

Orienteering Victoria 2015 Budget items continued from October 2014 Council meeting

The purpose of this paper is to clarify, provide more information and answer some questions arising out of the changes agreed at October 2014 Council Meeting .

This time of change provides an opportunity to establish some **general principles in the collection and expenditure of Orienteering Victoria funds.**

I suggest these be to:

- Recognise the importance of shared responsibility of income and expenditure across all disciplines of orienteering.
- Assist the volunteer office bearers in clubs with simplification of levies and no variation of rate such as discounting.
- Aim to balance the budget of OV each year. The reserve gives a buffer to absorb some losses. Any large surplus should be directed to a particular project
- Attempt to reduce the reserves held by the Association to agreed levels by directing funds to specific projects.
- Set levy and membership rates at the October Council meeting. Clubs and Subcommittees can set entry fees.

Orienteering Victoria reserves

Over the past years the reserves of OV have built up to \$200,000 mainly due to surpluses made at major orienteering carnivals held in Victoria.

Income for Orienteering Victoria general activities

There are three areas of OV income and expenditure – grants, school and corporate sessions and funds raised via memberships, levies and club affiliations. Grant money is expended on the grant projects with a small percentage allowed for administration of the grant. School and corporate sessions are user pays sessions charging a fee to cover the cost of running the sessions including staffing. This paper will concentrate on the general activities of Orienteering Victoria.

Changes to membership, club affiliation and levies agreed at October 2014 Council meeting

The new rates arose out of a membership group set up in 2013 to:

- o increase OV member numbers by making membership more attractive (lower fees, more transparent event participation discounts for membership)
- o simplify the membership structure: So membership of a club = membership of OV. It is very common in other states for all participating members to be members of both their club and their state association.

The new rates are:

Memberships	All participating club members
<i>Membership types</i>	Senior/Junior (no family)
<i>Australian Orienteer</i>	\$30 optional extra
<i>Senior member fee</i>	\$25
<i>Junior member fee</i>	\$1

Club affil fee	\$100 each club
Event levies: <i>champs/State Series</i>	70c increase for long champs; \$1.20 inc on Badge/NOL; 40c increase on other champs/SS
<i>Event levies: club/PAS</i>	\$3.20 (ie 55c increase) (now \$2.80 flat rate)

That is, club affiliation and membership rates were substantially reduced. To maintain income for Orienteering Victoria, **the levy rate was increased.**

At the same Council meeting it was agreed that levies on event entries would be worked out on a **flat rate**: \$2.80 per entrant in local events and park/street events, \$6.90 per entrant in state series events.

(see attachment 1 for calculation of flat rate by averaging levies)

	2014	2015
Memberships including magazine	21,070	
Magazine alone (from 2015)		
Club affiliation	6,618	
Levies	52,400	

Total income \$80,088 in 2014

In 2015 the Australian Championships Carnival will contribute about \$9,000 in extra levies.

Expenditure on general OV activities

This income is expended on:

- activities to foster all branches of orienteering – fixtures & promotion (\$5,690 in 2014), prizes (1,839), control cards & general equipment (6628), magazines& yearbook (13,194)
- contributions to the schools team and to overseas teams (7,551)
- meeting the financial obligations of the state association – both to the national association and the government (29,305 to OA, 3,741 insurance, 2,643 bank & audit)
- an office for OV including part-time staffing (\$44,542)

Total expenditure \$114,863

(see attachment 2 for pie charts showing total income and expenditure for 2014)

Attachment 1

Setting Orienteering Victoria levies for 2015 – simplification by averaging

Our existing problem

The present system of levy calculation and payment involves working out the numbers to put in each of the boxes on the form – seniors, juniors, life members, families (and then working out the number of non-members for state series). It is complicated for club organisers and treasurers to make the numbers balance with the income. Once the entry numbers become large such as for championship or carnival events it becomes even more difficult.

Proposal 1: that a single rate is paid per person on the results list

The average levies paid per person on **local events** including Bendigo, MelBushO in 2014 ranged from \$2.30 to \$2.43 Bendigo had 32% of junior participants, MelBushO had 14% (although there were many family groups paying a single senior levy)

The lowest average of \$2.30 is 87% of \$2.65

Suggested new levy rate for 2015 is \$3.20. If take 87% of this is \$2.80

Proposal 2: That a single levy rate of \$2.80 per person is charged for all participants in local club events

2014 average for foot **state series** is \$6.30 including members and non-members. 10% of these are juniors and 3% are families.

\$6.30 is 95% of the senior member rate of \$6.60

Suggested new levy rate for 2015 is \$7.30. 95% of this is \$6.90

Proposal 3: That a single levy rate of \$6.90 is charged per person for all state series events. However, the non-member rate is still \$10 more, ie \$16.90, offering an incentive to become a member of Orienteering Victoria.

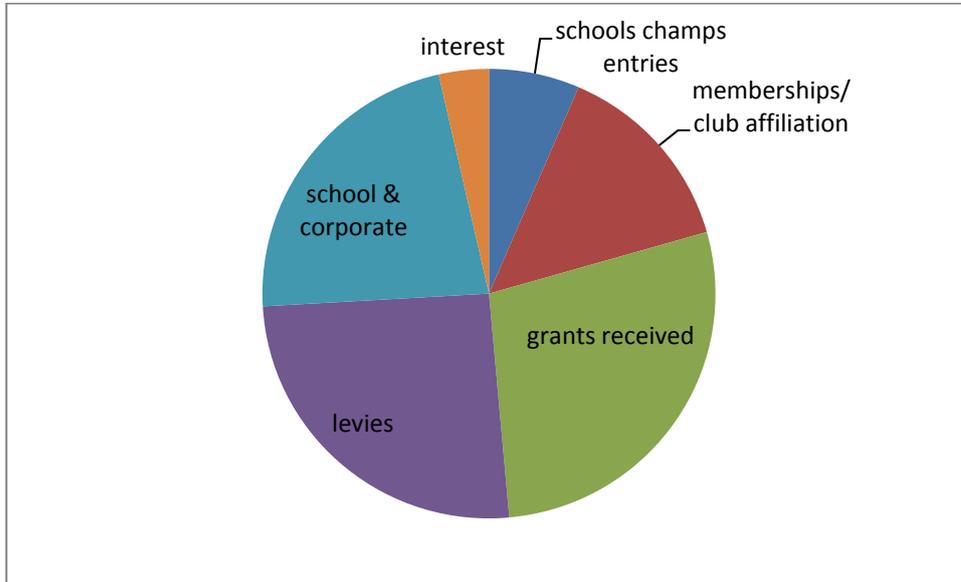
Advantages of the single levy rate

1. The club treasurer can easily work out the levies to be paid by just looking at the results (which are readily available on Eventor etc.)
2. Levy forms will be simpler – there is no need for the breakdown in types of entry on the present forms
3. There is no need to try to work out numbers in a family for levies.

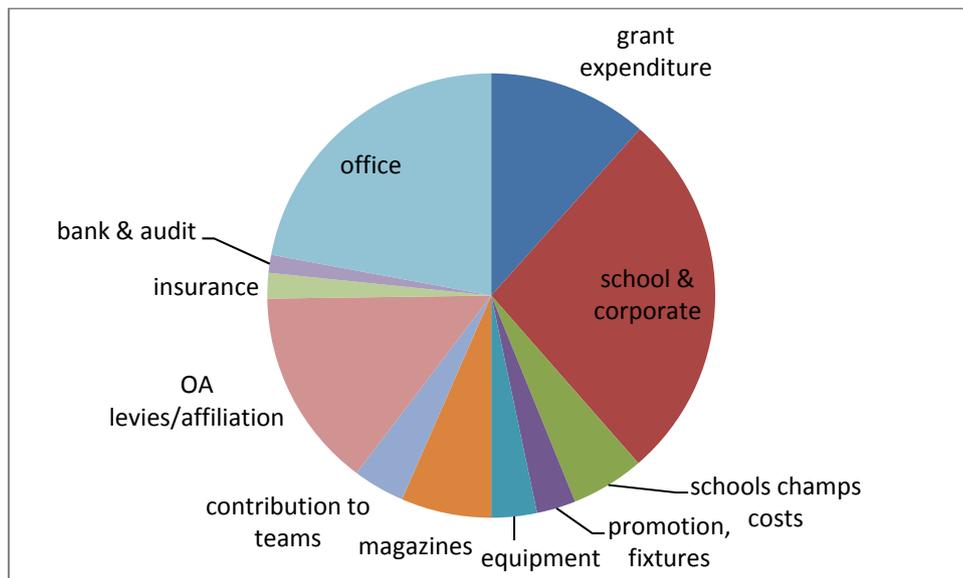
Ruth Goddard, Treasurer Orienteering Victoria
October 11, 2014

Attachment 2

All income and expenditure for Orienteering Victoria (January to December 2014)



All Orienteering Victoria income in 2014



All Orienteering Victoria expenditure in 2014

Some issues which have arisen since October 2014

- **From Bendigo Orienteers**

In summary BG have an active program and a particular focus on the development of juniors (a third of participants in their events are juniors). BG are concerned that the increase in levy rate from \$1.50 per junior to \$2.80 flat rate (seniors and juniors) in 2015 is unfair to the club and will adversely affect their work with juniors.

They ask that juniors continue to pay half the senior levy and that senior levy rate be \$3.

Response by OV treasurer:

The average levy rate on BG events for both 2013 and 2014 was \$2.30 That is, if every participant (junior or senior) paid \$2.30 the levy income from BG for both years would have been the same.

In 2013 980 participants (32% juniors) paid \$2,230 levies average \$2.27

In 2014 2123 participants (31% juniors) paid \$4,866.95 in levies \$2.29

In other words, the average levy of \$2.30 is 87% of the senior levy rate of \$2.65

In 2015 levies on local events are increasing from \$2.65 senior to \$3.20 senior to counter the decrease in income from memberships and club affiliation. Applying the flat rate of 87% of the senior rate, the new flat rate levy is \$2.78 or \$2.80.

- **From urban subcommittee**

A number of issues have been raised by the Committee:

- 1) A breakdown of specific park/street costs covered directly by OV

Fixtures printing	\$ 2,502
Control cards	\$ 3,061
Refreshments	\$ 2,340
Prizes	\$ 903

- 2) To describe in "simple everyday terms" the role of Orienteering Victoria.

The first two points of the Constitution state that the purpose of Orienteering Victoria is 1. *to encourage and promote Orienteering as a competitive sport, a recreation and an educational activity, and 2. To coordinate all orienteering activities in the state of Victoria by virtue of the Authority conferred upon it by Orienteering Australia.*

The Board of OV is the governing body. People who participate in orienteering and become members constitute Orienteering Victoria. Both groups should be involved in promoting Orienteering Victoria and understanding its role in the different disciplines of the sport.

- 3) Entry fees for Park/Street events including Seasons Tickets

As explained in this paper, levies have always been an important source of income to pay for the general activities of Orienteering Victoria. From 2015 they will constitute a large proportion of income. Levies are set at the October Council meeting of OV and are paid on every event on the OV

calendar. Organisers of events set the entry fees. At this stage the increase in levy rate on local events including Park/street events will place some pressure on entry fees. The level of increase in entry fees required to maintain the returns to clubs who organise events, is very unlikely to discourage participation.

Many regular park/street participants who are OV members buy Season tickets which considerably reduces their entry fee if used to their maximum. OV is concerned that insufficient levies are being paid on these tickets and is now asking that the levy is paid on 75% of the maximum use. (further explained in the attached amended paper from December.

4. Schools' attendance and OV levies

All park/street attendees will be levied at a flat rate of \$2.80 from 2015. The calculation of the size of the flat rate was based on local events run in Bendigo every Saturday where one third of the participants are juniors. Park/street would not have that percentage of juniors over the year.

LEVIES ON PARK/STREET SEASON TICKETS (amended from November)

Seasons tickets are sold during the first three weeks of a season. The saving for the person is approximately half the cost of entry for the full season. These tickets reduce the cash that an organiser has to count and bank after an event and they represent an incentive for joining Orienteering Victoria. However, the method of calculating levies on these tickets does not represent their multi-use.

Recommendations

1. The price of season tickets continues to be set by the Urban sub-committee.
2. Levies on season tickets are set by the Orienteering Victoria treasurer and approved at the October Council meeting each year.
3. For 2015 Season ticket levies are paid based on attendance at 75% of the maximum number of events purchased in the ticket.
4. No reductions in levies for multi-series tickets.
5. For 2015 cash takings be used for calculation of casual entries and levies be paid on them at the flat rate of \$2.80 (the new flat levy rate for Park/street events established at October 2014 Council Meeting).

Calculating the individual entries

At any one event there will be people who have paid by season tickets, those who pay on the night and those who do not pay at all. For this purpose we will have to assume that the cash taken represents the number of casual entries.

For example, the total cash received on the night in the 2013/14 summer series was \$14,748
Assuming each person paid \$4 then 3687 entries paid on the night
Levies would then be \$9,770.55 ($\2.65×3687 or 66.25% of \$14,748)

Use of a season ticket during a series

A person who buys a season ticket is not likely to attend less than the number of events that the ticket pays for – for example 12 events for \$48.

\$48 season ticket buys 30 weeks of one event per week.

Data from the 2013/14 season show that a person attends about three quarters of the maximum events. Levies should now be paid on 75% of the maximum number of events

Ruth Goddard
Treasurer, Orienteering Victoria

January 26, 2015