

OA proposal on finance for 2018

It was flagged at the 2016 OA Conference that the current deficit in the Orienteering Australia budget was not sustainable in the medium term, and that measures would be proposed to the June 2017 Special General Meeting to address this situation.

The following paper outlines the measures which are proposed by the Board. These consist of a mixture of expenditure cuts, obtaining increased funds through members of national teams, and increased contributions by State Associations.

The proposed additional contribution from State Associations (combined) is \$10,000 in 2018 and \$20,000 in 2019. Partially offset against this will be the reduction (as yet unknown) in the cost to states of the Australian Orienteer, as the digital edition gains greater penetration. (This is covered more extensively in the Australian Orienteer paper). The Board proposes that this amount be collected through the State Registration Fee, but is also open to options which draw the amount partly or wholly through changes to event levies.

For the information of States, our current discussions with SOFT have indicated that the main Eventor licence fee will remain unchanged (in Swedish kronor), although we will have the option of taking up additional features should we wish to do so, as described more fully in a separate paper.

The Board seeks General Meeting endorsement of the proposed financial strategy, and in particular the proposed changes to contributions from States.

Bruce Bowen
Director (Finance)
16 May 2017

Proposal to put to the OA Special General Meeting to meet the current projected annual budget shortfall of around \$40K from 2018-2020

1. A training squad annual contribution levy for all senior and junior elites of \$200 per head.

OA Squads covered will be:

High Performance Squad, National Development Squad, Australian Junior Development Squad and Targeted Talented Athlete Group

Estimated additional revenue: \$10K

Note: the new levy would be used to cover general high performance expenditure rather than being used for specific training camps or as a substitute for current team member contributions (e.g. for JWOC and MTBO WOC/JWOC). Therefore, if there were additional costs for holding training camps, above the subsidy budgeted by OA, these additional costs would have to be continued to be shared amongst training camp participants.

It is hoped that training squad members would be able to approach their clubs and/or state associations or other sponsors, or carry out fundraising activities, to help to meet the levy.

2. A \$500 per head levy for WOC team members to meet costs associated with the Australian WOC team competing at the World Orienteering Championships.

Estimated additional revenue: \$4K to \$5K (depending on team size)

3. A staged increase in the State Registration Fee (SRF) over 2018 and 2019 – the increase would total \$20K (excluding GST) and represent around a 21 per cent increase over the current SRF – with a 10 per cent increase applying in 2018 and the remainder added in 2019. In addition, the SRF would switch to being two payments a year by State Associations, rather than one payment at present. (An alternative, but more complex, option would be to raise some of this through increased event levies rather than the SRF).

Estimated additional revenue: \$20K (in 2019)

4. A change from a paid High Performance Administrator position to a volunteer role with expenses being reimbursed. (This was suggested by the current occupant of the position).

Estimated expenditure saving: \$6K

Total projected additional revenue and expenditure savings: \$40K

The objective of this set of new proposed measures is to return the budget to balance by 2019

Note that the current budget from 2018-2002 is also based on revenue of \$5K per year from High Performance fund raising activities and donations of \$5K a year. If these amounts are not realized then the budgeted support for High Performance teams travelling overseas will need to be reduced to make up for any revenue shortfalls.