

Affiliation Review Submission

THE NEW PER HEAD MODEL

Proposed Motion for the 2019 TCRI AGM

“That affiliation fees be set at the following rates for the year from 01 July 2019 to 30 June 2020:

All (Town and Country) Juniors 11 and under \$10.00.

All others (Town and Country) \$25.00.

Also, that these figures are inclusive of GST and any TNZ affiliation fees payable”

Juniors 11 and under	\$10.00
All others	\$25.00

Submitted by Bruce McDowell

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Why the 7 Band Model is bad

It makes you pay for members you don't have - You pay for 120 members as soon as you enter a band, regardless of how many of those 120 you actually end up getting. It is disguised as encouraging growth up to the next 120 members, but in reality, it punishes those clubs who don't because until you complete your 120 member band you are paying for members you don't have.

The 2017/18 overall reduction in affiliation fees was unfairly distributed - Most members received reductions in their affiliation fees however these reductions were certainly not fairly applied amongst members. The overall reduction in affiliation fees ranged from 16.41% (Mid Canterbury) to more than 50% (Sumner and Bishopdale) and three members received no reduction at all (CT Seniors, Riccarton Domain and Hurunui). Hurunui sub-association has since disaffiliated from TCRI and TNZ.

It creates unfairness between voting power - For example in Band 2, Edgeware pays \$4,000.00 and gets 6 votes, while Bishopdale pays \$4,000.00 but gets 10 votes.

The 7 Band model continues to create unfairness between the per head cost - Of the total \$114,050.22 Affiliation Fees paid to TCRI \$84,120.78 (73.8%) is paid to TNZ and \$29,929.44 (26.2%) is retained by TCRI. The TCRI retained income per-head cost of affiliation ranges for sub-associations from 33 cents (North Canterbury) to \$10.30 (Malvern) and for clubs \$1.80 (Burnside Park) to \$12.89 (Edgeware).

It discourages the growth of individual membership and tennis in Canterbury - The high cost per band discourages new and small clubs from affiliating with TCRI and discourages individual members from outgrowing their current band. This cost will significantly slow the growth of tennis in Canterbury as evidenced with Hurunui and it's 143 members being the latest disaffiliation from TCRI.

The old Per Head Model (2016/17)

	TCRI	TNZ	TOTAL
Juniors 11 and under (Country)	\$10.79	\$4.74	\$15.53
Juniors 11 and under (Town)	\$15.44	\$4.74	\$20.18
12 to 18 (Country)	\$13.87	\$18.96	\$32.83
12 to 18 (Town)	\$18.53	\$18.96	\$37.49
Seniors (Country)	\$12.59	\$18.96	\$31.55
Seniors (Town)	\$26.98	\$18.96	\$45.94

The new Per Head Model

Juniors 11 and under	TCRI & TNZ	\$10.00
All others	TCRI & TNZ	\$25.00

Why the new Per Head Model is best

The New Per Head Model is fair – All clubs and sub associations pay the exact same amount per 'Junior 11 and under' and 'All Other' members. There is no financial advantage given to clubs with small memberships, large memberships, or memberships which happen to fall near the end of a 120 member band.

You only pay for members you actually have – Per head affiliation fees are exactly aligned with membership and revenue, so your affiliation fee corresponds to your ability to pay (i.e. each member improves the ability of a club to pay more affiliation fees). This is the most logical approach to collecting affiliation fees, and also reduces any incentive to under-report membership numbers.

The New Per Head Model is easy to understand and enforce – It is the model that has been fairly and successfully used by Tennis Canterbury up until the change to the 6 Band Model at the 2016 TCRI AGM. It is also currently used by TNZ and all other regions in New Zealand. Any concerns about accurate reporting can easily be addressed by TCRI implementing an audit process.

All members without exception will be better off under the Per Head model when compared to their 2016/17 affiliation fees paid – It provides a fairer spread of the overall reduction in 2016/17 affiliation fees and a fairer per head cost than the current 7 Band (formerly 6 Band) model.

The Per Head Model aligns membership numbers, affiliation fees, and the new voting rights as established at the 2018 TCRI AGM – This is logical as voting power should reflect both membership numbers AND financial contributions to TCRI.

The New Per Head Model allows for a distinction to be made between 'Juniors 11 and Under' and 'All Others' – Charging a lower fee for young tennis players can offer an added incentive to encourage young players and family memberships. Introducing two TCRI fee categories also aligns TCRI with TNZ's affiliation fee model of two fee categories.

There is no need for TCRI Board affiliation fee concessions to apply with the new Per Head Model – This is because you are not required to pay for members you don't have, instead every club's affiliation fee will correspond with their ability to pay.

Accurate Membership records benefit members and the region – Knowing how many members your club / sub association has, and how that membership is changing allows for informed decision making regarding setting membership fees and types, and insight into how to better grow membership. It is also a requirement to keep and provide a register of members under both the TNZ and TCRI Constitutions.

The TNZ collection method has no impact on how regions collect affiliation fees – It is up to each region to determine a fair and equitable method to collect affiliation fees. The new Per Head model does this and provides leverage to obtain lower TNZ affiliation fees, especially in the 12 years and over category where TNZ currently charges TCRI \$18.96 per head.

A redistribution of the overall reduction in affiliation fees is fair – A minority of members (11 out of 24) will pay more with a change to the new Per Head model, however, this is fair and necessary to resolve the inequities created by the 6, then 7 Band model. The 'worse off' a member is under the new Per Head model, the more unfairly advantaged they were under 6, then 7 Bands at the expense of the other members.

It encourages the growth of individual membership and tennis in Canterbury – Cheaper per head fees will encourage smaller clubs to affiliate as they will have the corresponding revenue to pay the required affiliation fees. This will almost immediately grow the sport of tennis in Canterbury.

We believe that collecting affiliation fees on a per head basis is the fairest way for TCRI and TNZ to collect affiliation fee revenue.

The new Per Head Model

How the numbers stack up

Ref: Tennis Canterbury Year ending 30/06/18 Annual Report & Financial Statements page 27						Better Off Under Model	
Club	Juniors	Seniors	Total 2018 Membership	Per Head Model	TCRI 7 Band Model	Per Head	TCRI 7 Bands
Marshland	Disaffiliated						
St Martins	Disaffiliated						
St Pauls	Disaffiliated						
CT Seniors *	0	6	6	\$150.00	\$501.49	\$351.49	
Riccarton Domain *	15	38	53	\$1,100.00	\$1,548.73	\$448.73	
Spreydon	14	57	71	\$1,565.00	\$2,000.00	\$435.00	
Redcliffs	24	70	94	\$1,990.00	\$2,000.00	\$10.00	
Sth Brighton	44	67	111	\$2,115.00	\$2,000.00		\$115.00
Mt Pleasant	53	63	116	\$2,105.00	\$2,000.00		\$105.00
Avonhead	16	120	136	\$3,160.00	\$4,000.00	\$840.00	
Edgware	48	99	147	\$2,955.00	\$4,000.00	\$1,045.00	
Opawa	65	90	155	\$2,900.00	\$4,000.00	\$1,100.00	
Halswell	55	126	181	\$3,700.00	\$4,000.00	\$300.00	
Burwood Park	77	120	197	\$3,770.00	\$4,000.00	\$230.00	
Sumner	29	169	198	\$4,515.00	\$4,000.00		\$515.00
Beckenham	83	128	211	\$4,030.00	\$4,000.00		\$30.00
Bishopdale	71	161	232	\$4,735.00	\$4,000.00		\$735.00
Burnside Park **	110	158	268	\$5,050.00	\$4,000.00		\$1,050.00
Shirley	115	186	301	\$5,800.00	\$6,000.00	\$200.00	
Hagley Te Kura	130	249	379	\$7,525.00	\$8,000.00	\$475.00	
Cashmere	143	239	382	\$7,405.00	\$8,000.00	\$595.00	
Elmwood	123	284	407	\$8,330.00	\$8,000.00		\$330.00
Waimairi **	241	277	518	\$9,335.00	\$8,000.00		\$1,335.00
Total Metro	1456	2707	4163	\$82,235.00	\$84,050.22	\$6,030.22	\$4,215.00

Sub Associations

Hurunui	Disaffiliated						
Malvern **	39	185	224	\$5,015.00	\$6,000.00	\$985.00	
Mid Canterbury **	79	173	252	\$5,115.00	\$4,000.00		\$1,115.00
North Canterbury	69	293	362	\$8,015.00	\$6,000.00		\$2,015.00
Ellesmere	100	643	743	\$17,075.00	\$14,000.00		\$3,075.00
Total Country	287	1294	1581	\$35,220.00	\$30,000.00	\$985.00	\$6,205.00
Combined	1743	4001	5744	\$117,455.00	\$114,050.22	\$7,015.22	\$10,420.00

Member Type	Junior	Senior
TCRI Fee	\$5.26	\$6.04
TNZ Fee ***	\$4.74	\$18.96
Total	\$10.00	\$25.00

* TCRI Board Concessions apply, i.e fees limited to Affiliation Fees Paid 2016/17

** TCRI Board Concessions apply, i.e fees remain fixed to year 1 band fee.

*** TNZ Affiliation fees have remained the same for each of the past 3 years i.e for 2016/17, 2017/18 and 2018/19

Note: With large 120 member bands, a few members (gained or lost) can create a significant difference in affiliation fees of \$2000.00. Remember that the 24 May 2017 SGM only fixed members positions within the 6 bands for 2 seasons. The worst features of 120 member bands will occur in the 2019/20 season to members who are required to change band positions.

TCRI Bands	0-120	121-240	241-360	361-480	481-600	601-720	721+
Band Fee *	\$2,000.00	\$4,000.00	\$6,000.00	\$8,000.00	\$10,000.00	\$12,000.00	\$14,000.00