

BASKETBALL DEVELOPMENT LEVY PROPOSAL

Our ask

The Basketball New Zealand Board and the Working Group has requested approval of the proposed Basketball Development Levy and support of its implementation.

The Working Group proposes the introduction of a basketball development levy to enable a strategic investment in the development of our sport through digital and data.

BBNZ aims to future-proof the sport, making it more accessible, engaging, and efficient for everyone involved. This will ensure the continued growth and success of basketball in New Zealand. It is a crucial investment in the future of our sport, and the collective benefits and opportunities it will bring to the sporting community.

However, to sustain this growth and improve the overall quality of our game experiences, additional financial resources are required.

Changing our Game

The opportunity cost of not having a Basketball Development Levy is multifaceted and significant. It will restrict our engagement and growth, revenue generation, data, and insights, current and next generation participation and operational efficiencies.

Overall, the opportunity cost involves missing potential growth, revenue, operational efficiency, and engagement benefits that digital investment can provide.

We will not be able to deliver a ‘whole of sport’ approach to data and digital.

Current state

Technology gaps.

Limited digital relevance and engagement.

Administrative burdens.

Data limitations.

Benefits

Data Analytics: Offering improved capabilities for associations to analyse their operations, track participation trends, and make informed decisions.

How many funders want to see data – your data, our collective data?

Mobile Accessibility: Ensuring accessibility via mobile apps or responsive platforms to facilitate easier engagement for participants, coaches, managers, officials, and parents.

Do it once, do it for all.

1. **Purpose of the Levy** The working group proposes the introduction of a basketball development levy to enable a strategic investment in the development of our sport through digital and data. Basketball New Zealand aims to future-proof the sport, making it more accessible, engaging, and efficient for everyone involved.
2. **Change to the naming convention** at the 2023 AGM the levy was referred to as a “Membership Levy”. The working group have decided to change the naming convention to “**Basketball Development Levy**” This name has been identified so that it is clear to participants that their contributions are being used to directly enhance and develop the sport they are involved in.
3. **Rationale for the Levy** Basketball in New Zealand has seen significant growth over the past decade. However, to sustain this growth and improve the overall quality of our game experiences, additional financial resources are required. The current funding mechanisms are insufficient to support the expanding needs and growth aspirations of our sport. The proposed levy aims to address this need by providing a steady / compounding stream of funding dedicated to basketball development.
4. **Current Challenges**
 - **Technological Gaps:** We have identified deficiencies and redundancies in our digital tools and platforms used by associations and clubs limiting our ability to deliver a best-in-class technology solution to run the business of sport.
 - **Administrative Burdens:** We have identified manual processes that could be streamlined through digital solutions, which in turn helps free up time for coaches, officials, administrators, and players.
 - **Data Limitations:** Our ‘whole of sport’ performance around data accuracy, data integration, data security and data accessibility is restricting our ability to make informed decisions, optimise resources, promote our story, customise and aggregate a single customer view of our participants.
 - **Marginal Value:** We are generating marginal monetisation from our data and community which in turn limits our funding capacity to reinvest back into the game.
 - **Changing Consumption Habits:** We are falling behind in adopting new technologies for data analytics, participant and fan engagement and operational efficiency.
5. **Benefits of the Levy for Basketball**
 - **Sustainability:** It ensures ongoing financial support to basketball’s ongoing digital and data subscription/licensing fees and associated development costs. The introduction of a basketball development levy will provide much-needed financial support for basketball programs
 - **Data Analytics:** Offering improved capabilities for associations to analyse their business, track participation trends, and make informed decisions.
 - **Digitally empowered basketball community:** with streamlined operations, enhanced player development and data, and greater participant and fan engagement.
 - **Enhanced Coaching and Officials Development:** The levy will fund coaching and officials’ digital development, improving the overall standard of coaching and officiating in the sport.

- **Enhanced Tools and Platforms:** Detailing how levy funds will be used to provide associations with access to modern digital tools for participant registration, scheduling, online learning and communication.
- **Mobile Accessibility:** Ensuring accessibility via mobile apps or responsive platforms to facilitate easier engagement for participants, coaches, officials, and parents.
- **Alignment with Strategic Goals:** The levy aligns with Basketball New Zealand’s strategic goals and vision for the sport, ensuring that investments are targeted towards achieving measurable outcomes and advancing the sport's competitiveness.
- **Member benefits** will include member exclusive offers, discounts and benefits will be provided to paying registrants. Details in this space are, and will continue to evolve, more information is provided in the Q&A document (Appendix 1).

*An expansion of these benefits for all stakeholder groups is presented in the Q&A document (Appendix 1)

6. Working Group endorsed Levy structure

- **Tiered model:** The levy being introduced will be tiered, based off predetermined age filters, meaning our Tamariki will be required to pay the least amount. BBNZ will charge a Tiered Basketball Development levy outlined below, that Associations can then add an additional charge to if they wish. For further information please refer to the supplementary document titled Q&A (Appendix 1).

Age Filter	BBNZ Levy (incl GST)	Association Levy (incl GST)
U14	\$5	?
15-19	\$10	?
20 +	\$15	?
Supporters	N/A	?

- **Incentive application:** BBNZ is passionate about growing player numbers and are excited to provide associations with an incentive for growth in numbers and the quality of the data.
 - Associations retain 100% of any levy they choose to charge.
 - When registration numbers go over and above 3,000 members for any particular Association, BBNZ will provide rebates to that association out of the **BBNZ levy revenue** as outlined below;

Portion of BBNZ levy rebate to Association

- ✓ 0 – 2999 Registrations = BBNZ 100% Association N/A
- ✓ 3000 – 4999 Registrations = BBNZ 95% Association 5%
- ✓ 5000 – 9999 Registrations = BBNZ 90% Association 10%
- ✓ 10000 + Registrations = BBNZ 80% Association 20%

Please see further information provided in the Q&A document (Appendix 1) for more details

7. Investment areas A high level digital and data strategy is presented in the Voting pack as Appendix 2 (Unite & Digitise).

8. Implementation plan

- a. **Timeline** BBNZ will commence the collection of the levy from 1 January 2025, to coincide with the release of the new Service Level Agreements.
- b. **Communication Strategy** A comprehensive communication strategy will be developed to inform all stakeholders and participants about the levy, its purpose, and the benefits it will bring.
- c. **Stakeholder Engagement** Regular feedback sessions will be held with key stakeholders pre, during and post implementation. The Working Group will remain in place during this period.

9. Opportunity Cost The opportunity cost of not having a basketball development levy is multifaceted and significant. It will restrict our engagement and growth, revenue generation, Data and Insights, Current and Next Generation Participation and Operational Efficiencies. Overall, the opportunity cost involves missing out on potential growth, revenue, operational efficiency and engagement benefits that digital investment can provide. We won't be able to deliver a 'whole of sport' approach to data and digital.

10. Call to action The Basketball New Zealand Board and Working Group has requested approval of the proposed basketball development levy and support its implementation to ensure the continued growth and success of basketball in New Zealand. It is a crucial investment in the future of our sport, and our collective benefits and opportunities it will bring to sport and its community.

Signed: The BBNZ Basketball Development Levy Working Group

- Barry Dent – Independent Chair
- Belinda Edwards – Sponsor
- Anna Gestro – BBNZ Board
- Dillon Boucher – BBNZ CEO
- Dan Dawick – BBNZ Manager of Data and Insights
- John Hunt - General Manager Harbour Basketball
- Anthony Corban - General Manager Waikato Basketball Council
- Kevin Fenwick – General Manager Taranaki Basketball
- Hamish Weir – Board member, Kapiti Basketball Association
- Brian McKenzie – Chair, Southland Basketball Association