

## 3.2A Orienteering Victoria Response to High Performance Funding Problem

### Introduction

We congratulate OA on the clearly written paper and recognise the difficulty of the position for Orienteering in Australia. We all want the same goals:

- Increased participation and a growing sport
- A flourishing and successful High performance program with success for our elites and reward for their efforts
- High quality events that all in the sport enjoy

However, we also have to recognise our constraints

- The ASC high performance funding has been withdrawn
- We have an ageing O community in many states
- Our numbers at major carnivals and state championships aren't showing major participation growth and vary year by year depending on the location. By "passing" up the Easter carnival in 2017 we will have created a further budget "hole" – albeit a one off
- Our sport competes for attention in "busy market place" where we are struggling to make an impact despite the 'quality' and "variety" of our product
- There is resentment in some parts of the O community about support for 'elites' and high performance. They do not see why they should subsidise the High Performance program when they see mixed results. There are even perceptions of HP athletes travelling to Europe and "not bothering". We are not saying that perception is reality but the perception exists and has been relayed to our committee members.
- All governance bodies, be they at state or national level, are viewed with hostility by some even though OA and OV are just volunteers elected from the community to represent them.

### Summary of OA Position

With the withdrawal of ASC funding, OA faces an \$86,000 budget gap for the HP Program. Various cuts and changes that OA believes are sustainable has reduced this gap to \$40,000 (although we think that the funding gap will more likely be between 45,000 and 50,000 PA). OA identified three possible ways to close the gap namely:

- a) Greater HP self-funding like New Zealand
- b) Cutting the paid associated positions and seeking volunteers
- c) Moving the funded EO role to a volunteer position

As OA believes all these mechanisms have other consequences, instead it is seeking additional funding from the states to close this gap. This would represent either a 45 per cent increase in State Registration Fee contributions paid in 2016 by State Associations; or alternatively a 70 per cent increase in Event levies.

**Local Context**

In Victoria we understand the value of the High Performance program and agree that it is something that as a sport we should try to maintain. We also appreciate the efforts that OA has made to cut costs and redirect expenditure. However, the feedback we are getting from clubs and participants is that there is already a level of resentment that levies and membership fees (to the state) go to fund “Elite high performance programs”. Already some who are active in our Park Street program have suggested opting out of OV altogether to avoid levies. We have also had a major regional club (Bendigo) discuss opting out of Orienteering Victoria believing that levies fund programs they get no benefit from. Of course there will always be pockets of discontent, but the voices are stronger now than they have ever been.

Secondly we believe our championships costs are at a level where they are starting to be a barrier to some participants. In other words, they are threatening our strategic goal of greater participation and reducing entries at championship levels. Our Victorian Long championships had a disappointing entry (165) this year despite being on a quality map at a time of year ideal for tuning up for the Australian champ’s carnival. The \$25 entry for our Vic Sprint championships for a 15-25 minute runs is seen by some as an entry barrier. Of this nearly \$11 is levies. Thirdly some clubs have given us feed-back that with current levies they believe they can no longer run state championships on new maps because the pay back is too long as margins are so small. The club that ran our Vic Long Championships just exceeded break even despite using an existing map.

We have concluded that we cannot raise levies without risking participation. Increasing the State contribution would have the same impact. OV would either have to raise membership fees to cover the additional levies or indirectly cover those costs. Our medium term projections are that OV will struggle to balance its books in coming years so further OA contributions would damage this position unless we impose more costs on members and events. We think that goes against everything in our strategy to grow membership and participation. If anything, we would like to see state contributions and levies held constant for the foreseeable future.

We would like OA to get more levy income but through greater participation in our major championships and increased ‘active membership’. That is our strategic goal as a state. That will spread the “fixed costs” of administration, insurance and “high performance” over a wider revenue base. By extension it is critical that High performance athletes also promote the sport and grow it. So we will not support further revenue raising from the states to support the high performance funding gap.

**Our alternative proposal**

Of course it is easy to say no and we therefore suggest a range of alternatives. We believe the solution is a combination of some cuts, some additional revenue and greater involvement of HP athletes in organisation within the orienteering community which in turn will raise funds. We have proposed all three because one of the lessons from the ASC funding is that we should aim to be independent of a single source of funding. Three solutions are better than one. We also think it is important to involve the

HP group in the solution. The rest of the orienteering community needs to see that they are “part of the solution” not just “the problem”. We will explain each suggestion in turn

a) Some cost cuts

Like all organisations with less funding we have to find savings. We believe that some of the roles that we have put in place were the result of the ASC funding and would not have been created without it. Now that isn't available we believe that our paid roles have to be cut back. At a minimum we think we cannot afford an administrator but may have to cut back other roles if sustained funding from our remaining revenue suggestions below is not forthcoming.

We could also look at cutting other OA costs. For example, we note that this conference is two days and therefore has accommodation and travel costs. We assume 20 delegates are each taking up \$300-400 in expenses. Could that be cut? Could ACT members put up delegates?

Necessity is the mother of solutions. If we are paying for travel for this and other OA meetings, then we need to re-assess that also. Skype and other video conference tools may represent a cheaper alternative and cut 1-2 meetings a year. Many major organisations have slashed their travel budgets this way. While we understand the value in having this meeting separate to all other events, we would also like that to be revisited. We find it hard to find delegates free to attend this event in early December. Every year Victoria's Sprint into Spring carnival climaxes on the previous weekend and there could be 12 hours of meetings held around those events giving more people a reason to travel. That is just one idea.

We suggest targeting cost cuts of \$10-15,000 per annum from some of the suggestions above.

b) Using elites to raise money and run events at state and national level

We know that some members of the HP program are very active such as Simon and Bridget in SA. However, they are the exceptions and we understand that training and competing are time consuming for HP athletes. However, our organising and planning cohort are ageing and the HP athletes can help fill that gap. We also know that the Canberra camp is funded from running the Canberra sprints. We just think that is nowhere near enough and the event is not significant enough to raise a great deal of funding. However, that idea of camps around events organised by HP athletes could be repeated multiple times. Other suggestions include:

- The elites running the Christmas 5 days every year on existing maps provided by the states and clubs. This is a good “time of year” for an HP organised camp as it doesn't compete with other European events. While NSW has traditionally run this, perhaps it could rotate through likely locations to enable this e.g. NE Vic every 4-5 years, ACT every 4-5 years. East coast Tasmania every 4-5 years etc.
- The HP members running the school's components of the Aus. champs carnival and beefing up the associated public events so they get more entries. Again this is a logical suggestion as few of the HP athletes need or want to compete in the mid-week events. Many orienteers are choosing not to attend the mid-week events because they are focused on the schools. The HP athletes could lift the profile and focus of these events with the support of the organising state.
- Each HP athlete to run a state series or state level championship in their state with the aim of raising \$500 to HP funds

- HP athletes, where they are a critical mass, to help run a significant series of events. In Victoria that could be our sprint into spring or melbusho O series
- HP athletes to be heavily involved in state level participation projects. If they did, it might be possible to funnel them participation funding.
- HP athletes to be asked for other ideas on how they could organise to raise funding. They might want to run fun runs or the like.

We assume there are roughly 20 junior elites and 20 seniors in the HP program. If each of these were to raise \$750-1000 through this running of events, it would close \$30,000-\$40,000 of the funding gap. The participation funding alone could raise a significant amount but elites would have to make a contribution and receive funding in return.

- c) We think there should be a concerted effort to find sponsorship for the HP and elites. NSW has just raised \$5000 for their school's team and our national teams have almost nothing. This could take many forms:
- a. Sponsorship in kind such as Qantas flights, accommodation, hire cars, food etc.
  - b. Kit sponsorship for all equipment
  - c. An appropriate naming rights and team sponsor. We are aware that David Jaffe approached ten business contacts in this regard for the JWOC team last year and had some warm noises but was not able to follow up. We think one of the roles of our OA executive officer should be to break down doors to make this happen. David sought \$20k per annum for the Jwoc team and we still believe this is feasible for jwoc and woc. If that was achieved the gap would be closed.
  - d. Team members to seek personal sponsors. We know that has occurred in the past.
  - e. The Orienteering community as a whole should be approached for contacts and ideas. Many orienteers work in large corporations and may have marketing or other contacts. Some may even run companies willing to sponsor one or other team.
  - f. Seeking individuals and bequests. It would be great to build some form of trust fund that would enable perpetual funding of the elites. This would be a long term strategy.

This is the most uncertain of the strategies we have proposed but we have no sponsorship of our national team and an attractive product. We can offer corporates programs for their employees and the navigation skill may be an attractive angle for many companies. David Jaffe suggested wealth management and super businesses that help people "navigate their retirement". He found that AMP has a trust that releases funds each year on application. We should also target companies who are promoting themselves in Europe e.g. CSL, BHP, Flight Centre. David Jaffe VP of OV, is willing to work with any OA officers or others to help make this happen.

## **Conclusion**

Orienteering Victoria will not support increased levies or contributions to fund the so-called High performance gap. Our proposed solution is:

- Some further cost cutting of both salary positions and "smarter" and cheaper ways to run some OA functions
- Working with the HP performance members to have them more involved in events to raise funds and participation projects to "divert" funds to HP athletes and programs

Those two solutions alone should address most of the gap. In addition, we suggest a concerted effort to find sponsors which could take us to a very different funding position. However, we recommend that OA treat that as a “bonus” that could be invested if it occurs.