of philanthropy in sport	09
2. Philanthropy as a viable revenue stream	16
3. The philanthropic opportunity for sport	23
4. The impact of philanthropy in sport	27
5. The changing fundraising landscape	29
6. Conclusion	32
WHERE TO FROM HERE	33
REFERENCES	34

In the spirit of reconciliation, the Australian Sports Foundation acknowledges the Traditional Custodians of the land we are gathered, the Bidjigal, Gadigal, Gubbi Gubbi, Kaurna, Nggunawal, Wathaurong and Wurundjeri Woi Wurrung people and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



EXECUTIVE SUMMARY

The events of the COVID-19 pandemic have had a dramatic effect on the Sports and Physical Recreation sector. It is estimated that the financial impact will be **a loss in revenue of \$1.1 billion** for the sector by the end of 2021.

Many amateur and community sports clubs were forced to suspend their competitions and shutdown facilities, forcing a severe blow to memberships, revenue and community engagement. Elite sports clubs were also affected, with unstable sponsorship revenue and ticket sales impacted by restrictions (p. 9) and athletes too, with their careers disrupted and income reduced (p.12).

Though the full effects of the pandemic are still to be understood, research has revealed that on top of declines to revenue and service disruptions, **many sporting organisations faced, and continue to face, difficulties in delivering on their purpose** because of increasing costs and decreasing numbers of volunteers.

To add to these pressures, the coming decade brings a large number of global sporting events to Australia – including the Brisbane Olympic and Paralympic Games in 2032. These events will place a **huge financial burden on already cash-strapped sporting organisations** to grow community participation and provide a pathway, so that our young aspiring athletes – today's 10-15-year-olds – have the best opportunity to fulfil their potential, represent our nation with pride and inspire a future generation to get active and benefit from sport.

The Australian Sports Foundation is calling on all those who believe that sport plays a vital role in Australian society, **to join with us in creating a sporting chance for all Australians.**

Community sport improves physical and mental health, develops life skills among our kids and builds social cohesion – while our international athletes help foster our national identity on the world stage. We have identified that, with the right policy settings, the philanthropic sector could contribute an additional \$300m a year by 2032 compared with current levels (p. 26) and help create a more healthy and active nation.



\$51m

raised in partnership with sporting clubs and individuals in 2021



\$300m

additional opportunity by 2032 if amateur sport is given charitable status

¹ Sports in Australia – Market Research Report (2021), IBISWorld



ABOUT THIS REPORT

In this report, we highlight the current state of giving for sport, assess the size of the philanthropic opportunity and outline the case for amateur sport to be given charitable status to help unlock this new funding. We also discuss the powerful impact of sport in our communities through selected case studies from the work of the Australian Sports Foundation during the last year.

While this Report understandably looks to the future, there are some practical steps that can be taken now to help Australian sport. We urge those connected with sport at all levels to:

- Encourage your sports club or organisation to connect with the Australian Sports Foundation and embrace our digital and tax-deductible fundraising option;
- Promote the benefits of sport as a great way to achieve positive social impact; and
- Contact us and find out how you can support our campaign that Amateur Sport should be recognised as a charitable purpose.

Patrick Walker

CHIEF EXECUTIVE OFFICER

PHILANTHROPY IN SPORT TODAY

The COVID-19 pandemic dealt devastating blows to clubs and athletes around Australia. Over 9,000 community clubs are estimated to be at risk of going under, and over 60% of all athletes experienced lost income and earning opportunities. (p. 12)

With sport having faced an unprecedented financial hit through COVID-19, and with the added funding pressures of planning for Brisbane 2032, philanthropy is becoming increasingly vital for sport. (p. 9)

The Australian Sports Foundation helped to raise nearly \$51 million from philanthropic sources last year, across initiatives to support Community and Elite Clubs and COVID-19 related projects. (p. 9)

This included \$1.5 million raised to support Australian athletes, and \$416,000 awarded by the Australian Sports Foundation Charitable Fund. (p. 12)

Overall, there is a shift towards major gift donations from high-net-worth individuals and businesses in Australia. A smaller proportion of Australians are giving philanthropically, but the overall amount donated is increasing. (p.16-17)

Individual, workplace and community donations still remain relevant as an accessible option for everyday donors though. The net amount donated for these methods continues to trend upward, and the majority (63%) of all donation amounts received to the Australian Sports Foundation are <\$200. (p. 19)

Lastly, donations from Private and Public Ancillary Funds are predicted to continue growing, especially if amateur sport is made a charitable cause. (p. 21)





THE PHILANTHROPIC OPPORTUNITY AHEAD

The overall amount donated to the Australian Sports Foundation to support our clubs, schools and athletes was the highest ever in 2020-21 at nearly \$51 million—an increase in over 16% from the previous year. The number of donors also increased by nearly 50% to 33,000. This shows that more people than ever are ready to help sport get back on its feet. (p. 23)

With a number of international sporting events also on the horizon for Australia in the next few years, there has never been a better time to attract the attention and generosity of Australians. (p. 23)

With a similar size and contribution in the Australian market, we can compare the amount of philanthropic giving between the arts and sport sectors. This provides a rough benchmark of how much could be gained if sports were to receive the same amount of philanthropy as the arts. (p. 24-26)

Overall, it is estimated that there could be a \$300 million opportunity for philanthropic giving in sport if it received the same generosity as the arts. This gap is largely due to two factors: first, arts and cultural organisations have historically allocated more focus to this revenue stream than sport, and secondly the arts has charitable status, and amateur sport does not. If sporting bodies came together with the Australian Sports Foundation to support our advocacy for charitable status, there would be a greater appeal for charitable donations and we could begin to bridge the gap. (p. 26)

But sporting organisations must also learn to change, as there is a rapidly increasing shift towards online giving platforms. As traditional forms become difficult or impossible, Clubs must embrace new strategies and forms of digital fundraising to ensure sustainability into the future. (p. 31-32)



PREAMBLE

ABOUT THE AUSTRALIAN SPORTS FOUNDATION

The Australian Sports Foundation is Australia's national non-profit sports fundraising organisation and charity, and **the only organisation in Australia to which donations for sport are tax-deductible.**

We have distributed over \$520 million to Australian sports clubs and athletes over the past 30 years through our online fundraising platform and community sport grant rounds. This has helped strengthen local communities and develop an inclusive and active sporting nation.

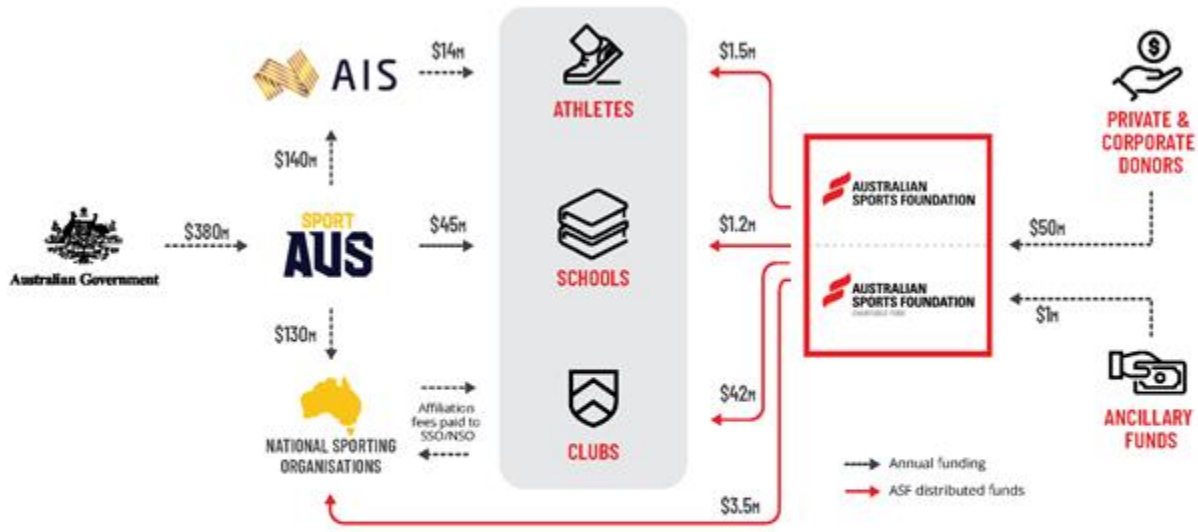
Sport is at the heart of every community in Australia. It has the power to enhance lives, improve physical and mental health, and bring people together. Our mission is that everyone in Australia, regardless of background, ability or culture, has access to the health and social benefits of sport.

We are committed to an Australia where everyone can play.



The Australian Sports Foundation's role in philanthropy

SPORTS FUNDING ECOSYSTEM



SPORT AUSTRALIA

Distributes Federal Government funding via grants to National Sporting Organisations. Responsible for participation, and oversees sport governance and sport policy.

AUSTRALIAN INSTITUTE OF SPORT

Responsible for High performance, working with National Sporting Organisations and State Institutes, and allocates funding to high performance, national programs and direct athlete funding (dAIS).

NATIONAL SPORTING ORGANISATIONS

There are 96 National Sporting Organisations, of which 64 are funded by Sport Australia, 32 unfunded. Most have a federated structure with their SSO's having the primary relationship with clubs in each territory.

CLUBS

Includes both affiliated sports clubs and other not for profit community groups and organisations involved in sport. Affiliated clubs must pay fees to their National or State body.

SCHOOLS

Includes schools, universities and other educational establishments.

ATHLETES

There are c2500 categorised athletes, of which less than 1,000 receive dAIS funding.

Our impact in Australian sports fundraising and philanthropy



GIVING FOR SPORT 2022 REPORT



01 The importance of philanthropy in sport

The financial impact of COVID-19 on our sports and athletes, along with the need to build for a better sporting future as we head towards 2032, highlights the importance of philanthropy as a funding source for our athletes and sports clubs.

Here, we'll summarise how clubs and athletes have been impacted by the pandemic, and how the Australian Sports Foundation has helped to deliver philanthropic aid.

Clubs in crisis

Australia's sports clubs, at all levels, have done it tough during the pandemic.

Revenue for the major player in the sector, the Australian Football League (AFL), fell 15% during 2020. Broadcast partners renegotiated their contracts due to the shortened season, and revenue from commercial partners also fell substantially.¹

For Community Clubs, the response to our COVID-19 Community Clubs survey painted a stark picture of the challenges all over Australia. An estimated 9,000 clubs are at risk of collapse, with many more struggling with financial instability, reduced participation, and declining volunteering.

With Government funding already stretched and traditional fundraising placing a heavy burden on the already declining number of volunteers, turning to online fundraising and the generosity of Australians was the only source of revenue a lot of clubs could access in order to keep the lights on.

How philanthropy and the Australian Sports Foundation helped our clubs in 2020-21



¹ Sports in Australia – Market Research Report (2021), IBISWorld



Table 1 - Top 20 donations to the Australian Sports Foundation by sports type during the 2020-21 financial year.

Sports Type	Value of donations	Number of donations	% of Total Donations FY20/21
Australian Football	\$17.12m	13,081	34%
Golf	\$5.29m	2,380	10%
Multi-Sport	\$4.65m	1,828	9%
Rugby Union	\$3.68m	2,796	7%
Rugby League	\$3.63m	1,020	7%
Basketball	\$3.22m	1,463	6%
Sailing	\$2.82m	3,746	6%
Football (Soccer)	\$2.48m	2,834	5%
Rowing	\$2.04m	1,333	4%
Cricket	\$1.46m	1,991	3%
Equestrian	\$863.97k	169	2%
Tennis	\$504.51k	327	1%
Snowsports	\$403.18k	1,674	1%
Cycling - Track/Road	\$370.30k	341	1%
Hockey	\$347.92k	730	1%
Motor Sports	\$260.61k	121	1%
Surfing	\$197.98k	416	0%
Athletics	\$177.89k	296	0%
Netball	\$148.67k	1,777	0%
Gliding	\$117.81k	35	0%
TOTAL	\$49.79m	38,358	98%

ASF Case Study: Keeping the Lights On

Geelong United Basketball was established in October 2019 and saw the merger of Corio Bay Basketball Association and Basketball Geelong. The Association is made up of over 6,500 players from just shy of 800 teams from grassroots community competitions to elite open age leagues.

Geelong United Basketball, like many sporting clubs, were forced to close their doors in March 2020 due to the COVID-19 pandemic. It was at this time Geelong United Basketball needed a way to ensure the continued expenses of operation could be covered while no income was being generated. This crisis saw the inception of the 'Keep the Lights On' campaign.



\$50k+

raised from the campaign



8,000

participants impacted and able to keep playing community sport

The 'Keep the Lights On' campaign was a mass awareness campaign primarily using social and email marketing to spread the message around the local community.

Geelong United Basketball CEO, Mark Neeld, said "Muffin drives, and sausage sizzles require volunteer hours, up-front expenses and rely on the community attending the venue, all of those factors meant it was simply impossible to use 'traditional' methods of raising funds." He continued **"The experts at the ASF provided us with the platform, ideas and support to help us raise over \$50,000"**

After 366 days of having the doors of the Basketball stadium shut, Geelong United Basketball now has more teams and players than before the pandemic.

Muffin drives, and sausage sizzles require volunteer hours, up-front expenses and rely on the community attending the venue, all those factors meant it was simply impossible to use 'traditional' methods of raising funds.

- Mark Neeld - Geelong United Basketball CEO



Supporting Australian athletes

2021 was the year the world geared up for the postponed 2020 Olympic and Paralympic games in Tokyo. Coming at a time where one in two Australians were in lockdown, the games brought joy, hope and inspiration when it was sorely needed.

But like our clubs, Australian athletes faced massive disruption to their lives during this time. Our Impact of COVID-19 on Australian Athletes report found that nearly 61% of all athletes experienced lost income and earning opportunities.

Philanthropy already plays an important role in supporting the careers of many national and international athletes. The iconic performance by the Australian Swim team in Tokyo, who were without a major sponsor, was made possible by philanthropic support.

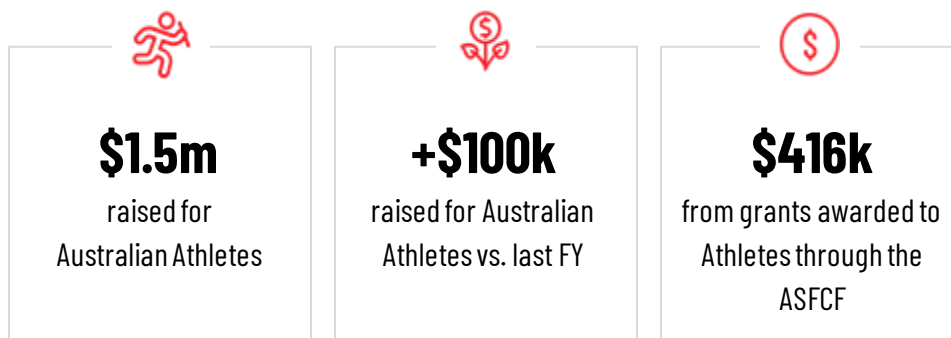
Philanthropy also supported our Paralympians on their journey to Tokyo in 2021 and demonstrated its power through the role it played in advocating for Paralympians rights to equal financial rewards. The philanthropic action of an independently led crowdfunding initiative was integral to the sparking of boosted funding from the Federal Government to Paralympics Australia. This funding means that medalists at the Paralympics received and will continue to receive the same cash bonuses as medalists at the Olympics.

Building the pathway to high performance

In 2021, Brisbane successfully secured the chance to host the 2032 Olympic and Paralympic games—an exciting opportunity for our athletes but one that will add incredible pressure for performance.

Philanthropic investments will make the difference in making sure our emerging athletes can access what they need to excel on the world stage.

How philanthropy and the Australian Sports Foundation helped our athletes in 2020-21





Success at the Brisbane Olympics will be judged not so much on the facilities or whether people have a good time, but how successful our Australian athletes are- there is no doubt about that. The entire [sporting] system will look to the government to make sure [they] - particularly for our younger athletes, those who are barely in their teens right now - get the opportunity to perform at their very best in 11 years' time.



- Peter Conde, AIS CEO

ASF Case Study: Wambui Taylor, Young Athlete

It's clear immediately when Wambui talks about tennis that she's focused, driven and passionate about the sport. At 13 years of age, she is precocious and teeming with ambition, with the competitive nature of tennis driving her attraction to it further – not to mention the friendships it creates.

In 2018 and 2019, Wambui had the opportunity to trial for state and national-level competitions for her age group. The Bruce and Pizzey Cups are Australian national school championships for primary and secondary school students.



Just the simplest acts of support really mean everything to me and the fact that people were able to donate so much money, that meant even more because I was able to actually live out the first step of my dream.

- Wambui Taylor



\$2.6k

raised during Wambui's campaign



\$416k

from grants awarded to Athletes through the ASFCF

2019's Bruce Cup was held in Perth across a week. Expenses, relating to travel and accommodation for the tournament were costly and competitors were required to cover them. Wambui and her mother engaged with the Australian Sports Foundation to assist with fundraising to cover these expenses, with the importance of such support not lost on Wambui.

"I raised \$2,600. Without the support from the donors, it wouldn't have been possible," she continues, "just the simplest acts of support really mean everything to me and the fact that people were able to donate so much money, that meant even more because I was able to actually live out the first step of my dream."

Wambui's dream is to make the top 10 of the WTA circuit, "I understand the journey that will take, the number of hours I'll have to spend training and in tournaments but I'm ready to make the commitment to the game."





Going forward, philanthropy will have a crucial role to play in ensuring our young and aspiring athletes have the best opportunity to fulfil their potential and represent the nation with pride in 2032.



- Patrick Walker, Australian Sports Foundation CEO

02 Philanthropy as a viable revenue stream

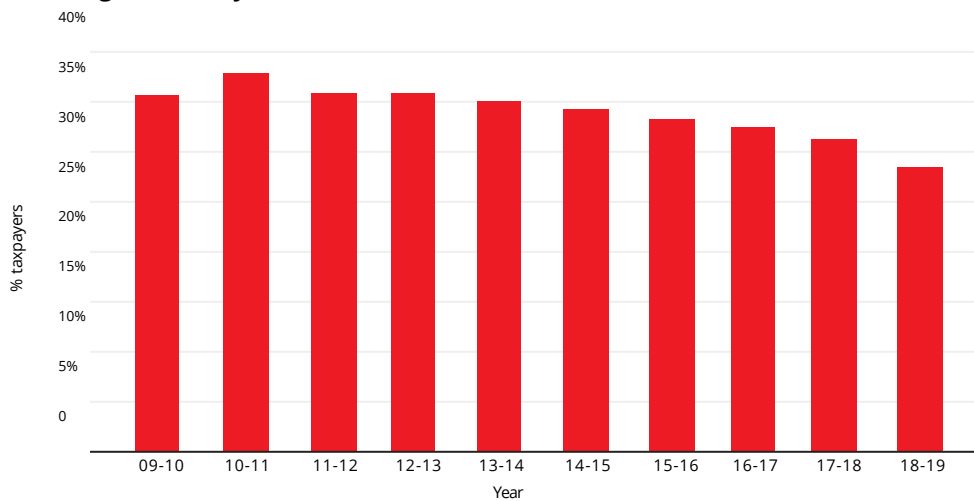
Philanthropy plays an important role in Australian society—supporting diverse charities, not-for-profit organisations and community groups to strengthen communities across the country. We are a generous nation by many standards, ranking fifth in the World Giving Index 2021, which is measured by generosity of finances, time, and acts of service.¹

It is important to understand the overall climate of giving in Australia to see how philanthropy can be an effective strategy for revenue raising in sport.

Total donations

Overall, there is a falling proportion of Australians giving philanthropically, with the lowest levels in 2018-19 since the 1970s.²

Figure 1 – Proportion of Australians giving to charity (via measurable tax deductions for gifts/charity)²



Despite this, the overall amount being donated is increasing. In 2018-19, the total amount Australians gave to charitable causes was estimated to be \$11.8 billion, an increase of \$1.3 billion from the previous year.²

The average size of the donation also increased to a record \$933 per person from \$846. This increase was largely driven by generous donations from some of the nation's wealthiest residents, including a single donation of \$400 million.²

Here we'll examine the major donation patterns in Australia, and the trends the Australian Sports Foundation has seen through our donation platforms.

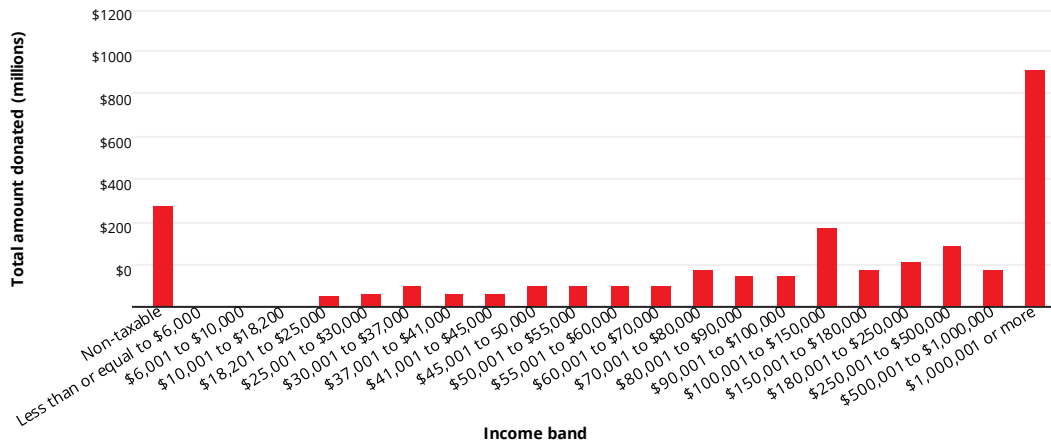
¹ World Giving Index 2021 (2021), CAF

² Wright (2021), "No longer passing around the hat: New research shows Australians aren't as charitable as they used to be"

Major gift donations

Philanthropic giving in Australia is trending towards higher net worth donors, with the largest proportion of donations in 2018-19 being from individuals with an annual income over \$1 million.¹ US research also shows that not for profits raise closer to 90% or more of their funds from roughly 10% of their donors—a shift from the 80-20 rule of the past.²

Figure 2 – Total tax-deductible donations by income band 2018-19¹




Australian businesses also have the scale and revenue to make large donations. In 2015-16 alone \$17.5 billion was donated by Australian business.³ Although more recent figures are yet to become available, we can estimate that businesses are still donating billions of dollars every year.


Further, JBWere’s Support Report estimated that one-third of support for non-profits—around \$4.5 billion—comes from corporate donations and partnerships.⁴ US evidence shows that the proportion of giving compared to profitability rose slightly during times of economic crisis in the last 50 years. During the Global Financial Crisis, for example, giving levels in the US remained steady.⁴

This demonstrates that major gift donations from high-net-worth individuals and businesses are likely to remain a reliable opportunity for sports philanthropy. Further, recent research found that large donations to a campaign increases the size and number of smaller donations.⁵ The Australian Sports Foundation continues to expand our dedicated team of experts in this area to help build strategies for capturing these types of donations.


Impact of major gift donations made to the Australian Sports Foundation 2020-21



\$17.6m
raised through individual donations >\$10k



\$22m
raised from corporate donations (+\$1m vs. last FY)



\$1m
largest single donation made to a fundraiser

¹ Balczun, et al. (2021), “An Examination of Tax-Deductible Donations Made By Individual Australian Taxpayers in 2018-19”

² Irvin (2021), “What’s a major donor? A fundraising expert explains”

³ “Giving Australia 2016” (2016)

⁴ McLeod (2018), *The Support Report*

⁵ Andreoni (2006), “Leadership Giving in Charitable Fundraising”

ASF Case Study: Alice Springs Athletics Project

Alice Springs Athletics Inc. (ASA) was set up to provide specific track and field coaching for members of all ages and a weekly competition for their participants. The ASA also provides opportunities for members to obtain qualifications as officials and coaches in the sport.

The ASA's fundraising campaign with the Australian Sports Foundation was launched to fund the growth of the Desert Run Program which provides a fun and safe pathway into the sport of Athletics for all members of the community regardless of age, background, athletic ability or financial situation.



We set an ambitious target but due to the support of the community have been able to achieve and go past that target.

- Alice Spring Athletics Inc.



The campaign also had the goal of raising funds to support the development of the club's coaches, alleviating the costs of travel for members of the club (athletes & volunteers), meals for participants post-training, a club shuttle bus and the purchase of specialist equipment to allow athletes with a disability to participate.

"Our unique location, in the centre of Australia, presents huge cost challenges for our members and their families". Many members of the club have been selected to compete around the NT, interstate and even overseas and as picturesque as the landscape of the club may be, the unique location of the club adds more barriers that other participants from across Australia don't often face.



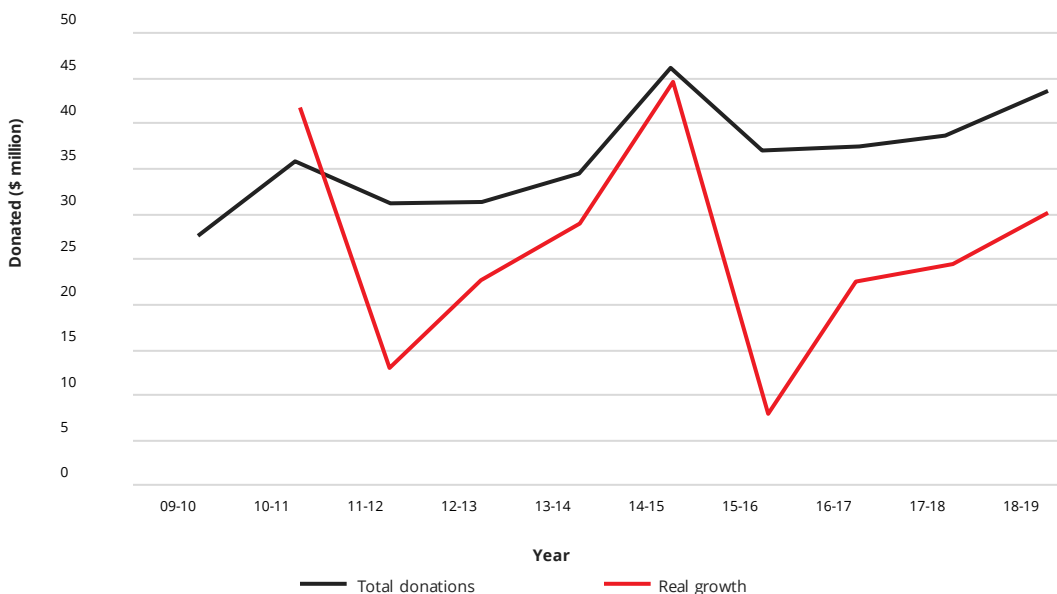
Community donations

Though we've seen how it is becoming more critical to look to wealthy individuals with the potential to donate large sums, there remains plenty of opportunity with everyday Australians to become regular donors.

Collective community giving programs, such as online fundraisers, are often less intimidating and more accessible for the everyday person. This enables those that can't give high dollar donations to engage with a cause aligned with their values and gives them an opportunity to feel like they can give back.

Workplace giving especially, is a great method to embrace everyday donors and one that appears to be growing in potential over the last measured period.

Figure 3 – Workplace giving, 2009 - 2019¹



The Australian Sports Foundation is continuing to explore how workplace giving can benefit sport through our fundraisers and charitable arm and building this into our growth strategy.

Impact of community and individual donations made to the Australian Sports Foundation 2020-21



\$50

the most frequent donation amount made



\$1.4m

made through individual donations <\$200



+5.5k

increase of donations <\$100 vs. last FY

¹"Philanthropic and Charitable Donations" (2021), Australian Institute of Health and Welfare

ASF Case Study: Adelaide University Rugby Club

Celebrating 125 years in 2021 and holding the title of the oldest Rugby Union Club in Australia, the Adelaide University Rugby Union Club has a rich and successful history both on and off the field. With multiple teams in junior grades, five Men and Women's senior teams and a senior LGBTQI+ team, the club has seen significant growth over the last few seasons.

With significant growth in participants come significant growth in operating costs (equipment, uniforms, and facilities).



+\$9k

through one of their ASF campaigns



10+

teams across multiple age groups

The Adelaide University Rugby Union Club, like many clubs, continue to find engaging ways to raise funds that ensure their communities are weaved into the fibres of the club. Their 2021 campaign was set up to target 15 donors to help them raise the \$10,000 goal for this year. The specific number of donors (15) was selected to represent the 15 players that are on the field during the games.

These donations will contribute to the high performance and junior pathways, development of club facilities and the funding of the membership program for University students to participate.

With over \$9,000 raised, they are well on their way to reaching the campaign goal and having another successful season both on and off the field.

Our donors play a vital role in ensuring the ongoing sustainability, development and growth of our great club.

- Adelaide Uni Rugby Club

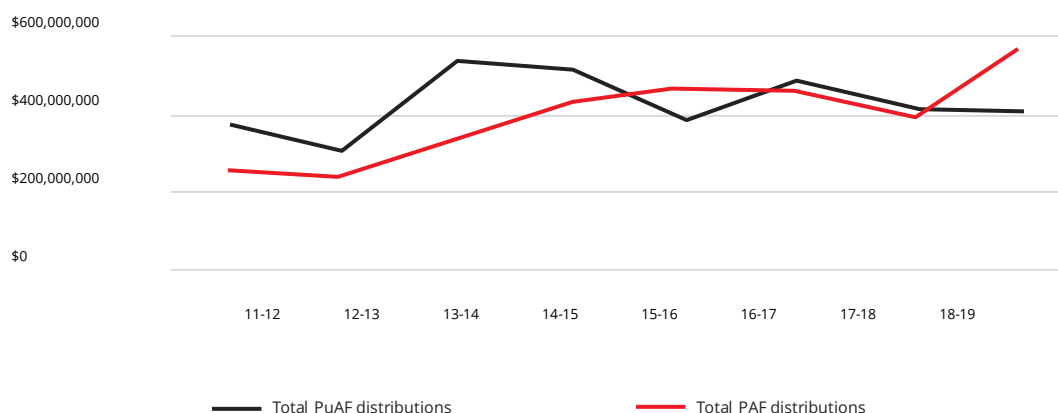


Donations from Private Ancillary Funds (PAFs) and Public Ancillary Funds (PuAFs)

The introduction of the PAF reshaped philanthropy in Australia, giving businesses, families and individuals greater flexibility to start philanthropic trusts and give structure to their generosity. PAFs are predicted to continue growing in numbers¹, offering a viable source of philanthropic revenue for sports clubs and athletes, **especially if amateur sport is made a charitable cause.**

In 2018-19 alone, PAFs and PuAFs distributed a total of \$967 million in funds across Australia.²


Figure 4 – PuAF and PAF donations from 2011-2019²




To help athletes and sports clubs connect with PAFs, we launched the Australian Sports Foundation Charitable Fund (ASFCF), which enables PAFs and PuAFs to donate directly to fundraising projects closely aligned with their own mission.

Impact of PAF/PuAF donations made to the Australian Sports Foundation 2020-21

Through the generosity of a Private Ancillary Fund in partnership with the Australian Sports Foundation, two grants programs were delivered in 2020 to foster and enable greater participation in sport by young Australians.



60 clubs
around Australia received a grant.



\$250,000
distributed via grant rounds



¹“Happy Birthday PAF!” (2021), Fundraising and Philanthropy

²Balczun, et al. (2021), “An Examination of Tax-Deductible Donations Made By Individual Australian Taxpayers in 2018-19”



ASF Case Study: Active Kids

Established in 2019, The Dickinson Foundation is a progressive philanthropic organisation dedicated to ensuring all young Australians are supported to participate, develop and stay in sport.

Working independently as well as in partnership with the Australian Sports Foundation, The Dickinson Foundation provides much needed equipment, uniforms, funds and support to volunteer and locally run community clubs and athletes across Australia.

The Australian Sports Foundation and The Dickinson Foundation both believe that not only is sport good for physical and mental health and wellbeing but also provides an opportunity for communities to come together. For junior participants, goal-setting, resilience, confidence and team-work are crucial and additional benefits.



The Dickinson Foundation has made a material difference to many grassroots and community sports clubs by providing much needed equipment for them to be able to sustain participation rates in younger members of the community.

- Ryan Holloway – Chief Partnerships Officer, ASF



+\$2.0M

provided for young
Australians in Sport



144

Community Clubs
impacted

With funding provided by The Dickinson Foundation, our partnership, has been able to deliver over \$2m to over 144 community clubs across 23 sports to date and counting.

These results demonstrate how Public or Private Ancillary Funds can make a real difference in many communities, volunteer run sporting clubs and positively impact the lives of young Australians.

It is through the generosity of The Dickinson Foundation that many clubs have been able to retain, and in many cases expand, their junior participation programs by ensuring they have the appropriate kit and equipment to stay connected and involved in sport.



03 The philanthropic opportunity for sport

The recovery from the COVID-19 pandemic is going to be a long road for sport, with a predicted further revenue decline of 1.2% by the end of 2021.¹ But despite the challenges, there are key opportunities to be seized that can ensure sport thrives into the future.

Donations to sport are increasing

The Australian Sports Foundation saw the character of Australian generosity continue into the 2020-21 financial year, with a 16.5% increase in tax deductible donations received by our online platform. This made it our biggest fundraising year, especially in Victoria and New South Wales—the States most impacted by COVID-19 restrictions.

The number of unique donors across both community and elite sport increased by over 10,000—from 22,600 in 2019-20, to 33,000—showing more people than ever are here to support sport in its time of need.

Figure 5 – Total donations by year

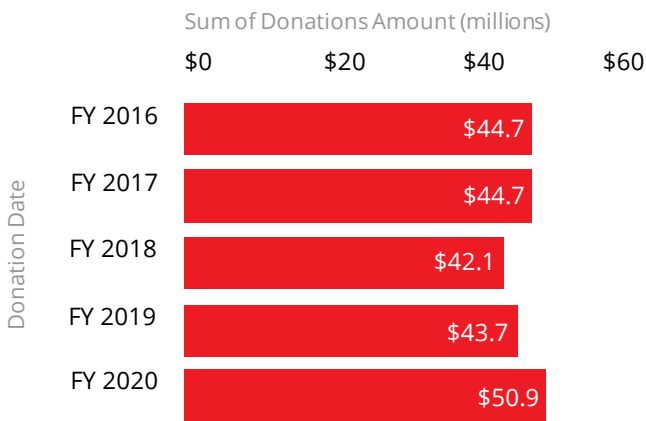
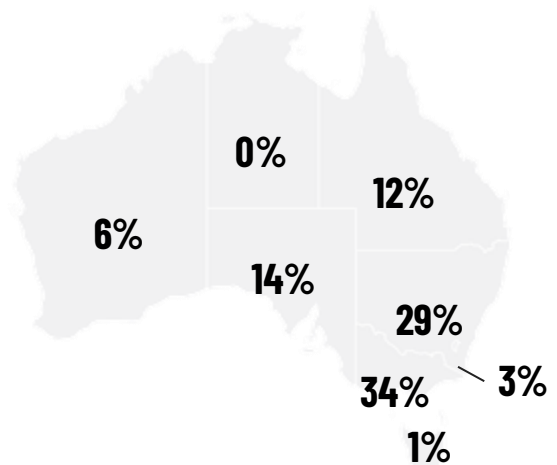


Figure 6 – Donations by State/Territory



International attention on Australian sports

In the next few years, there will be a number of major international events that will shine a spotlight on Australia’s sporting sector, presenting appealing opportunities to invest in our clubs and athletes:

- 2022 FIBA Women’s Basketball World Cup
- 2023 FIFA Women’s World Cup
- 2025 World Transplant Games
- 2025 ICF Canoe Slalom World Championships
- 2026 Commonwealth Games
- 2027 Rugby World Cup (tbc)

These present strategic and marketing opportunities to get more donors on board than ever before.

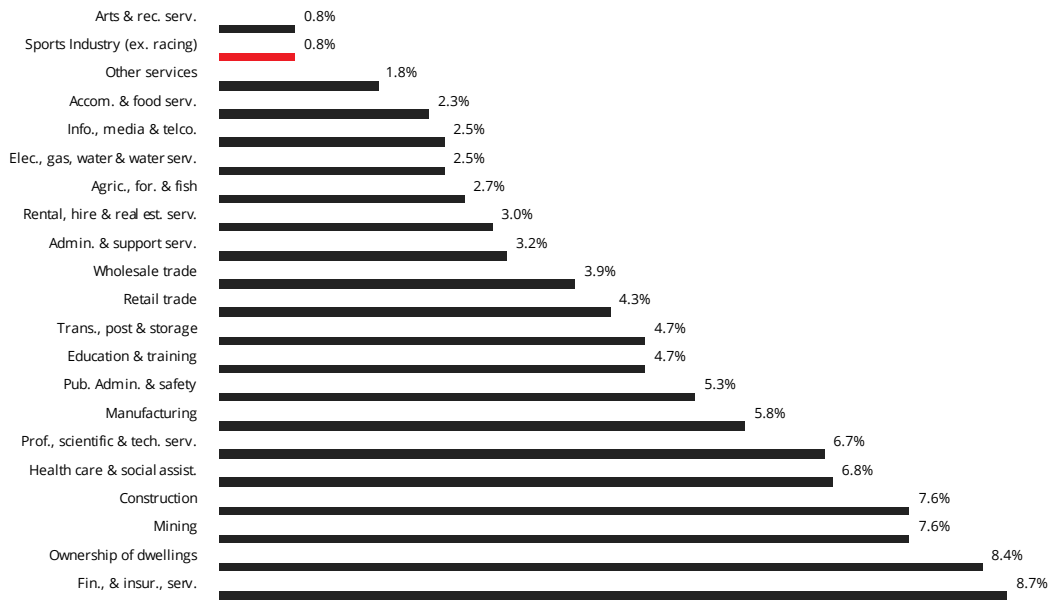
¹ Sports in Australia – Market Research Report (2021), IBISWorld

Benchmarking with the Arts

In order to truly estimate the full opportunity for philanthropy in sports and understand what could be possible, we can consider the arts sector as a benchmark.

In terms of their size and contributions in the Australian market, sports and the arts have many similarities.

Figure 7 - Contribution to Gross Domestic Product by industry.¹



Further, they have similarities in their benefits to Australian individuals and communities:

- Positive opportunities for CALD communities.
- High engagement and benefits for youth.
- Health and wellbeing.
- Connection to community.

Finally, in the Australian Government’s budget, ‘sports and recreation’ and ‘arts and cultural heritage’ are also considered together in the same bucket of funding, illustrating that they are considered to have a similar role in terms of their positive contribution to societal development.

¹ Sports Industry Economic Analysis (2020), Department of Health



Bridging the gap

To understand the philanthropic opportunity for sports in comparison to the arts, the current gaps in donations and bequests must be analysed and understood.

As the table below shows, Arts and Cultural organisations receive an average of \$50m a year from PAF's and PuAF's alone, while Sport and Recreation receives less than \$700k - a gap of nearly \$50m a year just from this philanthropic segment.¹

Table 3 – PAF and PuAF distributions made to Sport and Recreation and Cultural Organisations, 2011–19

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Average
PuAF distributions to Sport and Rec	\$633,227	\$698,365	#N/A	#N/A	#N/A	\$446,819	\$573,088	\$670,368	\$604,373
PuAF distributions to Cultural Organisations	\$11m	\$14m	#N/A	#N/A	#N/A	\$14m	\$11m	\$12m	\$12m
Total PuAF distributions	\$370m	\$306m	\$525m	\$508m	\$394m	\$469m	\$395m	\$402m	\$421m
PAF distributions to Sport and Rec	\$65,743	\$41,900	#N/A	#N/A	#N/A	\$188,417	\$69,500	\$135,300	\$82,433
PAF distributions to Cultural Organisations	\$22,m	\$41m	#N/A	#N/A	#N/A	\$44m	\$36m	\$40m	\$38m
Total PAF distributions	\$251m	\$244m	\$327m	\$423m	\$456m	\$452m	\$394m	\$564m	\$389m

¹Balczun, et al. (2021), "An Examination of Tax-Deductible Donations Made By Individual Australian Taxpayers in 2018-19"

A large contributor to this difference is the fact that the arts has charitable status where amateur sport does not. As most PAFs are only eligible to give to charitable organisations, this currently limits the support sport can obtain from this source. Giving amateur sport charitable status would enable the ASFCF to secure more funding for sport from these philanthropic vehicles.

The most significant disparity between the arts and sport however, is individual bequests and donations. Donations to arts and cultural organisations saw \$291 million to organisations registered as a charity with the ACNC in the 2019-20 financial year (excludes PAFs, PuAFs and Broadcasting Organisations)¹, with a further \$15 million going towards government agencies (as per AGOR register).²

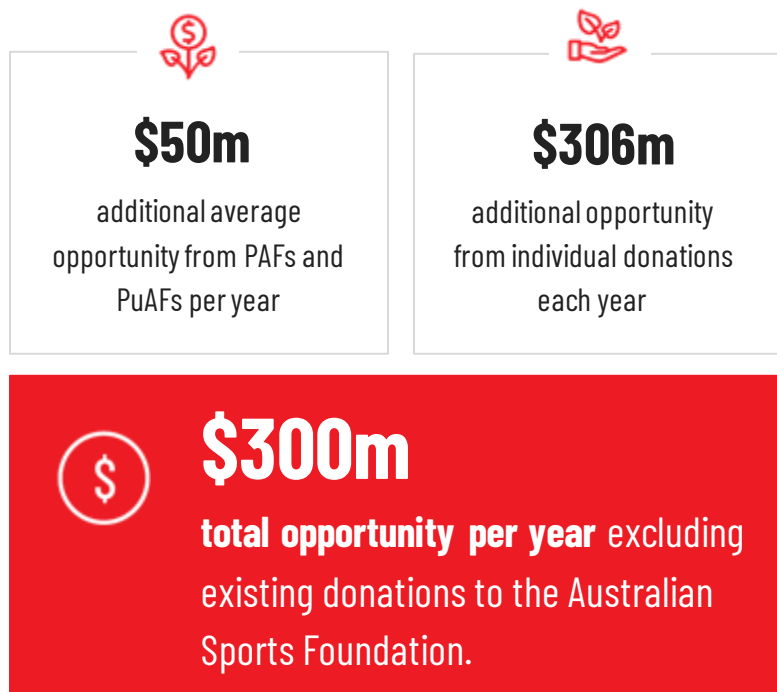
Sporting bodies must come together to support the Australian Sports Foundation's advocacy for this move in the industry, and the Australian Sports Foundation is committed to being the voice and authority in carrying this forward.

As a first step, we have registered the only charitable arm capable of supporting a broad range of sporting activity, which enables PAFs and PuAFs to donate directly to the ASFCF to support sports fundraising projects closely aligned with their own mission.

The \$300 million opportunity

To add all of this up, the sports sector could be raising an additional \$300 million on average each year, if it received as much through philanthropy as the arts. Through our advocacy strategy to make amateur sport a charitable purpose, we are aiming to grow the philanthropic pie and ensure sport receive its fair share of philanthropic revenue.

We believe this can be achieved by enabling greater engagement for sport with PAFs and PuAFs and helping more Sports Clubs and Athletes raise funds using the Australian Sports Foundation's tax-deductible fundraising platform.



¹ ACNC 2019 Annual Information Statement Data (2021), Australian Charities and Not-for-profits Commission

² Arts & Culture Government agencies 2019 Annual Report (2019), Australian Government Organisations Register



04 The impact of philanthropy in sport

The growth of organised professional sports and the sports industry has transformed athletes into positive and motivational role models for young people and given ample opportunity for clubs, leagues and national sporting organisations to utilise their influence to create positive social development, improve health and provide hope to those who are facing adversity.

This power that sport has in fostering positive change for individuals and communities is recognised universally, even by the biggest and most familiar international organisation in the world, the United Nations (UN), who implemented an International Day of Sport for Development and Peace, celebrated every year since 2014 on 6th April.

The UN recognises sport as a tool that can promote education, peace, development and social responsibility, thanks to much research globally, and here in Australia, that has systematically proven the benefits and powerful outcomes of sport.

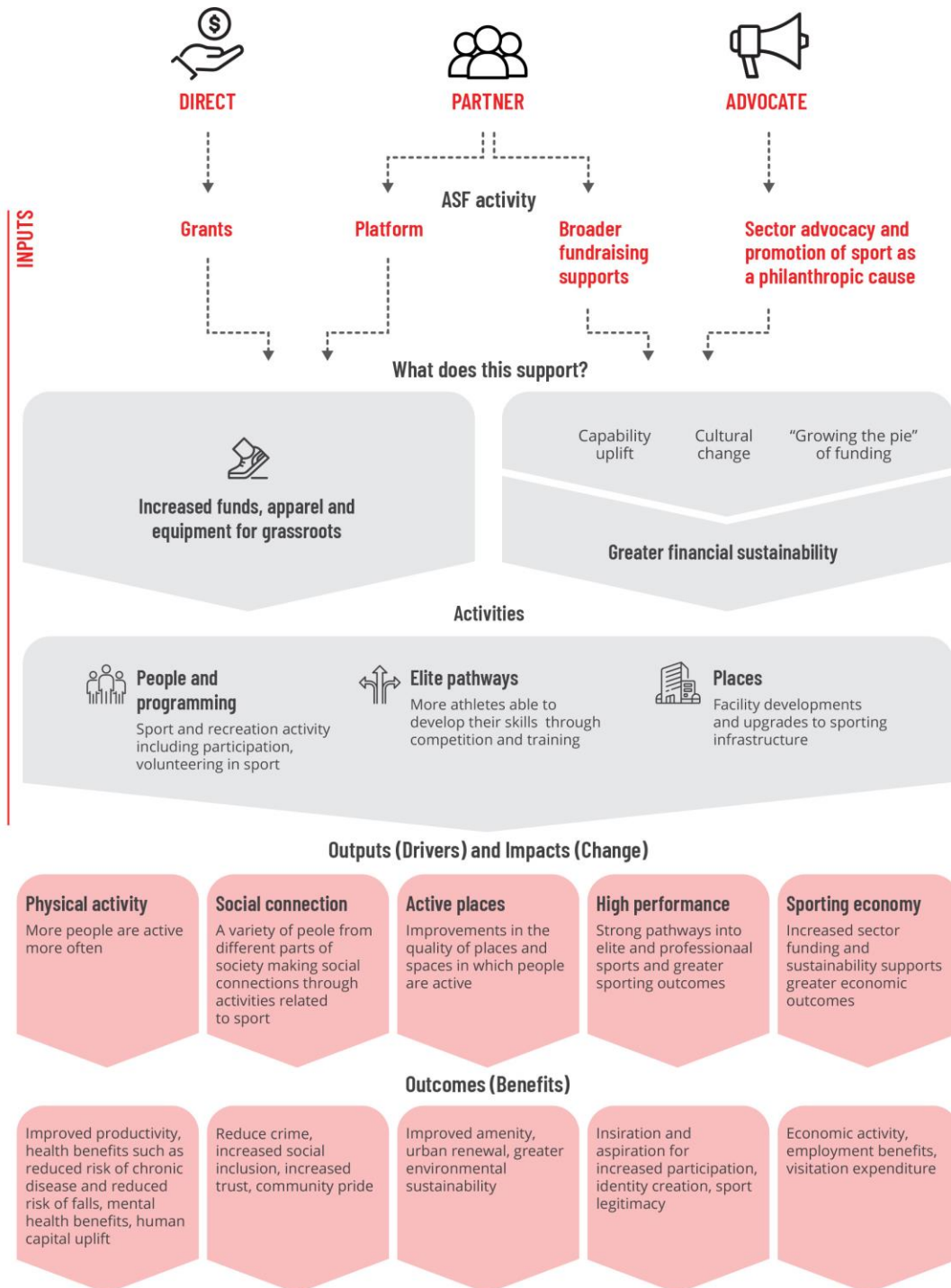
Clubs and National Sporting Organisations (NSO's) are beginning to understand the philanthropic opportunity that these positive social outcomes present. Below are examples of ways in which NSO's, in partnership with the ASF, are starting to focus on the philanthropic sector to fund community-enhancing programs:

- **The Athletics Foundation**, Athletics Australia's philanthropic arm, is working towards a sustainable future for Australian athletics. The Foundation focuses on increasing access to a pathway in the sport for every Australian providing funding to eligible Australian athletes, coaches, officials and clubs, through the provision of scholarships and financial support.
- **The Australian Rugby Foundation (ARF)**, Rugby Australia's national fundraising body, is making significant contribution to the game from the grassroots to the elite, increasing the investment into rugby around the country and across all aspects of the game. In line with the giving trends outlined in their annual report, Australian Rugby saw a 44% increase in tax-deductible donations in FY19/20.¹
- **The Australian Golf Foundation**, the national foundation for Golf Australia is providing support for programs that encourage participation and investing back into golf through the following five streams: Community Diversity and Inclusion, Vision 2025: The Future of Women and Girls in Golf, High Performance, Facilities of Excellence, History and Heritage.
- **The Confident Girls Foundation**, the philanthropic arm of Netball Australia, partners with grassroots service providers to support girls and their communities in times of adversity. Since its beginning in 2017 it has raised over \$1.6m that has been invested in programs focused on positively impacting the physical, emotional and social wellbeing of girls through sport.

¹ 2019 Annual Review (2020), Australian Rugby Foundation

The Australian Sports Foundation's impact

The Government's 2030 National Sport plan highlights the Australian Sports Foundation (ASF) as a key partner in achieving financial sustainability for sport.¹ Additionally, the ASF is a partner to Clubs and NSOs needing to raise additional funds to support programs; we provide both direct grants and a fundraising platform along with the resources and advice to help their philanthropic fundraising. Our extensive reach means that donations and investments can impact all levels of sport and in all communities, regardless of state or post codes.



¹ Sport 2030 (2018), Department of Health

05 The changing fundraising landscape

75% of adults surveyed by McNair yellowSquares claimed that their regular donations will stay about the same in the next 12 months—an increase from 69% in 2020.¹

However, the ways that they donate are likely to look very different in a post-pandemic world.



What counts as fundraising?

The term “fundraising” has a broad definition in this sector. It typically includes activities where some or all of the profits go towards helping a person, cause or organisation.

This may be requesting donations, selling merchandise or memberships, or holding events, raffles and games.

In many cases, clubs also view seeking grants and sponsorships as forms of fundraising.

The online fundraising shift

Traditional fundraising methods have not been effective during COVID-19 lockdowns, and sports clubs reported a sharp decline in fundraising revenue caused by the pandemic. Events, raffles and sausage sizzles were either difficult or impossible, and clubs could no longer turn to such methods to address revenue shortfalls.

In lieu of these methods, 2020 saw a 30% increase in donations via online giving platforms—a trend which is likely to continue.² In 2019, over half (52%) of charities had an online presence (ACNC 2021). Social media initiatives like Team Trees, which raised \$20 million to plant 20 million trees in a matter of months, are an excellent model of how younger generations participate in online fundraising.

It is vital that clubs embrace a culture of fundraising, and especially new forms of digital fundraising. Digital fundraising can offer many benefits to all parties, such as:

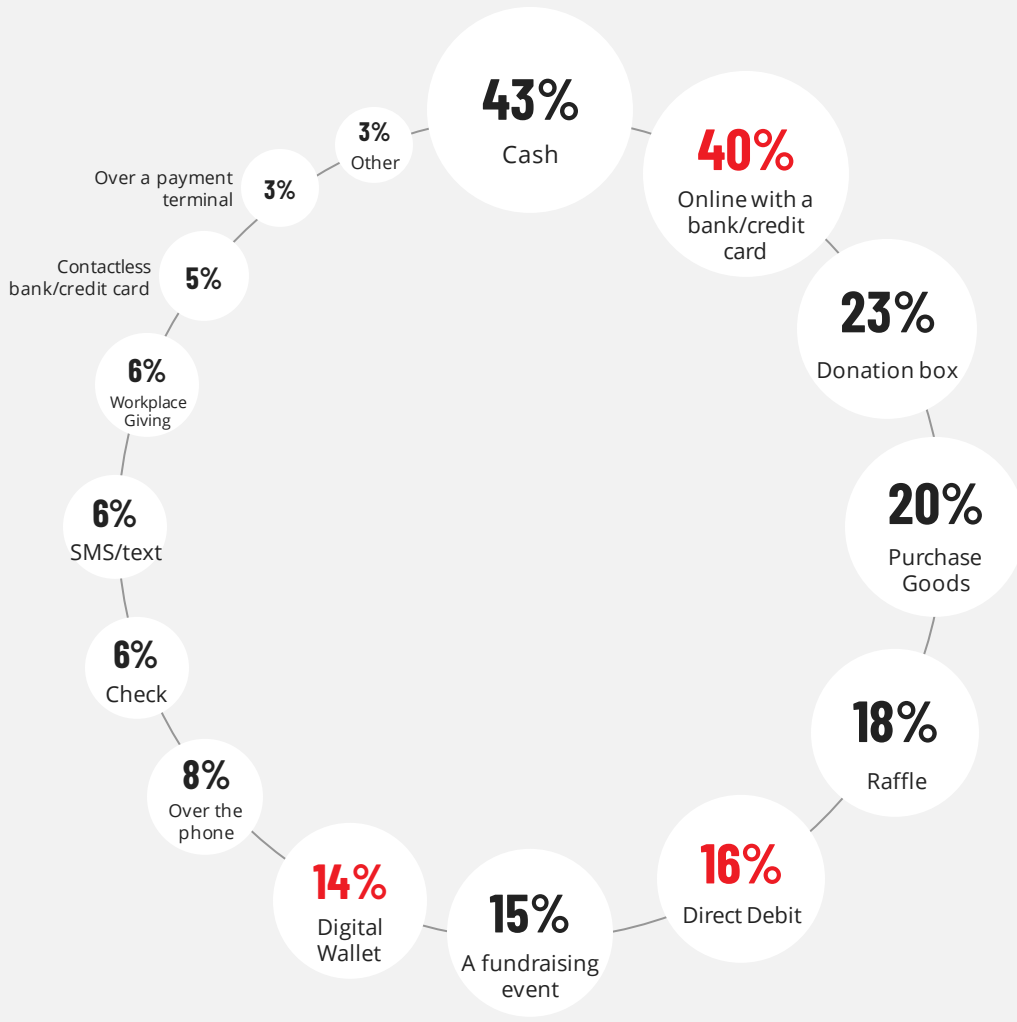
- Anyone can donate any amount, however small.
- Donations can be made anonymously.
- Greater transparency to donors about where their dollars go and accountability to the fundraiser.
- Increased opportunities for communication and interaction, especially through social media platforms.

¹ “Happy Birthday PAF!” (2021), Fundraising and Philanthropy

² Heath (2021), *Predictions for 2021: Philanthropy*,



Figure 8 - Donation payment methods, with online methods highlighted
 (All donors, n=700)¹



The Matched Giving opportunity

Matched Giving (matching donations dollar for dollar) is an increasingly important tactic in philanthropic fundraising. Research shows that incentivising donors via Matched Giving generates 3 to 5 times the contribution.²

In established philanthropic causes, funds for matching are typically sourced via major gifts from high-net-worth donors, or through large events.

The Australian Sports Foundation is continuing to explore how the Matched Giving opportunity can be best captured for sport, and building this into our growth strategy. This includes expanding our use of “match days” and events to grow sport donations through our fundraisers and the ASFCF.



Campaigns with donation matching raise
3 to 5 times
 more money than those that don't.

¹ The World Giving Index 2021 (2021), CAF

² The State of Modern Philanthropy 2021 (2021), Classy

CONCLUSION

Sport is a fundamental part of Australian life. Not only does it offer many benefits to physical and mental health, but it creates irreplaceable opportunities for community connection.

The effects of the COVID-19 pandemic have been devastating to our sporting communities and athletes, but there is a clear path to recovery if we can better harness the power of philanthropy in Australia.

Despite the pandemic, the market for philanthropy is still going strong, with overall donations trending upwards—especially in sport. There is a \$300 million opportunity for clubs and athletes, which can only be fully unlocked if amateur sport is valued as highly as other causes and granted charitable status.

The Australian Sports Foundation is ready to champion the effort in leading change and making the most of this opportunity. We are here to help clubs and athletes refine fundraising strategies in the emerging online giving landscape and continue to deliver positive impacts through our tax-deductible fundraising platform and our Charitable Fund. Our mission is to make sport accessible to everyone, and we are determined to give sport a sustainable future.

We have already been recognised as a key partner in the Government's 2030 National Sport plan and are committed to driving and enabling increased philanthropic support for Australian sport as we head towards Brisbane 2032.

But we will need your help to get this conversation on the table and get sport back on track.



Our club is of the view that \$1 spent will save \$10 in terms of community connection and reducing social dislocation. Agencies have a major task in ensuring that clubs are viable moving forward and people connected to them stay connected.



- Cricket Club, Vic

WHERE TO FROM HERE?



Fundraise online

Encourage community clubs in all sports to embrace digital online fundraising and get in touch with the ASF for support.



Sport for social outcomes

Promote sport as vital to physical and mental health, and to social cohesion and encourage private and corporate philanthropy to invest in sport to achieve positive social outcomes.



Charitable status for amateur sport

Support our bid to make amateur sport a charitable purpose, allowing us to work more closely with PAF's to increase financial support to community sport and aspiring athletes.

More information on our website:

fundraise.sportsfoundation.org.au/giving-for-sport

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