



FOOTBALL COMMISSION INC.

# SUSTAINABLE INVESTMENT PRINCIPLES

STAKEHOLDER INFORMATION





# SUSTAINABLE INVESTMENT PRINCIPLES

Sustainable Investment Principles is a Key Fundamental of the WAFC 2023-2025 Strategy.

By adopting the following principles, the WAFC can strive to achieve sustainable funding practices that align with the objectives of football stakeholders, promote transparency and simplicity, and support financial viability and alignment of incentives among all parties involved.

1. **No worse off (Base Funding)** – Develop simplified investment principles for all grant recipients with a commitment to a no worse off position than 2022, provided WAFC revenue does not decrease by 4.5% or more.
2. **Equitable and Transparent Funding** – Establish a fair, transparent, and defensible method for determining funding for each WA Football segment.
3. **Business and Financial Modelling** – Conduct thorough modelling of the business and financial impacts of funding to ensure sustainability and alignment with objectives:
  - a) If the WAFC total revenue is reduced by more than 4.5%, the Base Funding Investment provided to each grant recipient may be reduced (at the discretion of the Board) up to or equal to the percentage that the WAFC total revenue is reduced\*.
  - b) The total funds available in the “WAFL Strategic Enhancement Fund” is the value of CPI on the WAFL Club’s Base Funding (cumulative).
  - c) The total fund available in the “Affiliate Strategic Enhancement Fund” is \$100,000.
  - d) The total funds available in the “Contestable Strategic Fund is targeted for \$250,000 for FY24 and FY25, provided additional revenue is sourced.
4. **Stakeholder Alignment** – Foster a collaborative approach to deliver aligned outcomes and champion the objectives of all stakeholders. Promote transparency in all processes.
5. **Simplicity and Verifiability** – Calculations are based on readily verifiable information and evidence, ensuring ease of understanding, measurement, monitoring, and auditability.
6. **Alignment to Strategy** – Ensure all parties are adequately aligned to the WAFC Strategy 2023-2025.

**\*Note** – To determine the 4.5% threshold WAFC Management considered the Risk Management Framework, which states the consequence of a Financial Loss greater than \$1.5M is considered Catastrophic. Based on the estimated income for FY 23 (\$34,239,795) a 4.5% decrease on the WAFC income would equal \$1,540,790 therefore it was felt that a 4.5% reduction in WAFC total revenue is a suitable percentage to enable the WAFC Board to consider reducing the Base Funding Investment provided to each grant recipient.





# CONSTITUTION REFERENCES RELATED TO WAFL AND FUNDING

## Article 4.1

The objects or purposes for which the Commission is established are to promote, develop, control, manage and encourage Football in accordance with the guidelines specified in the preamble, and in particular but without limiting the generality of the foregoing:

- (c) to promote, develop, and ensure the effective management of Football matches at all levels of the Football industry and recognise the WAFL as the pre-eminent Football league in the State of Western Australia;

## Article 11

11.1 The assets of the Commission include the assets held by the Commission under its former names, West Australian Football League Inc and the Commission acknowledges the contributions made by the Clubs which were members of that league to the Commission and to Football.

11.2 In recognition of the matters referred to in Article 11.1 and the importance of the WAFL Competition in the development and promotion of Football in Western Australia, the Commission shall in each year distribute to the WAFL Clubs from such of the income received by it in that year as remains after taking into account all amounts required by the Commission to properly carry out its duties and functions (including, without limiting the generality, allowances for depreciation of existing assets, acquisition of further assets, the possibility of fluctuation of yearly income and future and contingent liabilities and obligations) such amount as the Board determines in good faith in promotion of the objects or for services rendered. The Board shall make a determination of the amount to be paid and the terms and conditions upon which the amount will be paid once every 3 years with a view to determining the amount and terms and conditions for the following 3 years, although nothing in this clause will prevent the Board from making its determination more or less frequently or from setting the amount and terms and conditions for a period other than 3 years.





# SUSTAINABLE INVESTMENT PRINCIPLES

**2024 & 2025** - The WAFC commits to the following:

1. A Base Funding of annual funding for all grant recipients which is equal to the base funding received in 2022, provided WAFC revenue does not decrease by 4.5% or more. Noting the WAFL Clubs Base Funding is also subject to 15% variable funding.
2. A WAFL Strategic Enhancement Fund is further resourced, where WAFL Clubs apply for equal funding to support projects linked to the WAFC Strategy 2023-2025.
3. An Affiliates Strategic Enhancement Fund is available (contestable), where each of the Affiliates apply for funding to support projects linked to the WAFC Strategy 2023-2025.
4. The application of annual CPI will be applied to the WAFL base grant and the quantum included in the WAFL Strategic Enhancement Fund.
5. The application of annual CPI will be applied to the Affiliates grant.

Note: As the Affiliates Strategic Enhancement Fund is not a guaranteed amount of funding per each affiliate, CPI will be applied to Affiliate Base Funding. In comparison the WAFL Strategic Enhancement Fund is a set amount per WAFL Club, and upon applying and meeting the criteria is a guaranteed amount of funding, therefore the WAFL Strategic Enhancement Fund will increase each year by the CPI amount on the base grant.

## **Contestable Strategic Fund:**

A Contestable Strategic Fund is established with a minimum target amount of \$250,000 which is considered new funding for all grant recipients and Regional Development Councils. The WAFC Management will determine an application period and the minimum and maximum amounts of funding which may be allocated to a grant recipient. This fund will come into effect if additional revenue is sourced for the FY24 Budget year.





# SUSTAINABLE INVESTMENT PRINCIPLES

## Sustainable Investment Principles in terms of Funding pools:

Base Funding (WAFL Clubs) – FY24 & FY25 – same as FY23

Base Funding (Affiliates) – CPI applied FY24 & FY25

WAFL Strategic Enhancement Fund – WAFL Clubs only

Affiliates Strategic Enhancement Fund – FY24 & FY25 will be \$100,000

Contestable Fund – Target of \$250,000 (WAFC to communicate to stakeholders once available in the FY24 Budget)

## The WAFC Board has determined the following:

1. The following Stakeholders are considered eligible for the below areas of funding
  - a) Base Funding: WAFL Clubs (x9), PFL, Country Football WA, MFL, & AFL Masters WA
  - b) WAFL Strategic Enhancement Fund: WAFL Clubs (x9)
  - c) Affiliates Strategic Enhancement Fund: PFL, Country Football WA, MFL & AFL Masters WA and RDC's (x3)
  - d) Contestable Strategic Fund: WAFL Clubs (x9), PFL, Country Football WA, MFL & AFL Masters WA and RDC's (x3)
2. The WAFC Management will determine the criteria for funding allocation based on the strategy for the next two years (2024-2025)





# PROPOSED TIMELINE

ACTION	DATE (2003)
Meeting WA Football Industry Advisory Group	Wednesday 25 October 2023
Advise WAFL Clubs of the WAFL Strategic Enhancement Fund 2024-2025	Friday 22 September 2023
Advise Affiliates of the Affiliates Strategic Enhancement Fund 2024	Friday 13 October
Applications for Strategic Enhancement Funding open WAFL & Affiliates	Monday 2 October (WAFL) and Monday 16 October (Affiliates) (Noting there will be separate applications for the Non-contestable and contestable funds)
Applications for Strategic Enhancement Funding Close	Friday 3 November (WAFL) and Friday 17 November (Affiliates)
The Strategic Enhancement Panel review and may ask questions to applicants	November 6 – 17 (WAFL) November 20 – 24 (Affiliates)
Strategic Enhancement Panel assess and determine funding allocation	November 20 – 24 (WAFL) November 27 – December 1 (Affiliates)
Confirmation of all funding allocation to Clubs & Affiliates	December 4 (WAFL) December 6 (Affiliates)



# DEFINITIONS

**Total WAFC Annual Revenue** means all funding derived from various sources, such as the State, Fremantle Football Club, West Coast Eagles, AFL, Partnerships and other revenue sources. This includes the value of all revenue or grants received by WAFC from third parties.

**Sustainable Investment Principles** means the level of community investment provided by the WAFC to each WA football segment to ensure football remains sustainable and aligned to the WAFC's objectives and purpose. This investment is aimed at benefiting community game development, volunteers, competitions, umpires, coaches, players, clubs, leagues, infrastructure, and administrators.

**Base Funding** means a predetermined portion or minimum level of grant funding provided by the WAFC in order to support the operational needs of each WA football segment.

**Untagged Funds** means a pool of funds available for distribution by the WAFC after deducting funds that are tagged for a specific purpose, external distribution and overheads. These funds are able to be invested at the absolute discretion of the WAFC allowing for decision-making based on specific areas of focus and priority related to the WAFC Strategic Plan 2023-2025. This untagged pool of funds is subject to levels of annual revenue received by the WAFC to reflect the complexity of the changing environment and maintain an annual positive cash result.

**WAFL Strategic Enhancement Fund** means a portion of Untagged Funds provided by the WAFC which provides an opportunity for grant recipients (WAFL Clubs) to apply for equal funding to support projects linked to the WAFC Strategy 2023-2025.

**Affiliates Strategic Enhancement Fund** means a portion of Untagged Funds provided by the WAFC, creating a contestable pool of funds which provides an opportunity for grant recipients (Affiliates) apply for funding to support projects linked to the WAFC Strategy 2023-2025.

**Contestable Strategic Fund** means a portion of Untagged Funds provided by the WAFC that is subject to an application and a competitive evaluation, based on predetermined criteria or objectives. Grant recipients may apply for these funds, and allocation decisions are made through a competitive process or evaluation.

**Term** means the initial term of two-years for which each WA football segment will receive grant and investment funding from the WAFC. A review of the terms of the Sustainable Investment Principles, shall be conducted no less than six months prior to the end of the 2025 WAFC fiscal year.





# WA FOOTBALL INDUSTRY FRAMEWORK

The below table outlines where each segment (who receives funding) directly relates to the WAFC Strategy 2023-2025.

STRATEGIC PRIORITY	WAFC	WAFL	AFFILIATED LEAGUES (CFWA, PFL, MFL, AFL MASTERS, RDCS)
<b>CLUBS, VOLUNTEERS, ADMINISTRATORS</b>			
Building the capacity, diversity and capability of volunteers and administrators	✓	✓	✓
Simplifying the role of volunteers and administrators, providing tools to support them	✓	✓	✓
Support clubs and affiliates in establishing best practice governance and management processes that drive positive club environments and culture	✓	✓	✓
<b>FACILITIES &amp; INFRASTRUCTURE</b>			
To have sufficient and suitable facilities that support the growth of the game now and into the future	✓	✓	✓
<b>PARTICIPATION, DEVELOPMENT &amp; TALENT PATHWAYS, AND COMPETITIONS</b>			
The participation pathway continues to grow at a sustainable rate	✓	✗	✓
Provide a clear talent pathway that enables individuals to reach their full potential	✓	✓	✗
Our competitions are well governed, safe, fun, fair and inclusive (Game Day Environment)	✓	✓	✓



# WA FOOTBALL INDUSTRY FRAMEWORK

The below table outlines where each segment (who receives funding) directly relates to the WAFC Strategy 2023-2025.

STRATEGIC PRIORITY	WAFC	WAFL	AFFILIATED LEAGUES (CFWA, PFL, MFL, AFL MASTERS, RDCS)
<b>BRAND, AUDIENCE &amp; ENGAGEMENT</b>			
Grow audience and fans through a new WA football Brand	✓	✓	✗
Improve data and segmentation, grow commercial opportunities	✓	✓	✓
Grow the relevance of WAFL/W competitions	✓	✓	✗
<b>PEOPLE &amp; ORGANISATION CAPABILITY</b>			
We have talented and capable people with contemporary and diverse skills, that align to our values, along with the financial means and tools to lead the delivery of the strategy	✓	✗	✗



# WA FOOTBALL INDUSTRY FRAMEWORK

The below outlines the core service delivery responsibilities for each of the WA Football Industry:

## WAFC

- Delivering Metropolitan Junior Competitions
- Coach Development
- Umpire Development
- State Academies
- Participation Programs
  - Schools
  - StarKick
  - AusKick
- Governance
- Club, Volunteer & Administration support
- Integrity

## AFFILIATES

- Deliver Competitions / Leagues
- Support Community Clubs within their competition / league
- Building volunteer capacity and support

## AFL CLUBS

- Greater Football Promotion
- High Performance
- Generate Revenue (Football Economy)

## WAFL CLUBS

- Manage teams in the WAFL/ WAFLW Competition
- Develop Talent
- Engage local community to support club
- Building volunteer capacity and support

## JOINT

INTEGRITY  
GOVERNANCE  
VOLUNTEERS  
FACILITIES  
COMPETITIONS  
TALENT  
PROMOTIONS





# WA FOOTBALL INDUSTRY FRAMEWORK

The below outlines the shared service delivery responsibilities between the WAFC and each of the segments:

## AFFILIATES

- Share resources and support Integrity matters within their respective competitions
- Share resources and support with delivery outcomes for Club & Volunteer Development
- WAFC support with funding and funding applications for football facilities

## WAFL CLUBS

- Share responsibilities in the development of future talent. (As an example Colts & Roger's Cup teams)
- WAFC supports Integrity matters within WAFL Clubs (which fall outside of the competition)
- Delivery of Sporting School programs within their zones (Districts)
- WAFC supports with funding and funding applications for football facilities

## AFL CLUBS

- Partner on projects through commercial agreement
- Partner on projects through Royalty funds



# STRATEGIC ENHANCEMENT FUND — APPLICATION & ACQUITTAL PROCESS

- Applications for the WAFL Strategic Enhancement Fund will close Friday 3 November 2023
- Applications for the Affiliates Strategic Enhancement Fund will close Friday 17 November 2023
- The following information will be captured within the application:
  - Outline of the Project (what is the project)
  - Which WAFC Strategic Priority the project directly links to
  - How will the project be achieved
  - What stakeholders will be engaged in the delivery of the project
  - What are the outcomes going to be (relating to the WAFC Strategy)
  - Project Costs (Expenditure and revenue) including any additional funding sources
  - Project Performance Measures (to be specific and require data based evidence)
  - Proposed timeline
- Stakeholders may apply for a two year project, the WAFC will advise the level of funding by 15 September 2024 for the second year.
- WAFC Management will conduct a mid-project check-in with each stakeholder that receives Strategic Enhancement Funding

