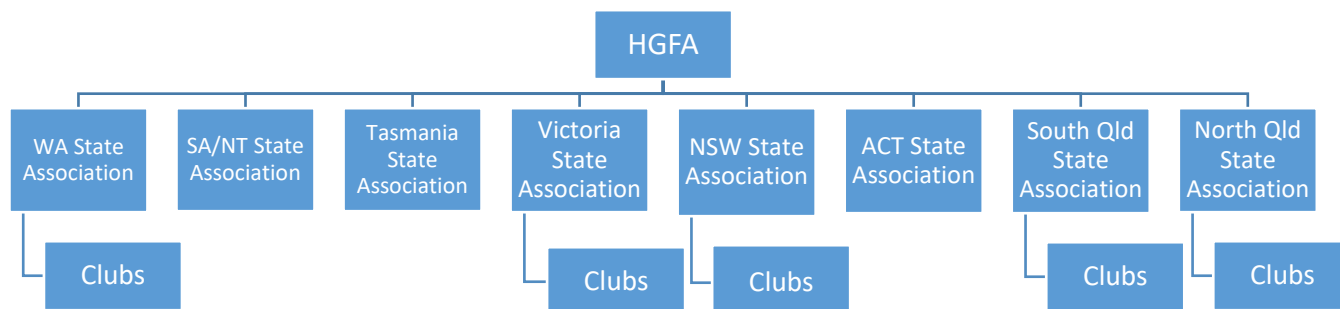


HGFA Strategic Plan

Preface

The disciplines of hang gliding, paragliding, the powered versions of each and weight shift ultra and microlights are governed throughout Australia by a number of Incorporated Associations. These include the National body and a number of State Associations and clubs.



The HGFA employs a small number of staff who administer the sport and manage its operations in line with our CASA obligations and the CAO's and ANO's that allow our aviation activities to operate.

The HGFA national body through its Committee of Management (CoM) has past, present and future responsibility for our sport. It's the guardian of our legacy, the custodian our present and it's responsible for envisioning and creating a sustainable future in which our sport and its participants are able to achieve their full potential.

In saying this the functions performed to direct and manage our present and future can broadly be stated as 'on-field' and 'off field' where our staff primarily attend to the 'on-field' or Operations issues and the essential focus of the CoM needs to be the 'off-field'. Our staff need to be given the confidence of the CoM and the freedom to act and make 'on-field' decisions that are in the best interests of the sport, without the burden of micro-management. Equally, the Committee of Management need to be confident that our staff are exercising their autonomy with due care and diligence, having regard for the needs of all stakeholders and in particular acting and performing their duties in ways that satisfy the trust that the CoM provides. Of equal importance is the requirement for the CoM to have actively managed protocols in place that provide clear guidance and direction for our staff and which serve to protect their interests and those of the CoM, the HGFA and its members.

This plan requires the CoM to be focussed on the off-field strategies and activities that are essential to build the sustainable future our sport deserves. Whilst most other sports in Australia have transitioned over the last 30 years to semi or fully professional enterprises with modern governance and effective marketing and funding models supporting them, our sport has marked time. Sports such as Mountain Biking, Synchronised swimming and BMX didn't exist when hang gliding started but they are now Olympic Sports with external funding. Sports such as surfing, cricket, the various football codes, netball have all evolved their offerings to attract different support however our sport has largely marked time.

The challenge for the HGFA is to modernise, conceptualise and invest in the future we want and pursue it with vigour. This will necessarily entail challenging stereotypes, the status quo and the way we have always done things – it will also require energy, commitment and persistence to create a future that delivers sustainability for our sport and recreational pilots.

HGFA Strategy

Introduction

The Hang Gliding Federation of Australia (HGFA) is our national peak body to administer and coordinate Hang Gliding (HG), Paragliding (PG), and Weight-Shift Micro-lighting(WM) within Australia. CASA Sport Aviation regulates our activities and the HGFA operates within this framework as one of several self-administering organisations under CASA Sport. The HGFA also maintains membership of Air Sport Australia Confederation which is the body that represents our interests on the Federation Aeronautique Internationale (FAI).

This strategy consists of three parts:

- **Part I – Strategic Overview** provides a brief summary of the history of the HGVA, outlines our current operations, and describes our enduring Vision, Values and Mission.
- **Part II – Goals, Results** provides direction for key activities and initiatives during FY 2018-19 and FY 2019-20.
- **Part III – Financial Strategy** provides financial direction FY 2018-19 and FY 2019-20.

Part I – Strategic Overview

History

Our sport has a colourful history from towed delta wing kites in 1963 to soaring parachutists launching from Australian hills in 1982. Paragliding with purpose built paragliders became popular in the late 1980s. Instruction in paragliding commenced around 1989 which showed a commitment to the sport. There's no doubt even from its inception there was always an avid dare-devil among Australians.

The first world championships (foot launched) were held in 1975 and Australia won one gold medal and two bronze. Performing on a competitive world-stage further ignited the spirit of adventure back home and the catalyst to soar to greater heights was unveiled with the development of Weightshift Microlights and more recently, paragliding and powered paragliding

The equipment and techniques may have evolved over time but many of the constants remain the same: a fierce mateship among members; a determination of humanity to feel the freedom of flying; safety remaining at the forefront; and the thrill of pure flight.

As a Sport/Pastime:

- 1963 (Sept) John Dickenson's wing first flew - 55 years ago as at 2018.
- 1974 - First governing body [The Aust Self Soaring Association (TASSA)] was formed.
- 1978 - TASSA re-organised with State Associations as its members.
- 1978 - HGFA was formed with State Associations as its members.
- 1991 - New constitution adopted where individual pilots directly joined the HGFA.
- Summary: The sport has been governed for 43 years; the HGFA has existed for 40 years in total and 27 years under its present constitution and governance structure.

By Discipline:

- HG - water launched operations from 1963
- HG - foot launched from around 1970
- WM - commenced operating late 1970's
- PG - parachute hill soaring from around 1982
- PG - purpose built PG flying from late 1980's
- PG - formal PG training commenced around 1989

Current Operations

Today, thousands of pilots take in a bird's eye of our country each day. More than 3500 Australian members and their clubs are represented by the HGFA which is:

- Recognised as a National Sporting Organisation (NSO) by the Australian Institute Of Sport (AIS) and its parent body the Australian Sports Commission (ASC)
- Affiliated with the Federation Aeronautic Internationale (FAI) through the Australian Sports Aviation Commission (ASAC)
- The national representative with policy makers and regulators including the Civil Aviation Safety Authority (CASA), and
- The author of a recognised pilot training program
- The HGFA is one of a number of Self Administering Organisations forming part of the CASA Sport division of Australian aviation.

Our pilots include:

- Around 3,000 members across all disciplines.
- An estimated 15% to 20% participate in competitions across all disciplines and the balance fly recreationally.
- Pilots use sites across Australia however very few are owned/part owned by the HGFA, State Associations or Clubs.
- Participants are overwhelmingly reliant on relationships with National/State Parks and Wildlife and Local Government authorities for site access but in many cases there is no cohesive strategy for managing and/or leveraging these relationships

Enduring Vision, Values and Mission

Our vision is to inspire Australians to free fly. We are the adventure sport of choice. We seek a sustainable future with more flying and enhanced safety. We want to be the sport of choice for adventure seekers.

Core values help drive the way we operate. They are:

- Safety: Above everything, because this sport can be dangerous without controls.
- Adventure: New experiences every time we fly enriches our lives.
- Exhilaration: As the dream of flight pushes us beyond our earthly realm.
- Freedom: When we step into the air our world expands and we are free to explore.

The enduring mission of the HGFA is *to enable pilots to safely enjoy flying operations, whilst providing a sustainable future for this to occur.*

- 'enable pilots' – because that is our core business of pilots helping other pilots.
- 'safely enjoy' – because it is only fun when it is safe.
- 'flying operations' – encompasses all disciplines.
- 'sustainable future' – because without this, all of the foregoing is at risk.

Part II – Goals and Intended Results

HGFA Strategic Direction

The HGFA's central strategy is 'Growth that delivers a sustainable future'.

Our central strategy is supported by 6 pillars;

- Safety and training – A safety culture of care and diligence that exceeds our responsibilities to all stakeholders and which is supported by world class training
- Governance – Our governance embraces best practice and meets ASC mandatory requirements for an Australian NSO.
- Financial success – Financial success facilitates the infrastructure that delivers a sustainable future.
- Participation – Recruiting and retaining more participants is what makes our sport grow.
- International sporting success - World leading, well known competition pilots across all disciplines provides the marketable brand success that supports a sustainable future
- Operational excellence – Our administration is modernised; our staff engaged and motivated and operational initiatives are pre-planned and well executed and our members are well served and supportive of the direction of their sport and the manner in which it is managed.

Our future will be assured when our sport, our brand and our participants are regarded by all stakeholders as a valued national asset.

Our Goals

The HGFA is focused on achieving five goals during FY 2018-19 and FY 2019-20.

- **Goal 1 – Continuous Safety Enhancement;** including activities to further develop our safety system and improve accident and incident management.
- **Goal 2 – Modernised Governance;** deliver better organisational performance through improving and modernising our governance; including activities to improve our national strategy and improve operational administration.
- **Goal 3 – Financial Success** - invest in strategies that deliver financial and brand success; review HGFA assets, financial and non-financial, to find performance improvement, national consistency and better outcomes for members; include activities that develop sites and deliver infrastructure capability; develop new revenue streams that lessen dependence on member subscriptions; invest in pursuing public and private sector funding opportunities and develop a sponsorship proposition to support this; aim to have all our national teams self-sufficient within 3 years.
- **Goal 4 – Increased Participation;** embrace alternate recruitment and retention strategies; including increasing the average skill level of our membership and 'piloting' a junior flying

program (12 to 16-year old's) to develop a more sustainable pipeline of future participants; develop and rollout a national relationship management strategy to build relationships with key national stakeholders.

- **Goal 5 – World Class Sport Pilots;** review and upgrade our competition structures; create alternate competition formats including a 2 yearly multi-discipline test series against NZ; build an academy style program to develop competition pilots across all disciplines; seek to leverage opportunities such as the Invictus games; gain more from our FAI relationship; develop a stadium format for PPG and develop a comp format suitable for TV or live streaming.
- **Goal 6 – Operational Excellence;** ensure our staff are well managed, well cared for and ensure they value the contribution they make for our NSO; ensure sub-committees are more accountable and productive; ensure our record keeping across all areas is effective and secure and ensure operational initiatives are pre-planned and well executed; ensure we are well positioned for growth and succession.

Intended Results

Our intended results describe the outcomes we seek to achieve in FY 2018-19 thru FY 2020-21 and beyond.

Goal 1 – Continuous Safety Enhancement

An improved HGFA Safety System increases safety

- Develop safety initiatives and implement same – seminars, reports, clinics, SkySailor, Airwaves
 - Better educated pilots are safer pilots
 - Improves the culture
- Promote the new SMS and its features with regular contributions in SkySailor over 2019/20
 - We should always be trying to achieve safety best practice
- Progress the development of the Fallen Flyers support service
 - We should always be trying to support those unfortunate pilots who come to grief
- Negotiate a better annual safety levy distribution from CASA
 - CASA is reviewing safety levy distributions and the HGFA is well deserving of an increase. Additional funding will enable us to deliver more safety support and training across Australia
- Consider supplying HGFA logo SSO shirts to all CFI's and SSO's
 - Will provide a consistent point of reference at all sites across Australia

Increased use of the Accident and Incident Management improves safety

- Rectify problems with the Accident and Incident (AI) reporting system. Improve reporting ease and enable quality, useful reports to be created
- Encourage greater use through greater awareness of the benefits of the AI reporting system
 - We learn
 - CASA expect it
 - Our members deserve it

Greater focus on recruiting and developing our frontline safety troops

- Review and improve our training and support structures for SO's, SSO's and AIRS managers
- Encourage and make it easier to identify and recruit SO's and SSO's
- Increase our capacity to provide training and endorsement services in remote areas
- Review, identify and eliminate unnecessary barriers to entry for providers of Instructor and Training support services
 - Our members deserve it
 - Our sport demands it
 - CASA requires it

Successful implementation of Part 149

- Invest in the safety outcomes we want by recruiting a new Safety Management Officer to drive change, champion safety and implement the regulatory changes inherent in Part 149
 - Part 149 is a significant aviation regulatory reform package that benefits existing and potential members which in turn helps drive Growth

Goal 2 – Deliver better performance through modernising our governance

This HGFA strategic plan is approved, implemented, reviewed and assessed against pre-determined benchmarks.

- Improve our planning capacity across strategic and operational areas – develop, implement and maintain a strong planning focus to guide our organisation.
 - Essential for any enterprise and particularly pertinent to the HGFA to remove ad hococracy from decision making
 - Ensures available resources are productively focussed, budgeted for and utilised in a planned manner which contributes to creation of the future our members deserve
 - Enables us to measure performance against pre-determined benchmarks which leads to continuous improvement
 - Need to see beyond BAU operational issues and embrace a wider responsibility to grow our sport and manage the HGFA in the national interest of all members, recreational or sport
 - Need to ensure our sport is relevant and is achieving its share of the sport and recreational funding market in Australia.

HGFA Governance processes are modernised and focused on performance

- Seek to identify and implement best practice governance structure – review and make necessary changes to our governance structures and supporting documents as a matter of urgency to align with Australian NSO best practice and to meet existing and potential stakeholder expectation
 - A Company Limited by Guarantee is the ASC mandatory model for NSO's and provides better protections for members and Board members
 - Engages with accepted governance best practice
 - Aligns us with our peers (APF, RAA)
 - Meets the expectations of stakeholders and potential stakeholders.
- Engage with a well-qualified, professional consultancy group to provide guidance on governance options to inform our decision making
 - An independent review provides impartial evidence for or against change which is important for our members and removes the 'cottage industry' approach that may otherwise apply
- Rebrand our organisation and its activities with a name change that represents what we do and not what craft we fly and that symbolises an inclusive, modern sports aviation NSO that values and encapsulates all disciplines
 - A name change will better reflect the various disciplines that now exist as well as remove siloism – opportunity to rebrand and reenergise

Goal 3 – Financial Success

Financial management is aligned to strategy and we invest in the financial future we desire

- Finalise/roll out our reserves and surplus strategy
 - Need to make the most efficient use of available resources to maximise benefits for our sport and our members
 - Need to pursue a more sustainable future for our sport by acquiring sites and infrastructure
- Upgrade and implement effective management procedures to actively manage our reconciliation process at regular intervals
 - Aids transparency and compliance
 - Financial management is not management if it isn't active management; inspect what is expected.
- Invest in revenue diversification and growth by appointing a dedicated resource to assist in developing and implementing a well-planned commercial strategy for the HGFA
 - We need to sensibly invest in the strategies that will deliver our overarching objectives
 - Develop sport wide sponsorship and public sector funding proposals and pursue same – aim to have all national teams self-supporting by 2020
 - We must reduce our dependence on member subscriptions and increase our revenue from other sources to grow the sport.
- Conduct an independent review of current HGFA funding sources and seek guidance to maximise our share of the sport funding market nationally
 - We must reduce our dependence on member subscriptions and increase our revenue from other sources to grow the sport.

All HGFA assets are employed to maximum effect in pursuit of our goals

- Conduct a review of all HGFA assets and assess performance against TBA benchmarks and make changes where necessary
 - We need to be aware of what our assets are, how they are performing financially and what needs to be done to get the most out of them.
 - Reduces percentage of revenue attributable to member subs
 - Ensures that our strategies are more soundly funded.

We continually make cost gains through ongoing review and challenging the status quo

- Review insurance providers and benefits to seek a better cost outcome
- Consider electronic delivery of SkySailor
- Review SLI arrangements and make changes if viable, mutually beneficial gains can be made

The more we save without loss of benefit means more can be spent pursuing other strategies beneficial to members.

Goal 4 – Increased participation

New memberships increase

- Social Media, marketing, publicity based on international competition success, public information events run locally by clubs and supported by the HGFA and State Associations
-
- Develop and conduct nationally co-ordinated recruitment drives twice per year, supported by SMA and involving state associations and clubs
 - Increased numbers create greater capacity to provide the necessary infrastructure to secure our future
 - Provides greater opportunity to grow our commercial operator capacity and generally assists their efforts
 - Helps us keep growing our membership and interest in our disciplines

A pipeline of junior pilots supports our efforts to increase participation

- Every successful sport owes its sustainability in part to a pipeline of juniors
- Identify 3 locations to participate in a junior development program
- Develop strategy and infrastructure to support the program
 - Developing a junior program helps us achieve growth and sustainability.
 - It may help introduce more volunteers to our sport
 - Helps us achieve the aim of being recognised as a valued community asset.

The number of pilots leaving the sport decreases

- Identify strategies to enhance recreational development – more local club days, more social interactions, greater use of social media to set up pilot networks
 - Recruitment and retention are the building blocks of a sustainable future
- Conduct state-based conferences for club executives
 - Conferences will help better engage with our members and gain support for our plans for our sport – gets the arrows all firing in the same direction
- Survey members to gain input into benefits they value
 - We need to know what members want in order to provide it.
- Value our heritage
 - Develop protocols/qualifying criteria for recognising long time pilots who might form a 'Council of Elders' (Pioneers/Pathfinders etc) and identify how we might better engage with them and utilise their experience

- Establish a website based HGFA Hall of Fame with a broad range of categories and historically significant events (e.g. pilots, disciplines, volunteers, administrators, sites, technology etc) - anyone or anything whose involvement made a significant contribution to the development and success of our sport
- Give custodianship of the Hall of Fame to the Council of Elders

If we want our pioneers to retain an ongoing interest in the sport, we need to value the legacy they've created. Their risk taking and pioneering deeds deserve such.

Relationships with key stakeholder organisations are developed and/or improved/made more productive

- Identify those key relationships that direct or control or may influence our activities and develop an active and ongoing management process to protect and manage our interests;
 - National
 - State
 - Region
 - Peripheral
 - Ensures a consistent national approach and providing tools and resources to enable clubs and state associations to carry out these activities potentially provides better outcomes for progressing our interests.
 - Continue with State Association President teleconferences to drive this.
- Identify other users of outdoor recreation assets with whom we might partner or joint lobby with to further our site interests.
 - These include rock climbers, orienteers, horse trail riders, motorcycle trail riders, mountain bike riders, XC runners

Pilot skill levels increase

- Create and implement pilot development strategies to support the general pilot population including XC Clinics and skill development workshops.
 - Pilots focussed on skill development are more likely to enjoy the sport and remain engaged with it.
 - More skilful pilots equate to safer flying operations
- Encourage more SRA/Club events conducted locally to promote a healthier pilot development culture
- Develop and provide State Associations and clubs with greater resources to assist pilot skill development
 - Encourage more SRA/Club events conducted locally to promote a healthier pilot development culture

The general community has a greater appreciation of our flying.

- Support our half yearly recruitment drive with promoted recreational flying events
 - Greater awareness leads to greater acceptance and helps position our sport as a valued community asset
- Run more local club competitions or organised flying events.
 - Greater numbers of localised events provide greater local media opportunities

Key national sites are secured for future use

- Research ways to heritage list (or similar) sites that are of national significance to our sport (e.g. Stanwell, Rainbow etc)
 - This secures access to sites that we don't own but which form a significant part of the historical development of our sport

Growth opportunities for new participants are identified and developed

- Support and budget for initiatives to encourage women pilots in all disciplines
- Encourage initiatives such as Kirsten Seeto's Women's Fly-In events
 - Women are underrepresented in our sport and represent a huge growth opportunity for our class of flying
 - More members engaged with our flying activity equates to greater leverage for access to external infrastructure and funding support

Membership categories are reviewed and changes proposed

- Consider creating different classes of membership and/or create ways to reward long term participants – other sports have many classes of membership to suit the different ways members seek to engage with the sport and its management. We should also embrace different classes of membership with different benefits associated with each – this will ensure members have choice.
 - Membership arrangements should be regularly reviewed to enhance our culture and encourage all members to remain engaged with the sport and its management.
 - This should be done in such a way that does not compromise the financial sustainability or management of the sport

Goal 5 – World Class Sport Pilots

Review and upgrade our capacity to administer and promote competitions across all disciplines

- Improve the operational efficiency of the Comps Committee and their planning, administration and record keeping by providing greater support and a more functional structure.
 - Greater efficiency means more productive outcomes for all
- Make our leading pilots and our competition successes highly visible through greater access via our website
 - Our sport needs national household name heroes
 - Competition flying which creates local and international brands/heroes provides the means to attract funding which can be used for the benefit of all members.
- Identify key leading pilots and provide them with media training to represent us at key comps/events
 - Our representatives need to present as articulate, skilled, knowledgeable and engaging
- Set a comps and key events calendar for a rolling 3 years in advance and promote all named comps/events via SMA
 - We need to tell the outside world about our sports flying
- Separate the 4 broad functions of;
 - (1) comps admin management
 - (2) academy style program to produce world class pilots across disciplines
 - (3) professional competition development program and
 - (4) the commercial strategy for the promotion of our assets and sponsor access to them. Strategise each of these areas and resource to achieve maximum success. This may mean adding to the functional sub-committees we have at the national level and managing them carefully.

Our comp formats have undergone little development at the global level over a long period of time. Modern technology, together with the risk factor inherent in our sport together with its global reach provide us with untapped opportunities to move our sport to a professional model with global, national and regional circuits embracing new formats. This may lead to specialist teams in the same way cricket now has test, one day and 20/20 specialist players. This could have particular application for HG and its reinvigoration globally.

Pilot participation in competitions increases

- High Performance Team: Develop a High-Performance Academy style program to identify/create pathways for elite pilot development across all disciplines – aim to produce Oz world champions
 - Developing the competitive side of our sport can arguably do more to aid recruiting, financing and retention than all other strategies. International success

- based on pilots who become national household names is our most important asset because it can be leveraged to facilitate financial success.
- Developing the competitive side of our sport can do more to aid recruiting, financing and retention than all other strategies. International success based on pilots who become national household names is our most important asset because it can be leveraged to facilitate financial success.
 - Having a comp format that attracts viewers provides another means of supplementing funding
 - Ditto for a PPG stadium event
 - BMX, synchronised swimming and soon cheer leading are/will be Olympic Sports. Quiditch is on the horizon. Australia is a sporting nation and is generous when sponsoring the pursuit of medals
 - Contests between Australia and NZ are imbedded in our national psyche and our sport needs to leverage this to maximum effect.
 - The co-ordination of disciplines and the manner in which national teams are managed and promoted is ad hoc and has no national oversight. Our national teams are a key non-financial asset of the sport nationally and a co-ordinated, well managed and professionally promoted approach is essential.
- Select, equip and promote National Coaches for each discipline and facilitate development for each
 - Consider engaging with other sports aviation groups (e.g. APF) to seek combined ASC/AIS sponsorship for common Academy functions.
 - Define and implement clear pathways for juniors right through to world class pilots across all disciplines and sub-sets (e.g. acro)
 - Review and renew comps format – aim to develop short form comps with high spectator (live or via device) entertainment value
 - Pursue development of a national and global circuit (such as WSL) by building direct relationships with other national bodies – Pacific rim nations especially
 - Develop and rollout a stadium event – PPG
 - Devise and rollout a strategy to pursue Invictus, Commonwealth and Olympic Games participation for PG, HG and PPG – ASAC, FAI, AIOC
 - Introduce regular, stand alone, multi-discipline competition (test match?) between Australia and New Zealand
 - Develop and own a proactive agenda for the development and management of our brand and the manner in which our competition landscape is managed. Ensure that the national body retains stewardship of national assets and that these are meeting our strategic needs and are optimally engaged.
 - Make greater demands of our relationship with FAI
 - A productive FAI relationship driven by national bodies is key to achieving global progress for our sport.

We have created a competition format that allows for live streaming and creates revenue for the HGFA

- In conjunction with enhancing our competition capability develop a format that can be used to attract an electronic audience and that can generate revenue for the benefit of the HGFA
 - Diversifying revenue streams is an essential financial strategy that reduces our over dependence on member subs for our financial sustenance

Goal 6 – Operational Excellence

Efficient operational administration functions deliver value for members

- Continue to review the MPM to ensure the content is current and appropriate. Continue to modernise/refurbish our admin.
 - Much of our back office and our supporting documents are outdated and need upgrading.
- Ensure the Safety Operations Committee and the Comps Committee are engaged with and productively using the new organisation wide project management and administration system
 - Ensures that the HGFA national body is able to effectively oversee the areas it delegates management to
 - Ensures that appropriate planning, record keeping and management practices are being applied in all sub-committees
- Develop a secure document storage facility that minimises, if not eliminates, any risk to the security of our records
 - Ensures that archived records are not lost

Provide a workplace environment that our staff are proud of

- Conduct an assessment of staff development needs and develop and implement a program to progressively provide same. By supporting our people and ensuring they are motivated and well trained, efficiencies and productivity gains will follow.
 - Ensure our HR practices meet modern standards and our social policies are aligned to current community expectations. Ensures that we are supporting our staff in the most appropriate manner and ensures the CoM is taking all necessary steps to recognise the value our staff bring to our NSO.

Adopt a more strategic position in relation to our staffing structure

- Conduct a review of staff functions, management protocols and current HR requirements and make changes to ensure our sport continues to be managed effectively and our staff are vocationally stimulated and engaged with our NSO.
 - Ensures appropriate resourcing is pre-planned and takes account of significant issues such as the implementation of Part 149
 - Ensures succession planning as opposed to management by surprise

Independent review provides impartial professional guidance to our CoM and our HGFA members

- Engage with a well-qualified, professional consultancy group to provide guidance on the following matters;
 - The sports funding market in Australia and what the HGFA should be doing to maximise our share of it
 - How should a sport like ours succeed in transitioning to a semi or fully professional sport for our leading competition pilots.

Drawing on external and independent expertise is essential if the HGFA is to contemplate and/or achieve successful change. Over reliance on volunteer administrators no matter how enthusiastic and diligent they may be carries significant risk and our members deserve to have the best available advice.

Review and make necessary changes to SLI

- Review the current arrangements regarding insurance contributions from commercial operators
 - This will encourage entry into commercial operations by prospective instructors

Review FTS operational criteria

- Challenge the status quo by reviewing/considering alternate flight training structures
 - We need to remove participation barriers and increase the reach of flight training facilities without compromising safety

Introduce an incentive program for Schools/CFI's to encourage greater throughput of student's

- Review/consider strategies to introduce greater numbers of new entrants to our flying activity
 - We need to embrace strategies that encourage and reward commercial operators for contributing to the growth of our membership

Introduce a travelling CFI program to address the needs of remote area pilots across all disciplines

- Construct a model that enables the HGFA to provide services to remote locations
- This further encourages and rewards instructors for contributing to the growth of our membership

Ensure CASA regulatory support for a Club Instructor proposal

- Construct a diversified instruction model that enables training and participation at all locations and at all levels throughout Australia
 - This is necessary to ensure that we are pursuing the growth of our sport by encouraging multiple entry levels and opportunities to our sport.

Part 149 is successfully implemented.

- Carry out a risk assessment and engage with the CASA implementation support structures to ensure Part 149 is successfully inculcated within our sport and its management structures
 - We need to identify any areas of risk to our disciplines and our sport generally and ensure we have strategies and plans to mitigate these.

Part III – HGFA Financial Strategy FY 2018-19

Financial Position as at 1 Jul 2018

The current financial position of the HGFA is strong. The balance sheet and profit and loss reports from the last four years are summarised below:

Balance Sheet

Hang Gliding Federation of Australia Inc

As at 30 June 2018

Account	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
Assets				
Total Bank	1,221,976	1,214,722	1,097,502	878,405
Total Current Assets	110,652	110,457	31,371	31,093
Total Fixed Assets	12,162	8,200	5,949	7,649
Total Non-current Assets	20,000	0	0	0
Total Assets	1,364,791	1,333,379	1,134,821	917,147
Liabilities				
Total Liabilities	86,592	181,658	36,068	56,691
Net Assets	1,278,198	1,151,721	1,098,753	860,456
Equity				
Current Year Earnings	126,477	52,968	238,297	170,229
Retained Earnings	1,151,721	1,098,753	860,456	690,227
Total Equity	1,278,198	1,151,721	1,098,753	860,456

Profit and Loss

Hang Gliding Federation
of Australia Inc
For the year ended 30
June 2018

Account	2018	2017	2016	2015
Trading Income				
Total Trading Income	1,217,984	1,188,859	1,151,769	1,084,770
Cost of Sales				
Total Cost of Sales	16,060	23,496	10,311	(1,848)
Gross Profit	1,201,924	1,165,363	1,141,459	1,086,618
Other Income				
Total Other Income	67,358	23,348	1,047	12,421
Operating Expenses				
Total Operating Expenses	1,142,805	1,135,742	904,209	928,809
Net Profit	126,477	52,968	238,297	170,229

Over the last four financial years.

- Revenue, less regional levies, is stable at just over \$1,000k.
- Operating expenses, less regional levy payments, average around \$850k.
- This gives rise to an Operating Surplus which results in an average Net Profit of around \$150k.
- Capital (cash) reserves have increased from around \$880k to around \$1,220k. The capital can be considered as:
 - Operating Capital, which assists with managing cash flow, and
 - Strategic Capital, which can be invested. At the beginning of the financial year just over \$1m in Strategic Capital is invested in term deposit accounts.

However, there are some issues.

- Revenue is almost entirely dependent on memberships (85% of revenue comes from memberships).
- Major 'lumps' in revenue (memberships) and expenses (insurance) increase the quantity of operating capital needed.
- Most capital is 'lazy' and investments are not aligned to strategy.

Financial Strategy Principles

The financial strategy for FY 2018-19 is underpinned by the following principles:

- Investments of both the operating surplus and capital reserves should support the HGFA strategy – 'Growth'.
- In time, this will further increase revenue (from increased numbers of members) and allow for further growth.
- Per-pilot membership fees are to remain stable for the foreseeable future.

Operating Surplus

Over the last four financial years the HGFA's expenses have averaged around \$150k less than income. It is expected that income will remain about the same or increase slightly for FY 2018-19. Our planned activities will see expenses increase and our Operating Surplus approach zero. This is largely as a result of some things we have to do:

- Invest in a Safety Management Officer to ensure the application of CASA Part 149 implementation and compliance. This is expected to cost around \$100k annually, although in FY 2018-19 will probably be around \$75k.
- Invest in a second part time administrative assistant at a cost of around \$35k annually (around \$25k in FY 2018-19).

These additional operating investments will largely consume the surplus, and may not directly contribute to growth. The remaining surplus will continue to be applied to the Strategic Capital to help prevent it's erosion due to inflation.

Operating Capital

Operating Capital is needed to maintain cash flow. The HGFA is required to maintain a higher operating capital than similar organisations because most membership revenue is received around the same time each year.

Based on the last four financial years we expect that most membership revenue will have been received by the end of Q1 (30 Sep). This represents the time in the financial year when bank assets will likely reach their apex. At that time the HGFA Operations Manager will consult with the Committee of Management to determine what proportion of bank assets should be invested, and what proportion should be earmarked as Operating Capital for the remainder of the financial year.

The strategy seeks to maintain Operating Capital of between \$450k and \$600k, representing the difference between the maximum and minimum bank balances throughout the financial year.

Strategic Capital

Strategic Capital provides the opportunity for the HGFA to invest in our future by pursuing growth opportunities. It also provides a reserve to account for the unexpected consequences of risk events that insurance does not cover.

As at the beginning of FY 2018-19 Strategic Capital is about \$1m. This is to be structured as follows:

- Up to \$300k is to be invested in a 'Site Infrastructure Loan' program.
 - This is available to HGFA affiliated State and Regional associations and clubs.
 - On the Balance Sheet loans are reflected as 'Non-Current Assets' (currently \$20k reflecting a recent loan to the Sunshine Coast club).
 - Loans may contribute to the costs of site infrastructure such as real estate, facilities, works, or weather stations.
 - In time, the number of loans issued and repayment profile of the \$300k should be structured such that around one third of the Non-Current Assets are turned over annually.

- Up to \$200k is to be invested in 'HGFA Growth' program.
 - Growth initiatives may be driven by the HGFA CoM, State and Regional associations, clubs, or individual members. Initiatives may support membership growth or non-membership revenue growth (or both). Each proposed initiative will be assessed based on its ability:
 - to retain or attract members over the current and next two financial years, and
 - to increase non-membership revenue over the current and next two financial years.
 - Based on an assessment of the likelihood of growth, initiatives will be supported if the expected return (from increased membership revenue and/or non-membership revenue) over three years exceeds the cost of the initiative.

- The remaining Strategic Capital of \$500k will be retained for further consideration in FY 2019-20. Over the longer term, our retained Strategic Capital needs to grow through exposure and ownership of low risk growth assets. Currently our retained Strategic Capital is invested in cash and vulnerable to effective depletion through inflation. We need to get better performance from as well as grow the amount of reserves to cater for our infrastructure imperatives and the expected growth in membership through the activities in this strategic plan. During FY 2018-19 the HGFA CoM will consider alternatives to cash investments.

Financial Targets

Key stretch targets by the end of FY 2019-20 (less regional levies) are:

- Increase non-membership revenue from 15% to 30% of total revenue.
- Reduce other than employee related administrative costs by 10%.

Non-financial assets

During FY 2018-19 the HGFA will review non-financial assets:

- Conduct an inventory and review of all HGFA non-financial assets (e.g. national teams, competitions committee, safety operations committee etc).
- Develop structures for these assets that support the national body's strategic plan and resource accordingly to ensure appropriate management and ownership.

Possible Organisation Structure

