

SPORTS PHILANTHROPY

At a recent forum convened by Australian Communities Foundation (ACF), we commenced a dialogue about the possibilities for Sports Philanthropy in Australia. This factsheet outlines key themes of that discussion.

The forum was supported by key partners including **Australian Sports Foundation, Philanthropy Australia, The Netball Foundation, Australian Community Philanthropy and Patterson Sports Ventures.**

WHY SPORT?

Sport and participation in sport is one of the best mobilisers of people across Australia. Last year, 6.5million Australians participated regularly in sport. We know that approximately 7.6million people attended at least one sporting event as a spectator and 2.3million people volunteer time for sport each year.

Sport is also big business - every year Australian households spend some \$8.4 billion on sporting services and products. However, the cost of participating in grassroots sport is also rising, creating a participation barrier for many people.

Research tells us that participation in sport supports general wellbeing and community connections. It can also act as a mechanism to engage people about broader community issues such as alcohol, gambling or domestic violence. Sport can also act as a platform to talk to people about public health as well as be an early intervention or prevention mechanism for many community challenges.

Sport and sports people also inspire. They inspire communities and people to act around community challenges and bring awareness to particular problems that our societies face. It therefore makes sense that donors would want to either:

- Give to sport directly to support participation and access for all people who want to play and ensure the development of elite sport,
- Give to community projects that mobilise and engage people through sporting platforms for a positive social outcome, and/ or
- Use their sporting connections, income or high-profile from sport to connect with people about broader community issues where they can make a difference.

SPORT, CHARITY & GRANTS

Unfortunately encouragement, advancement, recreation or social activities through sport are not charitable. This affects grantmaking for trusts and foundations like ACF as we must only provide money to organisations with charitable purposes - which many sporting organisations do not have.

However, the good news for individual donors is that there are organisations that support donations to sport and community sport. Australian Sports Foundation can support sporting clubs and organisations to fundraise and can provide a tax deductible mechanism for donors to give to sport at all levels – from grassroots and community through to elite and Olympic sports (see <https://asf.org.au/projects/>). The website also highlights the processes available for donors and sporting clubs to connect with one another.

Despite the rules for charitable giving and sport, grants can be made for charitable purposes where sport is a mechanism or platform through which a social outcome is delivered. This is where trusts and foundations can grant (through an eligible organisation) to programs that use sport or deliver through sporting organisations who are achieving a social purpose. Examples of sport within a charitable purpose include:

- The advancement of education in connection with programs run at schools or universities,
- Social welfare programs aimed at vulnerable/ disadvantaged communities that build self-esteem, civic participation, self-confidence etc., and
- A public benefit for the whole community e.g. recreation halls, ovals and community facilities.

The forum explored this concept in some detail and highlighted some opportunities to further develop the capacity of sporting organisations to better achieve social outcomes and connect with philanthropic dollars.

KEY OPPORUTNITIES AND LEARNING

- It's important that sport and sporting organisations get their message right. If investment in the sport or club is not currently successful in attracting philanthropic dollars, organisations need to improve their messages and sell the value of their organisation to the broader community, including the positive impact that sport has on the physical and mental health of those in the community.
- The Netball Foundation and its newly developed structures have worked on this to establish two separate parts of their foundation. They have separated the vehicle for investment in the high-performance sport and established a new vehicle that has a social purpose for confident girls. It clearly highlights to donors the ways they can invest and support sport, and the added value the sport of netball can bring to gender issues for supporting women and girls. You can see the full story here: <http://netball.com.au/netball-foundation/>
- Sporting organisations and elite sports people have a great platform and power to raise awareness of issues and call things to account. Sport can also be a great vehicle for social change. However, sporting organisations are not necessarily experts in delivering solutions to complex social issues. Sporting organisations should explore how they can partner with experts to deliver social programs through the platform of sport. The athletes and organisations can then maintain their focus on being athletes and role models and use the social service organisation to explore how to achieve social outcomes.
- Many elite sports people are advised to set-up their own foundation or charity and use their name and brand for fundraising. This may not be the best option for them – as in the point above, elite sports people are not experts in the structures, rules and compliance matters in philanthropy and charity law so would benefit from a philanthropic partner.
- Sports people could partner with another organisation who can lend support, or set up a sub-fund under an existing grantmaking structure where they can use the expertise of a grants team who is already connected with expert social service organisations.
- Patterson Sports Ventures works with elite athletes and clubs in the USA and recommends that sports people can use the expertise of community foundations to ensure bigger picture thinking and better execution of the social change work they want to undertake.
- Working with a social service organisation or registered charity with DGR item1 status and tax exemptions will also help attract funds from trusts, foundations and individual donors.
- In addition, perhaps the most powerful way for elite sports people to contribute to the community is through using their profile to increase philanthropic investment in grassroots and community sport. They can do this without the need to set up their own foundation – with its attendant cost and compliance burden – by partnering with the Australian Sports Foundation.

ROLE OF COMMUNITY FOUNDATIONS

For sports people and organisations who are interested in making a difference, a local community foundation can help them explore how they can do this. Community foundations have products and mechanisms that allow organisations and individuals to set up sub-funds for the purposes of raising funds and delivering grants back to the community.

Using the expertise of a community foundation will help sports people to prioritise issues and approaches that will have lasting benefits, and ensure that links to other philanthropic and charitable efforts are made across the not-for-profit sector in the desired issue area. This will save athletes the effort of compliance management of their own foundation.

REFERENCES

- Australian Sports Commission. (2015). *Play. Sport. Australia*. Available from: http://www.ausport.gov.au/_data/assets/pdf_file/0006/625902/PlaySportAustralia_brochure_MARCH_15_web.pdf [Accessed 10 December 2015]
- CSIRO for the Australian Sports Commission. (2015). *The Future of Australian Sport*. Available from: http://www.ausport.gov.au/_data/assets/pdf_file/0019/523450/The_Future_of_Australian_Sport_-_Full_Report.pdf [Accessed 10 December 2015]

For more information on how ACF can help or other questions about the advice in this fact sheet please contact grants@communityfoundation.org.au