

Discussion paper for September OV Board meeting.

Why does Orienteering Victoria collect levies?

OV runs an office with part-time staffing, pays for the production for magazines and fixtures for the state, pays for insurance and for expenses associated with running the state association.

As a state association OV has responsibilities to Orienteering Australia which include paying levies to them and paying a state affiliation fee.

Levies are one of the three sources of income for OV. Income is from annual club affiliation fees, membership fees and levies on event participants.

- Club affiliation (11% of this income in 2010). Only clubs affiliated with OV can run events and events provide a source of income for the clubs.
- Membership fees provided 33% of the income in 2010 both individuals and schools are members.
- Event levies (56% of the income in 2010). Levies are set according to the style of event. They are collected by the clubs and sent to the treasurer after events.

Other income for OV are grants which are allocated to particular projects, and promotion and development activities including wages.

Outside influences on setting OV levies for 2012

- Consumer Price Index which will increase costs by 4%
- Orienteering Australia levy of 43c flat rate per participant per event (no junior or family rate). This levy has been increased from 25c in 2011 to 43c in 2012.
- 2012 levy rates by OA on major events

Levy rates in Victoria

Clubs run the events and set the entry fee for the event taking into account the event costs and the levy charged. They hope to make some profit to pay for club equipment, mapping and member incentives.

Clubs have varied assets in their capability to run events and their finances. In general, the more events a club runs and the more people who come, the more profits the club makes.

Types of events and levy rates

- State series, badge events, championships (both foot and MTBO)
The 2011 levy rate ranges from \$6 to \$10.50 (OV member discounted rates).
Entry fees range from \$16 - \$20 for state series events to cover the levy, the coloured map, organisation costs and travel.
They cater for the regular orienteer who is willing to travel and pay.
About one third of levies came from these events in 2011 (to August)

Proposal: to increase the levy rate by the CPI plus 18c to \$6.40

- Local country and club bush events
Coloured map, simple organisation and less travel for participants.

Numbers at events variable – caters for people from local country cities or Melbourne.

Entry fees range from \$7 to \$12

2011 levy rate is \$1.80.

The levy rate in 2010 was \$3.20 for club events and \$1.50 for country local events and in 2011 was brought to one rate of \$1.80.

Proposal: to increase the levy to \$2.30 which includes a small extra to bring it closer into line with the other levies. This increase can be handed on to the participants for whom 50c will not be a large sum.

- Park/street events – Melbourne
Black and white map, simple organisation. Generally not much travel. Caters for people who want a run on a weekday near home in the city. Large numbers of events and high participation.
Levy rate \$2.60 in 2011. The rate was increased two years ago to bring some parity between the club profits from state series and street events.

Proposal: to maintain the levy at \$2.60 for this year. Income from these levies has been greater than expected this year so far.

- *A further proposal: to expand and develop a broad policy on OV levies by the end of the year.*

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10 September, 2011.