

Proposal for a New OACT fee structure. August 2018 - The “Streamlined Proposal”

This proposal will

- Reduce office admin time and reduce burden on rego desk volunteers
- Be very Simple
- Encourage SI stick ownership
- Encourage membership (easier to collect data)
- Be approximately overall Revenue Neutral for OACT (see notes available on request)
- Abolish all categories (except member / non-member distinction) – one fee for everyone
- Members would be better off
- Much cheaper for OACT than the other tabled proposal

Encourage E stick ownership

- All members must own an Estick which is their UNIQUE identifier number
- Keep “One SI Stick ID number per person” Rule.
- ie You cant lend your stick to someone
- Increase Hire fee for Estick from \$2 to \$5
- Sell Esticks at a slight loss to new members (\$35 ie at \$15 loss)

Annual Membership

- Due on Jan 1st .
- Strictly enforced from Feb 1st
- No early bird discount
- \$50 per person (all categories) – simple !
- \$10 per additional person in the same family (ie a couple with one child \$70)

New membership

- As above but
- New members from Oct 1st get 15 months for price of 12. (as currently)
- New members must own or purchase an E stick. We sell for \$35 each – ie we lose \$15

Entry fees – members

- \$7 per person (all categories) - simple ! up to max of \$21 per family
- (to be eligible member must own their own Estick)

Entry Fees – non members

- \$15 per person (all categories) – simple ! up to max \$15 per family
- Additional \$5 for E stick hire

Teams

- Unchanged – ie Keep current rule which is “teams are charged one entry based on the highest fee person but if one of the team is a member then use the members fee”. Additional map fee \$2 per map. One E stick required per team- attached to name of team “leader”

Discussion on “The Streamlined Proposal” :

Abolish all categories – simple but no member is worse off !

No more arguments about junior / senior / concession / student / associate. Charge same per person but reduce price so no members would be worse off

Entry Fees – reward members more !

Member entry fees reduce by average \$2. Non member entry fees increase on average by \$5

SI stick ownership – members must own an estick

Encourages data collection. Improves safety. Reduces burden on rego volunteers. Several long term users still hire Esticks every week. If you forget your stick you can still hire one for \$5

SI stick ownership – new members assisted

New members can purchase one E stick each for \$35 - we lose \$15 as they cost us \$50 and we normally sell for \$55. This offer is only valid once (ie not if they lose it). You could say that we are offering new members a reduced membership fee for the first year. Selling Esticks at a slight loss would only cost OACT \$900 per year and will be offset by increase in hire fee from \$2 to \$5

Membership – enforcement

Strict enforcement is already required as several non members regularly claim to be members – (most have genuinely forgotten to renew rather than actually trying to rort the system.) For 8 weeks a dedicated person on rego desk checks all memberships against a list and has ipad ready to facilitate on the spot renewal for last 4 weeks of Twilight and first 4 weeks of Metro. To avoid confusion make it not possible to join on Eventor before Jan 1st.

Associate membership would be deleted. All members are expected to be rewarded equally.

Membership – new members introductory offer

New members. 15 months for price of 12: Unchanged from current. Office person has to spend two hours a year on Jan 1st transferring new members to a free next years membership

Membership – family – more realistic

Family membership at \$10 per additional person encourages other family members to join but only if they are actually going to enter an event. It discourages “dud” relatives who are never going to attend. These “dud” relatives clog up our email lists and (naturally) never help at events even if we ask them to. These “dud” relatives do not need to buy an SI stick. Family membership 2 costs \$60. Family membership 3 costs \$70 etc. Family definition unchanged (2 adults and dependent children under 26)

Membership – early bird abolished

This was a nightmare to administer. Better to strictly enforce renewal by Feb 1st for entries. Legally constitution allows membership for AGM purposes until March 1st but we can insist on it for events from Feb 1st.

Financial / mathematics calculations available on request - revenue neutral - David Poland

Mathematics / Financial considerations for The streamlined Proposal”:

Overall the Streamlined Proposal is cost neutral

Teams price goes up but it is still a reasonable deal

As currently one E stick is required per team- attached to name of team “leader”. (Hire fee to increase to \$5 or buy for \$55 or become a member now and buy for \$35

Team Examples : three new non member kids \$15 + \$5 hire = \$20 / a new family as a team \$15 + \$5 hire = \$20 / a member brings a friend and they run as a team – friend effectively comes for free or for \$2 with the extra map. Member is not embarrassed to ask friend for money

Newcomers price goes up but it is still get a reasonable deal

Newcomers can still try for a cheap price – incl E stick hire and map - currently \$12 (child) or \$17(adult) – but now \$20 regardless of age. For this price they can go as one person or as a group. (ideal for a family). [In the other proposal new adults pay \$27]

Members can bring a friend to try it out (as a team) - and it will cost NOTHING extra !

Break even points for participants – as low as 5 events will cover cost of membership and E stick

A new single person - Break even point is 6.5 events

[So we can say “you can enter on a weekly casual basis for \$15 +\$5 but why don’t you join up now, buy an Estick (which we will sell below cost for you) and it works out cheaper if you do 6 or 7 events – and you have a whole year (or 15 months) to do this]

New father and son come for the first time - Break Even point is 5 events.

Two parents and two children come and enter as a team - Break even point 6.5 events

Mathematics for OACT - This is to be confirmed – but I believe overall cost is neutral

Membership fees income down - \$3,800 loss

junior / concession - \$10 less

Adult - \$30 less

Family approx. - \$30 less

Associates - \$50 more

- 2017 – income was \$20,709
- 2019 - anticipated under new model will be 112 family @ \$30 less = \$3,360 , 100 singles @\$20 less = \$2,000, associates 30 @ \$50 more = \$1,500 – total loss of \$3,860 . In addition a slight gain in membership numbers is anticipated that would help. 20 extra members would add another \$1,000
- This compares much better than the other proposal.

Entry fees income - \$5,500 more

Entry Fees members – average drop of \$2 per person

Juniors / conc – no change (\$7)

Adults \$3 less (\$10 to \$7)

Family \$6 less (\$27 to \$21)

Entry fee non members (inlc extra \$3 e stick hire cost) – av increase of \$5 per person

Jnr/conc – up \$8 (\$10 +\$2 to \$15 +\$5)

Adult – up \$3 (\$15 +\$2 to \$15 + \$5)

Family – up \$ 14 (\$46 to \$60)

Lets assume that NOL and champs and street O entry fees were unchanged. Of the approx. 7,500 participations in other (ie mainly Twilight and Metro events) assume 2/3 are members and 1/3 are non members. Loss from reduced member entry fees would be \$10,000. Gain from non member fees would be \$12,500. But we expect more people to become members and participation to grow slightly – If we estimated a modest 3% growth that would be an extra \$3,000 in revenue. Overall gain would be \$5,500

Subsidised sale of esticks – loss of \$900

At \$15 loss for each and say an extra 20 new members per year added to the existing expected (I am guessing) 40 new members per year that would cost us 60 x \$15 = \$900

Comparison to Other New Proposal which would cost about \$2,000 more

In the other proposal tabled for consideration OACT would lose money

- Membership fees would drop to \$30 - additional loss of \$6,000
- E sticks would be given FREE to new members I am guessing 60 x \$50 = \$3,000 loss
- 10% early bird would apply – cost \$300
- Non member adults entries would be \$25 +\$2 which would bring in 1,200 x \$7 \$7000 but that means newcomers are being asked to pay \$27 for their first entry

The advantage of the other proposal is that it penalises non members even more to persuade them to join. But I think it goes a bit too far. It also rewards members who do not participate whereas the “Streamlined Proposal” rewards those who enter more events.

Note – The Impact of Orienteering Australia levies on both proposals is about the same

In essence each membership (not each member) is charged \$43 by OA as a levy. This is a bit of a disincentive for us to grow but one way of thinking of this is that this covers the insurance for each member. I have not budgeted this into the calculations but it would apply whichever model was adopted. Both the proposals would be worse off by the same amount because if the number of memberships go up we pay more. So lets budget for 30 Associates + 20 new members = 50 x \$43 = \$2,000 extra levy to pay. But this applies to both proposals. It is unfortunate that this penalty applies if we grow our sport.

David Poland. This is a proposal / discussion only Aug 2018