

Special Olympics Australia Annual General Meeting, Saturday 25th May 2019

Written Questions & Answers

Written questions from Sydney Norther Beaches

Question 1

The revenue includes \$3571K relative to National Games yet there is no identification of the actual cost of those Games. It is assumed that the cost is included in the \$5682K Sports and Program expenses. What was the direct cost and net result of the Games given the considerable contribution made by athletes?

Answer

The direct cost of the Games was \$3384K.

The net surplus is around \$100K after we'd refunded to club/athletes in total of \$120K.

Explanation on Question 1 for Shaun Fraser – refer to Finance Presentation page 8

| National Games | State Team | Organising Com | TOTAL |
|--------------------------|---------------------|----------------------|-------------------|
| Income | 2,361,201.29 | 1,210,586.95 | 3,571,788.24 |
| Expense | 990,060.45 | 2,394,113.76 | 3,384,174.21 |
| Surplus/(Deficit) | 1,371,140.84 | -1,183,526.81 | 187,614.03 |

State Team Income: Athlete Levy/fundraise by athlete, Australian Post donation \$87K

Organising Income: NAB\$300K; PM Australia\$207K; SA Toursim\$150K: BHP , Coles and SA Power Network@\$50K

State Tem Expense: Uniform, Flight, Training and Official Camp

Organising Expense: Onground cost \$1150K, Opening Ceremony \$250K, Salary of NGOC\$500K, Merchandise&Medal\$110K, PRMediaBranding \$205K,Planning\$90K,others\$90K

List of Levy by state:

| National Games Team | Levy published in the offer letter | Australia Post - Sponsorship | Reduced Levy | Athlete Final Levy | Athlete No # | Total refund |
|---------------------|------------------------------------|------------------------------|---------------------------|--------------------|--------------|------------------|
| ACT | \$3,000 | \$100 | \$0 | \$2,900 | 32 | |
| NSW | \$3,000 | \$100 | \$25K surplus go to clubs | \$2,900 | 268 | \$25,000 |
| QLD | \$3,400 | \$100 | | \$300 | \$3,000 | 229 |
| SA | \$1,800 | \$100 | \$0 | \$1,700 | 82 | |
| TAS | \$3,500 | \$100 | \$300 | \$3,100 | 25 | \$7,500 |
| VIC | \$3,000 | \$100 | \$40 | \$2,860 | 147 | \$5,880 |
| WA | \$3,500 | \$100 | \$175 | \$3,225 | 73 | \$12,775 |
| | | | | | 856 | \$119,855 |

Question 2

Balance Sheet show Cash \$2780K. How much of this relates to Club Funds?

Answer

Refer to Finance Presentation page 13

Cash at Clubs \$1.1Mio

Question 3

Of the \$1704K shown as Members Funds i.e. Net Assets, what is the split between Club and National Office funds

Answer

Refer to Finance Presentation page 13

Club funds \$1148

National funds \$556

Question 4

Of the Cash held (ex-Club funds) how much is restricted and must to be applied to certain activities and how much available for general operating expenses?

Answer

The cash has been used to cover the fall out of the Asia Pacific Games and its recovery.

Question 5

Note 14 shows grants to be acquitted and income in advance. Are there any restrictions on these funds and if so, what are they?

Answer

As per our accounting polices (refer to Notes to account), the funds were used when the programs are performed as per SOA obligation stated in the grant agreement.

This complies with the new accounting standard on recognition of revenue. There is no "mismatch" between the recognition of income at the time of receipt and the associated expenses that are incurred in the later period.

Question 6

Note 16 Key Management Personnel compensation. What actual positions does this cover as the statement is very vague? Why has the figure increased despite redundancies?

Answer

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities.

No Key Management Personnel were made redundant.

Question 7

Note 16 also says "Short term employee benefits include fees and benefits paid to Executive Directors and other KMP. Who are the Executive Directors referred to and how much was paid as the members are not aware of any such positions in existence and all Directors are volunteers?"

Answer

Chief Executive Officer

Question 8

Note 18 Application of funds for a charitable purpose. Clause (b) says surplus was utilised to fund the deficit on sports programs and program support for providing sports opportunities for people with an I/D. Can you explain what this sport deficit involves given all Clubs cover their sports operating costs?

Answer

Clubs cover their operating costs, but National cover the cost to develop programs in community and schools as well as statutory requirements.

Question 9

The organisation received a grant of \$500K from the ANZ a few years ago for the development of Netball. Have all of those funds been spent? If so where and what has been the outcome?

Answer

We received a sponsorship of \$187K in 2015 not \$500K. The funds have been fully spent to hire netball coordinator (VIC,NSW,SA) and payment to Netball Australia for Net Set Go Licence.

The outcome:

- Pathways established via both the Maree Little Shield (INAS) and Interstate SO competition between VIC, SA, WA in a state of origin format
- Linkage with Netball Australia, Netball NSW, VIC, SA, WA and QLD to diversify and expand All abilities programs with Netball clubs.
- SA run an annual Netball National Carnival where all states are invited to participate. This is supported by Netball SA
- Attend Great Britain Netball Competition in 2017

Question 10

Likewise, the Mazda Foundation provided a substantial grant for coach development. Again, have all the funds been acquitted, where and what has been the outcome?

Answer

We received in total \$457K in 2015 and the unspent as of 30 April 2019 is \$125K which is included in unearned income.

The spending is for the following program:

- Coaches Accreditation, Development and Training \$110K
- Athlete Leadership Development and Coordinator \$80K
- E-learning Portal & Development of \$40K
- SOA Overhead as approved by Mazda @\$25K pa

Question 11

What is the rationale for increasing the Board numbers? No real reason or benefit has been provided for members to consider in relation to such a change.

Answer

Question 12

Who is responsible for compliance with General Rules and Policies by Clubs? The State Committees are not empowered under existing Terms of Reference and nor do the Clubs currently have reporting requirements to the State Committee.

Answer

SOA management are responsible for monitoring compliance with the General Rules which also forms part of the accreditation process.

Specifically the Finance manager monitors and supports the Treasurers in line with the annual statutory audit.

The membership manager (previously GM People and Culture) is the key officer overseeing club administration

The GM Sport has oversight on all sport programs and rules.

Question 13

The recent policy announcement in relation to Autism has been made without any consultation with the membership nor has it been demonstrated that there is a need to change this policy through any demand or pressure from the community. 25% of people diagnosed with Autism do not have an intellectual disability. Under what authority does the SOA Board have the right to change the eligibility requirements for athletes participating in Special Olympics given we are part of a global movement, the mission, founding principles, general rules, constitution, licence from SO Inc all make reference that we are an organisation for people with an intellectual disability? If there is to be a change then it should come from SOI after considered input from across the whole of the organisation.

Answer

This matter will be addressed in the AGM forum.

Hi

Please see the question below from the Flinders Chair Thanks Mark

Mark Langan | Chartered Accountant and Company Secretary

Company Matters Pty Limited

Level 12, 680 George Street, Sydney NSW 2000 (PO Box 20547, World Square NSW 2002) T +61 2 9375 7982 | F +61 2 9287 0350 | M +61 419 497 735 langan@company matters.com.au | www.companymatters.com.au

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-----Original Message-----

From: Flinders Chair [mailto:Flinders.Chair@specialolympics.com.au]

Sent: Thursday, 23 May 2019 6:40 PM

To: Mark Langan <langan@company matters.com.au>

Cc: Flinders Secretary <Flinders.Secretary@specialolympics.com.au>; Chair <chair@specialolympics.com.au>

Subject: Questions for AGM

Hi Mark,

Please find below some questions our club committee have for the upcoming AGM where the answers are not covered in the paperwork that has been distributed. And for our club and all of those across the country to make an informed decision we would like to ensure the answers are distributed ahead of time if possible.

TIMING OF QUESTIONS HAS PREVENTED US FROM DISTRIBUTING BUT WILL BE PASSED ON IN THE MINUTES OF THE MEETING.

Firstly, we do understand the board wanting to expand the number of members to include more people with greater resources, however to manage a board of such a large size is simply unyielding and not practicable nor sensible in anyone's view. When most big businesses and corporations have taken the steps to reduce the number of people on their boards because of these very reasons, the SOA board are seeking to increase the number and work backwards, when simplicity is the necessity at this point.

THE BOARD SIMPLY SEEKS TO HAVE THE FLEXIBILITY TO ADD ADDITIONAL MEMBERS WHERE THEY CAN ADD VALUE OR WHERE NEEDED AT THE TIME OF THE ORGANISATION'S NEEDS. SOI HAVE SIGNIFICANTLY MORE MEMBERS ON THEIR BOARD AND EACH BOARD MEMBER PLAYS A ROLE IN THEIR OWN WAY.

Our question to the board is, for those people up for nomination, what have they contributed to SO Australia in their capacity on the board in the last 3 years, and even in the last 12 months? What development and progress have they contributed to, and why should they be re-nominated back onto the board?

- IRENA, MEGAN AND NICOLE HAVE BROUGHT US UP TO DATE WILL ALL GOVERNANCE MATTERS
- SHAUN, MICHAEL AND ROSS HAVE BEEN INSTRUMENTAL IN PROTECTING THE ORGANISATION'S FINANCIAL POSITION
- MICHAEL HAS BEEN AN ACTIVE VICE CHAIR AND MENTOR AS WELL AS CHAIR OF THE NOMINATIONS COMMITTEE WHERE WE HAVE BEEN IN DISCUSSIONS WITH POTENTIAL BOARD MEMBERS
- ALLISON AND DAVE HAVE BEEN PROACTIVE IN ASSISTING THE CEO WITH CORPORATE CONNECTIONS AND DAVE WAS INSTRUMENTAL IN INCLUDING SOA AS A BLACKMORES SYDNEY RUNNING FESTIVAL PARTNER
- ANNA HAS BEEN INSTRUMENTAL IN GUIDING THE BOARD ON SPORT AND ID ISSUES THROUGH HER EXPERTISE AS CEO OF GOLDCOAST REC AND SPORT
- BEN AND RUBY HAVE BEEN ACTIVE IN ASSISTING THE BOARD ON ATHLETE ISSUES AND ALSO ACTIVE IN HELPING RAISE THE PROFILE OF SOA LOCALLY AND OVERSEAS.

If we are seeking other people that can contribute, should we not be making a choice between people and what they have currently contributed vs what someone else could contribute rather than expanding and just making it bigger?? Bigger and more people does not necessarily make it better or more functional.

So, could we please have an overview of the projects and contributions each board member has had a part in over their term, what outcomes they have achieved and why they should be re-elected rather than put up for nomination against another candidate.

AS ABOVE

Your response on this matter is important to all clubs casting their vote ahead of time as the current paperwork does not answer any of these questions for us as members to do our due diligence and to make an informed decision.

Could you please respond to these queries with a public response ASAP.

Kind Regards,

Natalie Johnston
Chairperson
Special Olympics Flinders
Mob: 0438204633

Questions from Special Olympics Greater Canberra Club for the SOA Board

QUESTION 1 – PLANNING

Why has the Board and National Office either failed to develop or failed to share strategic and operational plans that clearly articulate what the organisation is doing to:

1. Develop sport at local, state and national level
2. Support the sustainable growth and development of the clubs that are currently delivering the organisation's core activities
3. Support the sustainable growth and development of the volunteer workforce that are currently delivering the organisation's core activities?

Our club has not seen any plans. Strategic plans, sport development plans, club development plans, volunteer plans. As a member club, we should know exactly what is happening so we can decide what we should be doing.

While I have asked on a number of occasions, all I've been given is a high level diagram titled Strategic Plan. While there plenty of interesting things in there, there is nothing about clubs or volunteers! The focus of the organisation is firmly on schools, disability service providers, community partnerships, Young Athletes and national partnerships. As a club, we are not against these, in fact we support these initiatives, however we consider it inappropriate that the clubs - the voting members of the organisation - are literally not in the picture.

This lack of visibility in published plans accurately reflects the lack of any kind of engagement or support we have received as a club from the Board and National Office in the last 4 years.

QUESTION 2 - FINANCIAL MANAGEMENT

Why are none of the funds being raised by the National Office being used to deliver programs on the ground?

National fundraising

In a recent announcement, the CEO of the organisation promoted new funding accompanied with a video showing where the funds are used – a gymnastics program in Sydney. I asked if any of these funds would be made available to our club and was told no. I asked the CEO if these funds were actually being used to fund the gymnastics program that the video indicated was being supported via this funding and the answer was no. This is misleading, unethical and dishonest.

The financial reports show that approximately \$2.8million was raised via fundraising and donations. Of this, approximately \$2.1million was raised via fundraising. Fundraising expenses were approximately \$1.4million which means a net positive result of approximately \$700,000 from National Fundraising efforts.

Executive salaries

The average salary for a non-profit CEO in Sydney is \$110,000. Our CEO is earning, to my knowledge, somewhere in the vicinity of double this. Executive staff are also earning, to my knowledge, more than this. Executive Salaries in the Financial Report account for approximately \$650,000 a year. We are, effectively, paying for almost 6 CEOs in a time when the organisation is supposedly going through financial hardship. How can this possibly be justified by the Board?

Fundraising in Canberra

There have been some big announcements in recent times about partnerships and funding for Special Olympics. I have asked if our club will benefit in any way from these great announcements and I have been told no.

In addition to this, the National Office has raised over \$100,000 in Canberra in the last 2 years alone, and possibly as much as \$200,000 in the last 4 years at the annual sports lunch. In this time our athletes have received just a small fraction in return (\$1,545 to be precise), which is unacceptable when our athletes have to fork out thousands of dollars to go to the National Games and other competitions.

Planning for this year's Annual Sports Lunch is well underway, with local businesses having been contacted to purchase tickets and tables. We haven't been invited.

This is wrong, especially when the people I know who have attended these fundraising events are under the distinct impression most of the money raised is going to local athletes and programs.

This is not okay and as a club we should be heavily involved in any fundraising initiatives that are run in our area – let alone offered an invitation – and some of these funds should benefit our club directly. Noone thinks we should get everything, but we certainly should benefit in some way.

QUESTION 3 – ATHLETE REPRESENTATION ON THE BOARD

Our club doesn't believe the Board should be increasing numbers, we believe the Board should be increasing athlete numbers. We have nothing against Ben Haack, we just don't think he is able to effectively represent the interests of our athletes. He has certainly not reached out to any of our athletes for their thoughts or input at any stage since becoming a Board member. We believe there should be a 50% quota set for athlete representation on the Board.

