

# Affiliation Review Submission

## THE VOTE BAND 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:

For Band One, from 0 to 24 Members inclusive, no fee, and for each complete band of 25 members a fee of \$523.15.

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

0 - 24 Members	\$0.00
1 x 25 Members	\$523.15
Every additional 25 Members	\$523.15

**Submitted by Bruce McDowell**

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# Why 7 bands 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.

**Two sub-associations were disproportionately advantaged** – The two largest Sub Associations, North Canterbury and Ellesmere (who were both already paying lower than metro club per head affiliation fees) with a combined membership of 1,117 members or 19.51% of the regions total members, received \$15,274.87 or 42.06% of the TCRI budgeted \$36,313.30 net reduction in TCRI income. Moreover, the voting power of all Sub Associations was also subsequently increased by 100% at the 26 July 2018 SGM.

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

**The 6 Band model created unfairness between the per head cost** – Under the 6 Band model, the total per-head cost of affiliation ranged for sub-associations from \$15.33 (Ellesmere) to \$24.29 (Malvern) and for Clubs \$16.88 (Waimairi) to \$27.21 (Edgware). Under the 7 Band model, Ellesmere's per head cost increased from \$15.33 to \$18.84 while Burnside Park's per head cost decreased from \$19.61 to \$14.92.

**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-association from 33 cents (North Canterbury) to \$10.30 (Malvern) and for clubs \$1.80 (Burnside Park) to \$12.89 (Edgware).

**Affiliation fees were initially unjustifiably capped at \$12,000** – Under the 6 Band model, Ellesmere paid less in 2017/18 affiliation fees than the TNZ affiliation fees required to be paid on their behalf by TCRI. This was a significant error on the part of the TCRI Board. The 7th band corrects this error from being repeated in 2018/19 and TCRI now retains income of \$1.80 per head from Ellesmere's affiliation fees paid. The 7th band does not recover the shortfall from 2017/18.

**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.

**Simply put the TCRI Board did not do the maths.**

# Why vote bands is better

**Every club gets its first 24 members free** – A clear and equal financial benefit to all.

**You only pay for members you actually have** – You only pay for each complete band of 25 members. Your affiliation fee corresponds to your ability to pay, i.e. you won't be required to pay for members without the corresponding revenue.

**Smaller 25 member bands are fairer on all clubs** – Smaller bands mean affiliation fees are more closely aligned with membership and revenue, and also reduces any incentive to underreport membership.

**All members without exception will be better off under the Vote Band 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 Vote Bands align 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.

**New membership types can be defined to introduce more cost-effective memberships through "equivalent memberships"** – TCRI Members, need an acceptable member definition for uniform compliance and audit purposes.

**It uses the current 2017/18 membership numbers and collects the same revenue as 7 Bands using 2015/16 membership numbers.**

**There is no need for TCRI Board affiliation fee concessions to apply with the Vote Band Model.**

**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 Vote Band 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 Vote Band 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 Vote Bands, 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** – Because every club gets its first 24 members free, and with cheaper band fees, this will encourage smaller clubs to affiliate. This will almost immediately grow the sport of tennis in Canterbury. As current members will not incur any additional fees until they have a complete band of 25 members, and the associated revenue to contribute to TCRI, disaffiliation should stop.

**Logical, equitable and encouraging growth.**

# The Vote Band 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	Total 2018 Membership	Votes	Vote Band Model	TCRI 7 Band Model	Vote Band Model	TCRI 7 Bands
Marshland	Disaffiliated					
St Martins	Disaffiliated					
St Pauls	Disaffiliated					
CT Seniors *	6	1	\$0.00	\$501.49	\$501.49	
Riccarton Domain *	53	3	\$1,046.30	\$1,548.73	\$502.43	
Spreydon	71	3	\$1,046.30	\$2,000.00	\$953.70	
Redcliffs	94	4	\$1,569.45	\$2,000.00	\$430.55	
Sth Brighton	111	5	\$2,092.60	\$2,000.00		\$92.60
Mt Pleasant	116	5	\$2,092.60	\$2,000.00		\$92.60
Avonhead	136	6	\$2,615.75	\$4,000.00	\$1,384.25	
Edgeware	147	6	\$2,615.75	\$4,000.00	\$1,384.25	
Opawa	155	7	\$3,138.90	\$4,000.00	\$861.10	
Halswell	181	8	\$3,662.05	\$4,000.00	\$337.95	
Burwood Park	197	8	\$3,662.05	\$4,000.00	\$337.95	
Sumner	198	8	\$3,662.05	\$4,000.00	\$337.95	
Beckenham	211	9	\$4,185.20	\$4,000.00		\$185.20
Bishopdale	232	10	\$4,708.35	\$4,000.00		\$708.35
Burnside Park **	268	11	\$5,231.50	\$4,000.00		\$1,231.50
Shirley	301	13	\$6,277.80	\$6,000.00		\$277.80
Hagley Te Kura	379	16	\$7,847.25	\$8,000.00	\$152.75	
Cashmere	382	16	\$7,847.25	\$8,000.00	\$152.75	
Elmwood	407	17	\$8,370.40	\$8,000.00		\$370.40
Waimairi **	518	21	\$10,463.00	\$8,000.00		\$2,463.00
<b>Total Metro</b>	<b>4163</b>	<b>177</b>	<b>\$82,134.55</b>	<b>\$84,050.22</b>	<b>\$7,337.12</b>	<b>\$5,421.45</b>

### Sub Associations

Hurunui	Disaffiliated					
Malvern **	224	9	\$4,185.20	\$6,000.00	\$1,814.80	
Mid Canterbury **	252	11	\$5,231.50	\$4,000.00		\$1,231.50
North Canterbury	362	15	\$7,324.10	\$6,000.00		\$1,324.10
Ellesmere	743	30	\$15,171.35	\$14,000.00		\$1,171.35
<b>Total Country</b>	<b>1581</b>	<b>65</b>	<b>\$31,912.15</b>	<b>\$30,000.00</b>	<b>\$1,814.80</b>	<b>\$3,726.95</b>
<b>Combined</b>	<b>5744</b>	<b>242</b>	<b>\$114,046.70</b>	<b>\$114,050.22</b>	<b>\$9,151.92</b>	<b>\$9,148.40</b>

\* 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.

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.

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