

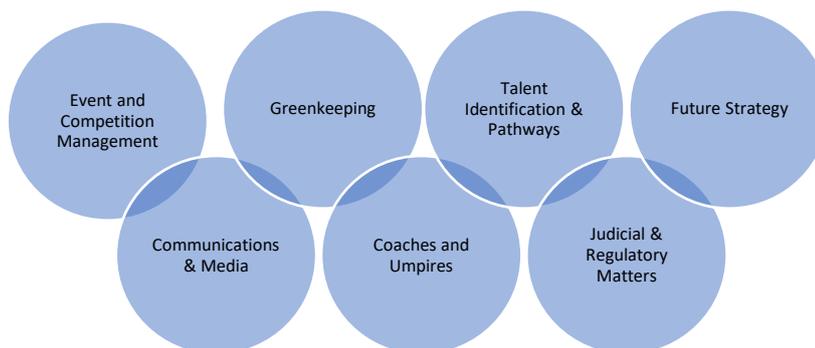
Bowls NZ – Membership(Capitation) Levy

Report for Centre’s March 2018

The Bowls NZ Constitution (Rule 13) enables Bowls NZ to charge each centre a membership fee (capitation) based upon the number of playing members of the bowling clubs (in that centre) as at 31 December of the previous year. In the 2017/2018 Bowls NZ forecast, revenues collected from membership were \$812,434.

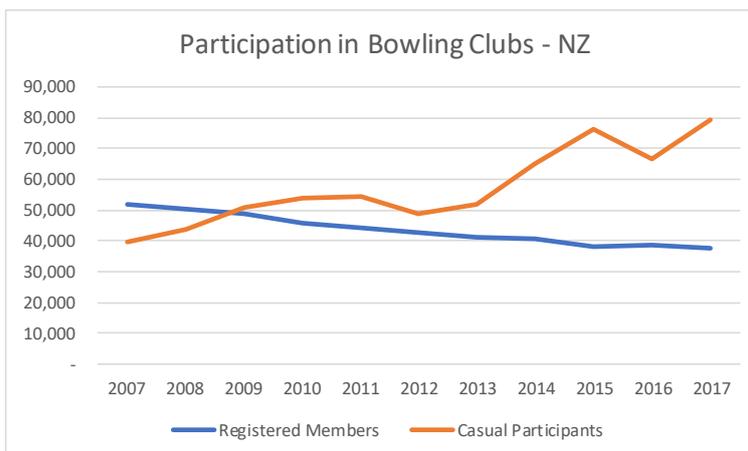
The revenue collected from membership enables the sport of Bowls to run the office of a national sports organisation.

The national office provides support for the following activity types:



It has become increasingly apparent that directly levying a member is no longer reflective of how a bowling club operates, and its relationship with Bowls NZ. It places the burden of the Bowls NZ levy directly on full playing members and takes no consideration of the growing casual bowls playing market. This is a market that Bowls NZ and its bowling clubs are now prioritising in terms of investment and return.

The following chart illustrates the change in participation within our bowling clubs over the past ten years:



This paper promotes an alternative to the current levy system by creating a levy that is more reflective of the bowling club’s overall activity than its full playing members status. It promotes a fixed levy that can be spread across all the users of the bowling club and not just the members.

The 'per club per green' Levy

1. All bowling clubs would be levied based upon the number of greens used annually by the bowling club.
 - One Green <30 members \$950
 - One Green >30 members \$1450
 - Two Greens <50 members \$1700
 - Two Greens >50 members \$2300
 - Three Greens \$3000
 - Four plus Greens \$3650

The above are excluding GST.

2. This fee would be subject to annual review by the Board of Bowls New Zealand.
3. The fee would be introduced in the 2019/2020 financial year.

The new levy system would provide bowling clubs with certainty of expenditure, that was largely independent of the reporting of membership numbers. The 'per green per club' levy is a very simple system to administer and takes the perceived 'ownership' of the Bowls NZ levy away from the playing member by instead assigning it to the bowling club.

Phasing in the Change

It is proposed that the new levy system be brought in as follows:

- 2018/2019 – 'fixed' based upon the current 2017/2018 membership levy.
- 2019/2020 – 'per club per green levy' with 50% relief for selected clubs (refer below)
- 2020/2021 – 'per club per green levy' with 25% relief for selected clubs (refer below)
- 2021/2022 – 'per club per green levy'

To lessen the impact on Bowling Clubs, it is proposed that those bowling clubs negatively impacted by more than \$500 from their existing Bowls NZ levy, be offered 50% relief in 2019/2020 and 25% relief in 2020/2021. This will allow those bowling clubs the opportunity to seek funding from alternative sources to make up the levy shortfall.

Bowls NZ will also create a 'Hardship Fund', accessible in writing for any bowling club that needs temporary support additional to the above.

Summary and Recommendation

In my travels around the country over the past nine months, I have promoted the 'per club per green' option to club representatives. Linking the levy to the bowling club is recognised as 'clean and simple' and answers the question 'what does Bowls NZ do for the bowling club?', not 'what does Bowls NZ do for the club member?'. It also addresses the rather significant matter that almost all of our bowling clubs generated more revenues from bar takings, casual bowlers and corporate functions; instead of the full playing membership fees.

There is an overwhelming mandate from our bowling clubs to change / improve the levy capitation system. There is also a general acceptance that levying the bowling club, as opposed to the full playing member, is far more acceptable and reasonable. The challenge of course is how to introduce a better levy system knowing there will be individual bowling club winners and losers in this change process.

It is recommended that our membership considers the above proposal prior to the September 2018 AGM, at which point the AGM delegates will vote their support or otherwise on the following AGM resolution:

The AGM Delegates support and approve the following:

'All bowling clubs affiliated to Bowls New Zealand will be levied based upon the number of greens used annually by the bowling club.

- | | |
|--------------------------|--------|
| ○ One Green <30 members | \$950 |
| ○ One Green >30 members | \$1450 |
| ○ Two Greens <50 members | \$1700 |
| ○ Two Green >50 members | \$2300 |
| ○ Three Greens | \$3000 |
| ○ Four plus Greens | \$3650 |

The above are excluding GST.

This fee would be subject to annual review by the Board of Bowls New Zealand.

The fee would be introduced in the 2019/2020 financial year.

This levy will replace the existing membership capitation levy and will require further change to the Bowls NZ constitution, as we consider what defines a financial member of Bowls NZ.'

If the new 'per club per green' levy does not receive the desired support at the 2018 AGM then Bowls New Zealand will stay with its existing 'per member' levy; setting the levy at the required level to meet operational needs.

Mark Cameron,

CEO, Bowls New Zealand.

Q&A

The Centre Levy?

How each of the 27 centre's levies its membership should be at the centre's discretion. If centre's want to adopt this club based (per green) levy or stay with the existing player membership levy, then that remains the centre's choice.

Impact on Bowling Clubs?

The smaller bowling clubs with one or two greens and a low membership (<30) are the most negatively affected by this new levy structure. Most of these bowling clubs will see their levy rise by a few hundred dollars. Bowling clubs with larger membership (>80) will be advantaged by this new club levy scheme.

Impact on Bowls New Zealand?

The Bowls NZ revenue generated by the existing player membership levy is approximately \$810,000, based upon the December 31, 2016 membership numbers. Introducing this new 'per club per green' levy (and assuming a small loss of greens and /or clubs) will generate between \$750,000 and \$800,000 of membership income for Bowls NZ.

Membership of Bowls NZ?

By moving to a 'per club' levy model, Bowls NZ will need to review its constitution to reflect what constitutes a 'financial member' of a bowling club in light of the move to a club based affiliation.