

Orienteering Australia Cost Allocation Review

Last year at the annual conference of OA NSW presented a paper stating that NSW was paying a much larger share of the costs of OA because the Cost Allocation was largely based on membership. NSW has a large membership; Victoria has a large participation. And also Eventor annual licence fee will increase as use increases (max of \$32,000 when use reaches 50,000, probably in 2015).

Bruce Bowen, the OA treasurer has done a comprehensive review of the present arrangement between states and made recommendations to be considered at 2014 OA Conference in December. The recommendations are presented below with annotations from Ruth Goddard who will be attending the conference.

Recommendations

1. OA to move to a cost allocation model with a **greater weighting based on participation** rather than memberships to reflect the changing nature of the sport.
At present 66% of the income is based on memberships, 29% on participation (as reflected in the levies collected) and 5% is a mixture.
2. **The sharing of the State Registration Fee (\$84,000 in 2013) to be based on the number of memberships of orienteering clubs in a state** plus any state association-only members. School-based clubs would be treated as one membership each.

In 2013 NSW paid 25.8% of the Reg Fee and Vic paid 18.9% (membership based).

RG suggests that Vic propose the membership figure is based on memberships of OV rather than clubs because clubs will have social members. Active club members will be members of OV. Note, Vic will not have family memberships which are mentioned in the review.

3. The time period over which memberships are averaged in calculating the State Registration Fee be reduced from 5 years to 3 years.
RG – Vic requires some special consideration given that we are making big changes in 2015.
4. State Associations to regularly advise the OA Annual Conference of changes to membership fees and entitlements to assist in harmonising memberships arrangements over time.

RG – I understand that OV membership group have notified John Hardy of 2015 changes.

5. **The cost sharing arrangements for recovery of public liability insurance (\$20,000 in 2013) be changed to be based on the number of participants that attended low key events** (category 4 and 5 events) over the most recently reported 12 month period (set out in the 6 monthly levy reports submitted by the State associations).

In 2013 Vic paid \$2551 (13.8%) of \$20,000 PL insurance whilst NSW paid \$6346 (32.8%). Note – participation as shown by low-key levies in 2013 show Vic paid 33.8% of levies collected and NSW 23%. If based on participations then Vic will pay about \$4,000 more. RG – PL insurance should reflect participation.

6. **Cost sharing for the annual licence fee for Eventor be a mix, partially based on membership, and partially based on participation:**
 - Continue the special Eventor levy on all events associated with national carnival events (ie \$1 per entrant per event)
 - Continue to recoup \$8,000 via the additional levy to the State Registration Fee (divided between the states on the basis of number of members)
 - The residual divided according to the number of non-national carnival participants (number of entries/results) in Eventor per State over the last 12 month period (ie Eventor usage)

If Eventor Licence Fee reaches its maximum of \$32,000 then the participation part of Eventor reimbursement would be \$18,500 made up of:

- \$5,000 (\$1 per competitor per event in national carnivals, including Easter)
- \$8,000 in State Registration Fee
- \$5,500

Membership part of Eventor reimbursement would be \$13,500 made up of:

- \$8,000 by splitting it between the states on the basis of the total number of non-national carnival entries in Eventor for each State
- \$5,500

This would be collected in October each year, and any excess returned to the states.

RG – any excess should be retained by OA and used to fund extra development of Eventor.

7. The current OA levy structure be continued

- 8. The above changes to commence in 2016.** The State Registration Fee (the largest component) would take three years for the new arrangements to be fully phased in.

Note:

In 2013 Orienteering Victoria paid \$29,025 to Orienteering Australia. This was made up of:

- \$16,641 in State Registration Fee
- \$2,551 in Public Liability Insurance share
- \$9,833 in levies on state series and lower events

In 2013 OV collected \$84,627 made up of:

- \$24,198 memberships for that year (excluding any 2014 fees collected in 2013)
- \$6,850 in club affiliations
- \$53,579 in levies (excluding C5D, E3D and past years)

In other words, one third of OV income listed above goes to OA.

And OV will be paying more to OA starting from 2016. In 2015 OV's own membership income will be tested. Hopefully the new arrangement will be cost neutral.

Ruth Goddard
16 November, 2014