

## **Covid-19 and orienteering in Australia**

The impacts of the current Covid-19 epidemic on orienteering are still unclear. Among the major variables are:

- ) The length of time before events can resume at local level
- ) The number of national carnivals disrupted
- ) The length of disruption to the international events program
- ) The availability of government assistance to the sport at national and state level

All of these, except (to some extent) the last, are still largely unknown. We are in a strong position compared with many other sports; Orienteering Australia and all State Associations have substantial reserves, our fixed costs are relatively low (and we have no debts) as we have few facilities to maintain, and we are not dependent on alternative forms of revenue (such as licensed clubs or bar sales) that have also disappeared.

Our central objective is to ensure that, however long the shutdown, OA and all State Associations survive with their core infrastructure intact. We also seek to ensure that the inevitable financial losses are equitably shared between OA and the States, and between States.

### Financial implications for Orienteering Australia

There are a number of financial implications for Orienteering Australia, both on the income and expenditure side. On the income side, OA will not receive levies for events which do not take place; on the expenditure side, OA will not incur expenses for sending teams to international events which do not take place (or to events which do take place but to which we are unable to send a team, noting that border restrictions may well persist in Australia well beyond their lifting in Europe).

The OA Board has prepared a number of scenarios, with a baseline scenario being one of no further events in 2020 but a full resumption in 2021. At the request of Sport Australia (who have requested this of all sports, presumably for stress-testing purposes) we have also modelled a full shutdown to 30 June 2021.

Whilst these scenarios have a range of changes (some of them relating to movement of funds between years as, for example, grant-funded programs take longer to implement), the bottom line is that OA will not require money from states to fund international teams if the world (senior, junior, MTBO and University) championships and World Cup events do not be taking place. What this actually means for state payments for OA will not become clear for some time. In very simple terms, however, the expected loss of a full year of OA event levies (which would be spread across the 2020 and 2021 budgets) is approximately equal to OA's current 2020 budget allocation for international events plus the federal government PAYG assistance which OA should receive.

At this stage, we do not consider it necessary to stand down or reduce the hours of any OA employees (all of which already have very limited part-time hours), although this will be continuously reassessed. The option does exist, where they have appropriate skills, of redeploying OA employees to grant-funded projects (which means they would be funded under grant monies rather than OA core funds). Most of the grant-funded projects we had money allocated for in 2019-20 are "infrastructure" projects which should be able to proceed even in the current circumstances, although projects funded under the remaining "old" participation money, which by nature, will be harder to proceed with this year.

Any 2020-21 Sport Australia funding round is likely to be significantly delayed, at least, as the Federal Budget is not being delivered until October. It is also likely that the pressure on federal funds will lead to reductions of “normal” operating expenditure. At this stage we are planning on the conservative basis of a halving of the current federal Core Funding grant in 2020-21.

We will also reassess the frequency of Australian Orienteer publication beyond the June issue until such time as events resume.

#### Availability of government assistance

Two major Federal Government assistance packages have been announced to date:

- ) A scheme under which businesses can retain PAYG tax collected on behalf of employees rather than remit it to the ATO. This has a minimum payment of \$20,000 (i.e. even if your PAYG liability is less than \$20,000, you still get the \$20,000). We believe that this means that Orienteering Australia will receive \$20,000 under this scheme, as will any State Association which employs staff within the PAYG system.
- ) The JobKeeper program, which allows businesses which have experienced a 30% drop in turnover to receive a wage subsidy to any eligible employees (Australian citizens or permanent residents who were employed on a full-time, part-time or casual (with at least 12 months of service) basis as of 1 March) of \$1500 per fortnight. There are also indications that at least some entities with no employees will be entitled to receive \$1500 a fortnight (although the material so far available refers to sole traders, not non-profit organisations). There is still much which is unclear to us about this scheme (including how a 30% drop in turnover would be demonstrated, and how the timing of grants might cut across this). While we have registered ourselves and encourage State Associations to do so, we are not, at this stage, counting on any orienteering organisation being eligible for this program.

A number of State Government support schemes for businesses have also been announced. Those which we are aware of so far involve relief in areas such as payroll tax, land tax, rates and utility costs, none of which are likely to be relevant to State Associations. Nonetheless States should maintain awareness of potential opportunities here.

Sport Australia have also indicated that organisations may be able to repurpose grant money already allocated should it be necessary. OA currently believes that it will be able to spend the vast majority of the allocated Core funding for 2019-20 on the planned projects but is investigating options for the carryover funds under the “old” participation scheme.

#### National and international events

You will already be aware that Easter 2020 has been postponed to 2021 with 2021’s event being deferred to 2022. In the event that this year’s Australian Championships carnival cannot take place (something which will be decided by the end of May), a similar arrangement is likely, although the exact details are still subject to discussion with the affected States.

In the event that the Australian Championships carnival does not take place in 2020, but the situation has improved enough by spring for state championships to take place (and for people to travel freely to them from all states), we may consider sanctioning an already scheduled state championship as a national championship in that format, either for elite classes only or for all classes (the latter is probably only feasible if there is not a size limit of 500 on outdoor public gatherings).

We intend to undertake a full reassessment of the national events calendar from 2023 onwards once the impact of the current situation is clear.

WOC, JWOC and (in effect) MTBO WOC have all been postponed (the scheduled MTBO WOC has been cancelled, but the option is still being considered of upgrading the European Championships to a WOC). Whether they take place at all depends on developments over the coming months (and even if they do take place, if the Australian border is still restricted, we would only be able to send a small number of European-based athletes). If the events cannot take place by October, they will not be deferred further. WMOC 2020 has been cancelled (with Slovakia being reallocated 2023), and WUOC 2020 and the 2021 World Games have each been deferred a year.

At present, Oceania 2021 is being planned on the basis of it taking place. The major variable here is likely to be the timing of the lifting of border restrictions between Australia and New Zealand. If the event cannot take place in 2021, a potential option is deferring it to 2022, with Australia's next turn then being deferred to 2024.

#### Impacts at national and state level and potential support for states

At this stage, since it is so unclear what the overall impact of the situation will be (and the relative extent to which that impact falls on Orienteering Australia and the states), we are not in a position to make any commitments around any support to states. We do not plan to invoice the State Registration Fee until around September/October, by which time the situation should be clearer.

Any impact is also likely to differ widely between states, and hence, if any support to the States is considered necessary, OA may support different states in different ways. Particular variables include:

- ) Some states have had major carnivals disrupted, others have not
- ) Some states may have greater access to cash reserves than others
- ) Some states will have more access to Federal and State Government support than others
- ) Restrictions may be lifted at different times, and in different ways, in different states, meaning different timing for the resumption of local events.

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