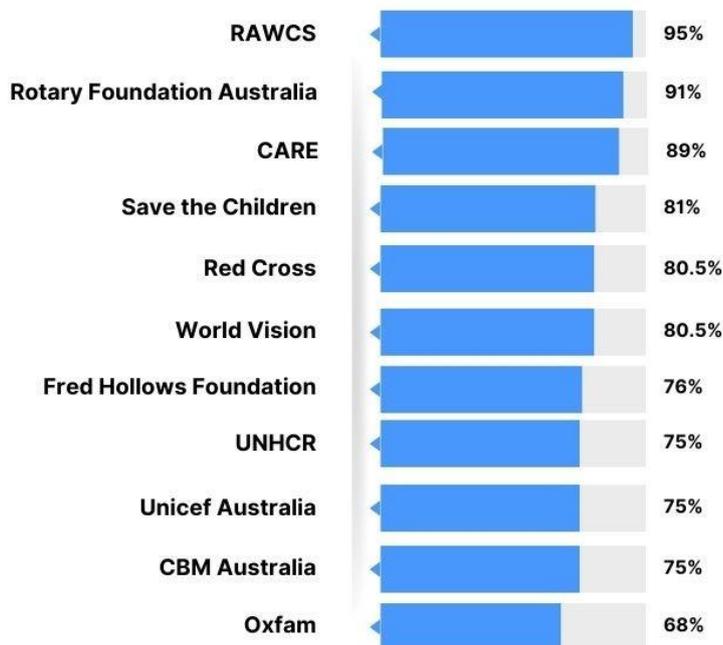


Review of RAWCS Administration Fee on Donations

RAWCS administration fee of 2.5% is no longer sufficient to cover the fixed administration and regulatory compliance costs. This has resulted in a small operating loss in 2022-23 and a projected loss in 2023-24 unless adjustments are made.

RAWCS will always maintain transparent financial reporting to donors and stakeholders, showcasing how their contributions are utilized and emphasizing the importance of covering costs but to also demonstrate that RAWCS is one of Australia's leading charities when it comes to the amount of donations that actual go to the humanitarian programs, "Cents to the Cause".

"CENTS TO THE CAUSE" - HOW MUCH GETS TO YOUR CAUSE PER DONATED DOLLAR



ADMINISTRATION FEE DATA OBTAINED FROM PUBLIC WEB SITES

By comparison with our Charity peers, RAWCS current Administration Fee is extremely low at 2.5%. Philanthropy Australia advises that Charities and not-for-profits should charge in the range 15% to 30%. This is the common practice as shown in the graph above. RAWCS has no need to go to those levels and under this proposal will still have one of the lowest fees in the sector.

The Board of RAWCS has resolved to implement the following Administration Fee structure as of 1st August 2023 for:

- All donations <\$500,000 **5%**
- Single donations \$500,000 to \$1,000,000 **4.5%**
- Single donations >\$1,000,000 **4%**

RAWCS is implementing a range of measures to address the current operating loss and to improve financial sustainability, including:

- This review of the Administration Fee: Assessment of the actual costs of administration and regulatory compliance and adjusting the fee accordingly to ensure it covers these expenses adequately.
- Re-evaluation of Discounting Practices: Reassessing the discounting policy for major donations to ensure that it does not compromise the organization's financial health. Also considering other forms of recognition or benefits to major donors instead of reducing the administration fee significantly.
- Diversifying Revenue Streams: Exploring additional sources of income beyond the administration fee.
- Implementing Efficiency Improvements: Identifying opportunities to streamline processes and reduce unnecessary costs to enhance overall operational efficiency.

RAWCS Board of Directors. 26th July 2023.