

Proposal to join The Hospital Research Foundation

Frequently Asked Questions

Q1. How did this opportunity come about?

For over twelve months the Arthritis Foundation of South Australia (AFSA) Board has been looking into ways to ensure the financial viability of the Arthritis Foundation of South Australia (AFSA) and to increase the impact of the services we provide. This led to discussions with The Hospital Research Foundation (THRFG) Group regarding the potential of AFSA joining THRFG. The Board has investigated this opportunity in good faith and carried out significant due diligence representing the best interests of the organisation, the membership and those living with Arthritis.

Q2. Who are THRF and the THRF Group?

The Hospital Research Foundation (THRFG) Group is a well-known and highly regarded South Australian charity working for better health and wellbeing through supporting life-changing medical research and improved healthcare. THRF is the original overarching charity and has a THRFG Board. THRFG is made up of eleven charities, each with its own advisory board reporting to the THRFG CEO. <https://www.acnc.gov.au/charity/charities/30b0d9e5-2daf-e811-a962-000d3ad24a0d/profile>

Q4. Who are the ten charities who are already part of the THRFG?

- The Hospital Research Foundation
- Australian Breast Cancer Research
- Australian Prostate Cancer
- Australian Heart Research
- Kidney, Transplant and Diabetes Research
- Centre for Creative Health
- Military and Emergency Service Health Australia
- THRF Group- Parkinson's
- THRF Group – Parkinson's ACT
- THRF Group- Stroke
- THRF Group- Palliative Care

Q5. Do AFSA values align with those of THRFG?

Our values do align with those of the THRFG as a charity, our work in health care and focus on improving wellbeing and quality of life.

Q6. What would joining THRFG mean for Arthritis SA ?

In short, long-term viability and financial security and the ability to have a bigger impact. Due to the current pressures on cost-of-living people's ability to donate to charities such as AFSA has reduced and will reduce further. Sadly, as a result many charities will no longer have the funding to operate, and we will see some of them close. It is vital that Arthritis SA continues to support those living with Arthritis through our services, education, advocacy, and research activities. Joining THRFG will ensure that we can continue to thrive now and into the future continuing to deliver on our mission.

Q7. Why Is THRFG inviting Arthritis SA to join the group?

THRFG are keen to partner with AFSA as they see genuine opportunities to collaborate, enhance and grow support to enhance choice, independence, and wellbeing for those living with Arthritis. The aims and objectives of THRFG align with those of AFSA and the organisations would work well together in an efficient manner. Their primary aim is better health and wellbeing for the community. In addition, a focus on facilitating increased vital research into Arthritis as one of the most common chronic conditions in Australia

Q8. Will the current activities undertaken by AFSA still be carried out?

All current AFSA activities and support groups will be continued with back-office oversight and assistance from THRFG such as strategy, governance, cyber security/ICT support, fundraising, communications, marketing, HR, finance, and accounting.

Q9. What are the main benefits of AFSA Joining THRFG?

The potential benefits of joining the group are significant:

- It provides AFSA with a pathway to thrive and long-term financial stability at a time when small not for profit organisations are struggling to maintain viability and to deliver on their objectives
- It will allow AFSA to focus on its services, education, support and advocacy to make a bigger difference to those living with Arthritis as all governance, corporate services and fundraising and marketing will be provided by THRFG.
- It will provide an increased focus and support for vital research into Arthritis.
- It will provide access to the resources and expertise of the THRFG. These skills and capabilities align with those required to maintain and advance the objectives of AFSA
- As a large, well-respected, and trusted organisation that funds many life-saving programs in South Australia, THRFG have highly productive relationships with government and the Primary Health Care Networks and health services.
- We will be able to focus entirely on the needs of people living with Arthritis without having to spend significant time and resources ensuring financial sustainability. We will also be able to invest in improving vital support services in regional rural and remote SA.
- Access to the significant governance, Cyber/ICT, legal, marketing, fundraising, communications, finance, and admin resources.

Q10. What would change?

THRFG will assume full responsibility for all the governance, financial management of AFSA as well as the reporting, strategy development, marketing, communications, and regulatory matters required for transparency and accountability. The AFSA Board will maintain an advisory role to THRFG called a Board of Governors, initially made up of current Board members.

AFSA, the legal entity, inclusive of all assets will remain place.

Q.11 What role will the current AFSA Board play?

The current Board will evolve to an advisory role to THRFG as a 'Board of Governors'. For more information see <https://www.hospitalresearch.com.au/who-we-are/board-and-governance>.

Q12. Will Arthritis SA lose control of what it does?

The objectives of the organisation in the current AFSA constitution would remain unchanged. The Constitution will be amended to allow for THRF Inc. to become the sole member of AFSA. The AFSA Board of Governors (Advisory Board) will have a critical input into what the organisations focuses on in meeting the needs of those living with Arthritis.

Q.13 How will the AFSA Board of Governors work?

The AFSA Board of Governors (BOG) will be formed under a Terms of Reference (TOR) document. The AFSA BOG membership will initially be drawn from the current AFSA Board plus THRFG representatives. It will meet to advise the THRFG CEO and Board on the needs of the Arthritis community. Matters will include advising on direction and strategy for the full range of service delivery, support activities, fundraising and research. Additionally, we will benefit from synergies with existing charities in the THRF Group and expertise in THRFG itself.

Q14. What happens to my AFSA membership?

Current AFSA members will transfer their membership voting rights to THRFG and transition to a status of Arthritis associate, retaining the same benefits as now and their experience and expertise will continue to be valued. AFSA would remain an affiliate of Arthritis Australia.

Q15. What is the experience of other charities who have joined the group?

Our extensive due diligence has shown us that all charities have benefited significantly from joining THRFG. One of the recent organisations to join - Parkinson's SA has enjoyed considerable growth in support and service provisions as well as investment in Parkinson's research.

Q16. How will funding/fundraising work?

Individuals would be able to specifically donate/bequest just to Arthritis SA the same as currently. The operations of fundraising activities will be run by the THRFG teams, but AFSA independent activities will remain to enable supporters to only support Arthritis if they wish and therefore only receive relevant communications connected with Arthritis. The income from these activities would go into the Arthritis budget to be used for Arthritis services and research.

Q17. What will happen to the staff currently working for AFSA?

THRFG have committed that no staff member will be made redundant. Employees remain employed by AFSA although may be also engaged by some of the other charities in THRFG and their terms and conditions remain the same or be improved.

Q18. What will happen to the accumulated funds held by AFSA and any bequests?

THRFG has committed that all existing financial assets of AFSA will only ever be utilised to benefit the purpose of Arthritis SA and will remain within the AFSA structure. This includes the AFSA investments held with Morgan Stanley. This has been the same with all charities that have joined THRFG in the past.

Q19. Why not stay as we are?

It is increasingly difficult for small charities such as AFSA to remain financially viable in an environment where fundraising is hard. As our annual financial statements show, over the past four years AFSA has faced significant challenges. Recently, we have been successful in securing significant grant and government support. However, despite these best efforts, looking into the future, we still face substantial threats to the financial viability of the AFSA. If we stay as we are, there is a high probability that sometime in the next 3-5 years we would need to cease providing services due to having insufficient funds.

Q20. Are there other alternatives?

The Board identified and closely considered several alternatives. This assessment included seeking independent external expert advice. None of the other alternatives were found to be as positive for AFSA and its work or to be as viable.

Q21. Did AFSA have any legal advice helping to come to this position?

Yes the AFSA Board sought legal advice as part of our due diligence before we got to the stage of consulting with members on the proposal.

Q22 In addition to research will the primary focus of AFSA be on people who need support?

Yes. The expectation is that current services (including workshops and Hydrotherapy support) will not only be sustained but activities will grow. This has been the experience of other charities who have joined the Group.

Q23 Will current and future Grants only be used for AFSA purposes?

Yes. Over the last 12 months AFSA has been successful in winning a number of multiyear grants from several organisations including SA Health and Country Health PHN. These grants will continue to support the work for which the grants were received. In addition, AFSA will continue to seek opportunities through appropriate grants to support our work in line with our mission. Any grants obtained in the future by AFSA will only be used to support activities aligned with the objects of AFSA. They will not be used for any other purpose.

Q24 Will any current AFSA assets be protected?

Yes. THRF have provided an undertaking that financial reserves (assets) will only ever be used in pursuit of the objects of the AFSA.

Q25 Is there allowance for “divorce proceedings” (Is there an exit clause)?

Yes, this is a standard commitment made by THRFG to charities who join the Group. To date, no community of interest associated with charities joining THRFG has felt the need to take this kind of action, but it is an important consideration.

Q26 Will this impact on the role of the AFSA CEO?

The role of the AFSA CEO will be re-named Executive Director. The CEO may pick up additional functions working with the THRFG but will remain as the individual leading AFSA, driving implementation of strategy and engaging with stakeholders for the benefit of those living with arthritis.

Q27 How can we be assured that the consumer voice will be heard?

AFSA is in the process of establishing a Consumer Advisory Group which will provide advice directly to the AFSA Board of Governors (BOG). In addition, the intent would be that a consumer will also be part of the AFSA Board of Governors.

Q28 Will the development of a model of care still be a focus?

AFSA has focused significantly in recent years on enhancing the model of care for osteoarthritis (OA) in South Australia. The SA Government has committed to review the current models of care and identify opportunities for change and improvement. This work is currently underway. AFSA will continue to advocate and support contemporary models of care for South Australians living with arthritis.