



## **ROTARY AUSTRALIA WORLD COMMUNITY SERVICE LTD (RAWCS)**

### **Strategic Directions**

#### **“... where to from here?”**

#### **History**

Rotary Australia World Community Service Limited (**RAWCS**) was registered with the Australian Securities and Investment Commission (**ASIC**) in 1988 to provide Australian Government regulatory compliance and tax deductibility for Australian Rotary overseas aid projects (operating under the Rotary Australia Overseas Aid Fund (**RAOAF**) previously grouped under Fourth Avenue In Motion.

In 2012 RAWCS registered the Rotary Australia Benevolent Society (**RABS**) to facilitate similar services for Rotary humanitarian projects within Australia.

The RAOAF and RABS Projects, are administered and operated by RAWCS in collaboration with a Sponsoring Rotary Club.

In 2017, RAWCS became the Trustee of the Rotary Australia Relief Fund (**RARF**), which is a Level 2 Deductible Gift Recipient (DGR) fund to provide a framework for fast reaction and efficiency in accumulating donations in response to public appeals.

#### **Background**

By the middle of 2018, Rotary in Australia and therefore (but not solely) by implication RAWCS, was at a crossroad. The Board of Rotary International (RI) had announced that by 2021, Australian Rotary Districts were going to be reduced in number and contain significantly more Clubs to say nothing of the geographical expansion of the remaining new Districts.

The Board of RI was also signalling that it was considering moving toward regionalisation of the Rotary world, to group similar cultural groupings or zones together. This was confirmed by the Immediate Past RI President and an Immediate Past RI Director at the Australian Rotary Conference in Hobart in September 2018.

RAWCS had at this same time partnered and provided logistic support to a national media outlet and a national lobby organisation, in the biggest fund-raising appeal that either RAWCS or Australian Rotary had ever embarked upon – the Drought Relief Appeal program.

## **Issues**

The redistricting was being planned in a piecemeal manner with no centrally co-ordinated approach or strategy to engage Clubs and Rotarians that found themselves being merged into a new structure for no apparent good reason. Clubs were desperately looking for direction and support – in particular a clear statement of purpose that could be explained to potential new members. There are currently no new planned services to support Rotary Clubs.

The long-held view that Australian and New Zealand Rotary Region should have a presence and voice was starting to emerge through the vehicle of the regionalisation of Rotary worldwide. Although, there was no concept as to how this national presence should come about, let alone how it should be supported. The District Governors combined to request the November Board Meeting of RI to sanction a pilot Australasian Rotary Region. An important outcome of such a development would be that Rotary would, for the first time, have a Regional point of contact and a regional authoritative voice for comment, advocacy and project promotion.

The phenomenally successful Drought Relief Appeal provided unprecedented public exposure for Australian Rotary (whatever that might mean) and at the same time taught RAWCS valuable lessons about its capacity and capability. For RAWCS, it brought to the fore serious considerations about future partnerships and relationships and how they are entered into. The biggest take out, however, was the rapidity and extent of the mobilisation of Rotary Clubs across the country as RAWCS sought to distribute the appeal funds by providing humanitarian assistance to people in their own communities – a true illustration of Rotary at Work.

The Drought Appeal experience built on RAWCS's previous success in managing the Rotary Australia Compassionate Grants (RACG) program which provided experience in the careful distribution of philanthropist Dick Smith's \$1M donation. This development of the Rotary Australia Benevolent Society clearly demonstrated RAWCS's capability to facilitate national scale donations from philanthropists and other large-scale funding partners.

Across all of this at every turn, three key issues reappeared time and again: –

- how can we do this sustainably?
- what is our legal position in all this? and
- how are we managing our communications to Rotarians, the public, government and future potential partners?

We did not have an answer for any of the above.

## **Consideration of the Issues**

A workshop in Hobart in November 2018 brought these issues together and sought a way forward. Participants foresaw that further well managed developments of RAWCS services could contribute

to strengthened Rotary Clubs and Districts by having the ability to source external funding and undertake projects through national funding partnerships facilitated by RAWCS.

#### - **our legal position**

Governance has been a key driver of RAWCS for a decade, so the legal issues of our role, responsibilities and liabilities came readily to the surface. Advice sought from Freehills (lawyers) is that RAWCS and, therefore, its directors are responsible for any activity which occurs within RAWCS performed by an employee, director, office holder including regions, volunteers or agents.

RAWCS has Deductible Gift Recipient (DGR) level 1 status for two of its funds – the Rotary Australia Overseas Aid Fund (RAOAF) and the Rotary Australia Benevolent Society (RABS) – which allows it to receive tax deductible donations. To maintain this status RAWCS must carry out activities consistent with the purposes of the RAOAF and RABS. It can do this in collaboration with others but cannot act merely as a banking facility or conduit of funds.

Rotary Clubs, Rotary Districts, philanthropists and corporate partners can sponsor activities and projects that are RAWCS controlled.

#### - **our relationships**

This advice also informed our understanding of our relationship to:

- Rotary International as the parent body under who's charter, we operate;
- Australian Rotarians and Rotary Clubs who participate in our projects; and
- the other Australian Rotary Companies that we interface with.

These relationships and:

- the drought appeal and RACG distribution processes;
- the proven capability of RAWCS's administration systems;
- the development of a public ancillary fund (DGR level 2 fund) with a capacity to support all related Australian Rotary DGR level 1 activities; and
- a need for a national, targeted communications strategy;

have caused RAWCS to take a fresh look at its vision statement – its purpose:

*“To support Australian Rotarians and Rotary Clubs in assisting disadvantaged communities and individuals with humanitarian aid projects.”*

#### - **our vision**

RAWCS is a charitable company limited by guarantee and is a part of the international Rotary brand and under the charter of Rotary International. Its members are the Australian District Governors of the day. RAWCS has always been a service support organisation – the back office providing any and every service to enable Rotarians and Clubs to undertake their projects safely.

This role has expanded to a point where RAWCS can now provide extensive support services for all Rotary entities in Australia (and incidentally through a recently enhanced agreement with RNZWCS, to our counterparts in New Zealand Rotary Clubs).

In reassessing our vision statement, we have determined our purpose to be:

*“To enhance support services to Australian Rotarians and Rotary Clubs to assist disadvantaged communities and individuals with humanitarian aid projects.”*

In other words, “We make it happen” - connecting Rotary and non-Rotary organisations to the local needs on the ground to support wellbeing rather than welfare.

#### - **our activities**

RAWCS activities operate through the Rotary Club and District network, by having Rotary Clubs, Districts, the public, philanthropists and the corporate sector sponsor RAWCS projects. RAWCS is the service provider that supports the Rotary Vision in our Region and has the ability to:

- **initiate** we see opportunities and make things happen;
- **facilitate** we have the structures, contacts and credentials to enable projects;
- **connect** we bring together people, ideas, organisations and projects;
- **curate** we provide quality corporate governance through our systems and procedures.

This broader reach reflects the broader capability of the three DGRs that RAWCS operates:

- Rotary Australia Overseas Aid Fund – an international activity fund;
- Rotary Australia Benevolent Society – an Australian activity fund;  
(both of these are endorsed as DGR level 1 for the purposes of providing relief to people in need)

and

- Rotary Australia Relief Fund – a trust for the Public Ancillary Fund – DGR level 2 - which does not undertake activities.

The work of RAWCS is undertaken through a Regional network of Rotarians and Clubs, organised into specialist teams that manage the following activities:

- Projects (including local, national and international);
- Rotarians Against Malaria;
- Donations In Kind;
- Australian Charitable Support; and
- Communications.

#### - **our services**

We have distilled the support services that we provide to:

- support to all Australian and New Zealand Rotary entities and Rotary Regional Leaders;
- the provision of back end systems and processes for
  - Finance
  - Operations
  - Human Resources

- Communications and Marketing;
- full accountability through well documented governance, comprehensive audit and quality assurance;
- consistent ethical behaviour expressed through a code of conduct and common Rotary values;

## **Recommendations**

### **- a strong regional relationship with Clubs**

The Hobart workshop identified an urgent need for much clearer role descriptions and operational guidelines for RAWCS Regional Committees to:

- increase their understanding of RAWCS future vision and structure;
- ensure Regional Committees communicate and relate to the District teams and Clubs in their Region; and
- provide the necessary training to Regional Committee members to allow them to fulfil their roles.

### **- a restructured RAWCS Board**

These support services offered to all Australasian Rotarians and Rotary can only be effective when each of these various entities have input into how these services are delivered. To that end it is proposed to expand the Board of RAWCS to include the following:

#### **the Board**

- Chairman, Company Secretary, Chief Financial Officer, Immediate Past Chair;
- Representatives from each year of the “Australasian Governor succession group”
- A Representative from RNZWCS;
- A representative from the RAWCS Regional committees;
- The Managers of
  - Projects
  - Donations In Kind
  - Rotarians Against Malaria
  - Communications and Marketing

A Deputy Chairman, other than the Company Secretary or Chief Financial Officer is to be elected from the Board members.

This large Board to meet 3 times a year with operations delegated to an Executive comprising:

#### **the Executive**

- Chairman;
- Company Secretary;
- Chief Financial Officer;
- Deputy Chairman;

- Immediate Past Chair; and
- District Governor Representative

to manage the affairs of the Company between Board Meetings.

RAWCS may consider inviting representatives from other Australian Rotary entities onto the Board in the future.

RAWCS, at a further point in time, may also need to consider employing a Chief Executive Officer.

#### - **a new constitution**

The Company's current constitutional documents – its Memorandum and Articles of Association and Regulations - are in urgent need of a complete overhaul that takes into account the changes identified above. There is a need for consistency of procedures across the company. All Board appointments are to be subject to oversight from a nominations committee to ensure proper succession planning and a balance of appropriate knowledge, experience and leadership skills. All director positions must have detailed position descriptions and selection criteria.

#### - **strategic communications**

The communications focus of necessity has two foci:

- the need to give direction and purpose to the National and Regional Operations of RAWCS; and
- the need to develop a strategically segmented and focused communications strategy to address internal Rotary communications, key segmented external partners, the government and the public.

Each of RAWCS internal and external stake holders have different needs and so our communications have to:

- be tuned to the particular audience;
- provide content that is relevant to that audience;
- be delivered through their preferred channel or media; and
- contain consistent messaging.

RAWCS communications should also be capable of providing services to Australasian Rotary Regional leaders.

#### - **a new funding model**

That the RAWCS funding model needs to move beyond marginal costing if our vision is to be realised. Major funding partners expect to pay for:

- their contribution – in cash or kind;
- the cost of setting up their direct engagement in the program they are supporting;
- the cost of regular verifiable reporting; and
- the cost of having them participating in the program – exposure, public relations, marketing, etc.

All these expenses have to be costed and form the base amount of any partnership agreement to which RAWCS adds 3.5% of turnover. This costing model still leaves RAWCS with the very lowest of administrative overheads.

RAWCS also needs to accumulate more capital (reserves) on our balance sheet through proactive project funding partnerships.

- **and a planned repositioning**

The repositioning of RAWCS as the key services provider to the Rotary movement in Australasia will require careful, sequential implementation and thoughtful communications to explain the vision and maintain the support of all stakeholders.