



## **Minutes – Special General Meeting.**

**Date:** Sunday 15 October 2023

**Location:** Level 1, Conference Room ACPE 10 Parkview Drive Sydney Olympic Park

**Purpose:** The Board of Judo NSW hereby requisitions a Special General Meeting for the purpose of providing members with an open forum to discuss matters as below on the agenda.

### **SGM MINUTES**

#### **1. Open of SGM – 10am**

**2. Attendees** **In person** Belinda McIndoe (Chair), David Groom (Director), Nigel Fricker (Director), Kristian Grostad (Director), Alan Broadhead (IIJA), Ben Broadhead (IIJA), Warren Rosser (UNSW), Phil McDermott (UNSW Life Member), Eddy Wong (SUJC), Catriona Maciver (SUJC), Kerrye Katz (Budokan), Steven Harris (Finance Committee), Grant Cole (Newtown Judo), John Diplock (Newtown Judo)

**Online** Nick Crowhurst (Director), Rajini Carpenter (Director), Gavin Morgan (Shire Judo), Ralph Chicktong (Kido), Kathy Meyer (UNSW), Belinda Giudice (Tiger-Do), David O'Brien (Wollongong), Jeremy Fox (SUJC), Franciscus Tandean (Budokan), Morgan Endicott-Davies (Zenbu)

#### **3. Introduction**

#### **4. Discussion Items**

a) 2023/24 Fee Increase

Judo NSW Chair Belinda McIndoe gave a presentation of the income and the components of the Judo NSW.

#### Noting

- Over the past 10 years fees have increased by \$20, however Judo NSW has realised an actual increase of \$11.20 for Senior and \$7.50 for Junior Members after other outgoings.
  - Total fee amounts, Judo NSW currently receives \$87.29 Senior (of \$140) and \$60.86 (of \$100) for a Junior Member.
  - Recent audit of the Judo NSW RevSport database showed 1776 paying members in 2022/23 Financial Year, even though membership numbers show approx. 2100.
  - State Chairs/Presidents were made aware of a potential JA fee increase at Nationals. A further meeting with the Chairs/Presidents in July to understand and challenge the increase confirmed the amount and the timing of the increase. The Judo NSW Board met with JA Chair and CEO in August to understand the rationale of the scale of the increase.
  - JA has lost the bulk of the HP Govt funding with the creation of Combat Australia. JA still receives a Pathways Grant that goes to HP activities which is 'ring fenced' only for athlete activities. JA needs additional funds to manage the day-to-day operations of running the organisation.
  - JA is moving to a flat \$60 fee for all Members (Senior and Junor) made up of \$40 Capitation, \$15 Insurance and \$5 growth/marketing fund.
  - Bulk of Judo NSW income comes from Membership fees. State grants in NSW for sport are far lower than other states. Judo NSW recognises the need to diversify income streams to sustain and grow the services and offering for members and reduce reliance on fees.
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- Post COVID-19, costs for Judo NSW have escalated which has meant the organisation has run at a loss in FY22 and FY23. This isn't sustainable. Four key costs: Salaries and Wages, Capitation, Rent and Tournaments.
- **Tournaments** – Costs increasing in venue hire and oncosts, First Aid. E.g Sydney International quote for Quay Centre for 2024 \$46K, first aid increased from \$600 in 2019 to \$5600 in 2023.

- Comment that BJJ tournaments using St Johns Ambulance is much less – to be followed up

Lack of volunteers requires paying labour as well as on costs of venues increasing - entry fees will need to be reviewed.

- **Salaries & Wages** – Judo NSW has moved from a consultant model to having employees for a CEO and Admin Assistant to ensure ATO compliance. Resources are being reviewed.
- **Capitation** – JA is increasing the capitation fees as already mentioned to \$60 per member.
- **Rent** – Judo NSW pays rent on Armoury approx. \$33K p.a which is also hired out to some Judo clubs, coaches and individuals. The venue comes with limitations - we can't run tournaments there only training.

- Comment regarding the legacy of 2000 Olympics and is Judo NSW pushing SOPA for better facility? Feeling is that Judo NSW needs to look outside of Olympic Park venue for a commercial venue with potential Government negotiation for support.

- \$50 increase proposed to cover JA increase and increase in Judo NSW General Expenses.
- With the increase in fees to \$190 for seniors and \$150 for juniors, after other outgoings, Judo will realise \$110.62 per Senior and \$76.08 per Junior.

- Discussion ensued around:

- Discretionary spending decreasing for many members and an increase in fees will have significant effect on membership numbers and affordability of Judo. Comparisons with BJJ costs, and other Sports such as soccer and basketball who have more expensive and cheaper fees.
- Other sources of income were raised such as the JA Kyu Gradings policy which could be used to increase revenue, but it is not utilised by all clubs and not enforced.
- 95% of coaches are volunteers, and do not run their clubs as businesses.
- In general, clubs understand that a fee increase needs to happen, but not to the extent that it has.
- Community Series competitions could be run effectively at Clubs rather than Judo NSW having costs in running tournaments and issues with volunteers. Consideration of other costs such as referees, first aid, medals etc would need to be considered as well as providing the same opportunities to keep participation levels if run at clubs.
- Judo NSW currently cover referee payments for Club events.
- Tournaments/competition is not relevant to many members.

- It is not good business to use reserves to cover short falls in operational expenses. Running Judo NSW at a loss each year is not good governance.
- Long term strategy is to use reserves for capital to create asset generated income.

- Comment raised that Judo NSW should be pushing back against the increase to JA. All States have accepted this increase.

- If Clubs are not registering their members, what can Judo NSW do? Under the Constitution a member Club agrees to register all its members.

- Judo has a significant 'churn' rate of up to 40% of new membership each year. Impact of increase will be felt more by long-term members remaining in the sport, not new members coming in.
  - With the increase, the cost of membership equates to \$3.65 per week for Seniors, \$2.88 per week for Juniors.
  - For families with multiple members, a split payment method (such as ezipay) could relieve some financial burden. Will be looked at by Judo NSW.
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- Judo NSW Financial Committee has done sensitivity analysis on the fee increase and its impact.

Alan Broadhead spoke to the discussion paper from Illawarra International Judo Club presented to the Meeting:

- Clubs are the engine room of Judo, and not opposed to a fee increase, but the way that the increase is being imposed there has been little thought for clubs and members.
- Increase was inevitable based on the previous financial management of JA, with significant decline in equity in past years from \$900K to approx. \$400K
- There is no confidence in the management of JA, including past fraud and loss of Commonwealth Games status.
- Capitation Fees were introduced when Alan was on the JA Board, purely for operational costs of the Board so that they didn't take away from HP funds. \$5 Juniors and \$10 Seniors
- Based on 7000 members – fees collected from members will go from \$102K to \$280K annually. 273% increase.
- Judo NSW has 32% of the membership and should have influence if they push back.
- Judo NSW is in a solid financial position despite losses in past 2 years.
- Huge impost at a poor time, post covid, discretionary income dried up, inflation, twelve rate rises, fuel costs, weekly grocery and utility costs and the halving of the Active Sport voucher.
- Concern for professional coaches, as well as volunteer regional clubs who just like to get on the mat recreationally.
- Call on Judo NSW Clubs to not accept and to push back against this increase.
  - Discussion ensued around the general feeling of the members at the meeting and the formality of a vote to accept/reject the fee increase at the AGM. There is no process for a formal motion to be put forward at the SGM as it was called for the purpose of discussion. If a formal motion is to be put forward, then members can do that at the AGM.
  - It was clarified that matter of a fee increase is not a voting matter, and setting the fees are the responsibility of the Board.
  - Constitutionally Judo NSW must notify the members of the fee at the AGM.
  - Illawarra has put forward the discussion paper to voice the discontent that many members have raised in the background and raise them with JA.
  - UNSW reiterated that JA need to be told that 30% of their members are not happy.
  - The one management model was raised, and whether duplicated costs would be reduced if there was one governing body running the sport and no STAs.
- The Board to take on board the feeling of the members from the SGM and consider against the financial consequences on the business.

*b) Tournament Volunteers and Resources.*

- The Community Series Events have been successful in providing tournament opportunities for players, however without volunteers willing to help at the events in the future, Judo NSW will not be able to continue to provide these service unless tournament entry fees increase and people are paid to undertake roles.
- The Community Series events have been run with great success, however, the most recent Community Series had issues with the draw coming out late and running an hour late on the day. This was in part due to the lack of volunteers to assist with set up and running tables. Moving to Clubs running more events may alleviate this workload.
- Chair and CEO to set a time and date to speak with Clubs about running more Club based community series next year. Judo NSW can potentially run Sydney International and State Championships only and provide support to Clubs to run their events.

**5. Close of SGM – 12:50PM**

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