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PROPOSAL FOR THE FUTURE COLLECTION OF YACHTING QUEENSLAND

MEMBERSHIP/AFFILIATION FEES

(18 September 2008)

Background

1. During the past five years Yachting Queensland (YQ) has reviewed and revised the manner in which affiliation and captation fees have been imposed and collected from Members. The State organisation has attempted to find a method which provides a fair and equitable level on all Members which does not have an adverse financial impact on the conduct of a Member's method of operation.
2. At the end of 2006 the Membership agreed to introduce a Banding system where all Clubs would be levied for all individual members. During the two years that the banding system has been in operation a few of the larger Member clubs have continually demonstrated their lack of support for the system by threatening to disaffiliate from YQ. These continual threats have an adverse effect on the YQ Budget and also upon YQ future planning.
3. One of the main reasons for these Member Clubs taking this approach is because due to the large non-sailing membership of the clubs they are moving away from their original objectives which include the support of yachting and sailing.
4. It has become apparent to the YQ Board that a new method of setting and collecting fees to support the future operations and plans of YQ needs to be produced if the State Body is to continue. At the YQ Board meeting on the 17 Sep 08 the Board agreed to provide a draft proposal to the YQ Membership for a new affiliation fee system.
5. This paper will review the background reasons for the need to revise the current banding system and discuss an alternate option which includes individual membership along with reduced club affiliation. It will recommend the most suitable course of action to achieve this objective. YQ will provide the opportunity for all Clubs and their members to provide written feedback and attend a General Meeting to discuss the matter.

Current System

6. During the past two years YQ has employed a Banding system to assess and collect affiliation fees from member clubs. The system sets fee levels for each club which are then paid to YQ, which in turn are used to conduct the day to day operations of the State body and pay the National affiliation fee.
7. The current banding system itself is functional and although the system provides a firm base to assess the level of fees a club should pay there are a number of factors that are causing concerns and tension for both YQ and a few clubs. These factors have given rise to a false and unwarranted perception of the fairness and accuracy of the banding system. Examples of these are as follows:

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- Accuracy in numbers reported by Clubs;
- Interpretations of the membership categories reported by Clubs;
- Reportable categories by Clubs;
- Club Aim and Objectives (which Club members should be supporting YQ);
- The value of being a member of YQ through the perceived benefits provided by YQ; and
- Sustainability of YQ Operations.

8. In addition to the above factors some YQ “Yachting” and “Sailing” clubs appear to be moving away from their original objectives and are becoming more general sports clubs, in some cases where the sailing members are in the minority. This situation could become more prevalent, which would provide a major threat to the future operations of YQ as a State body.

Accuracy in numbers reported by Clubs

9. Over the years the collection of membership data from clubs has created an opportunity for selected clubs/individuals to try and underestimate their overall membership in an effort to decrease the total club affiliation fee payable. This aspect has become more prevalent and some clubs are now forcing the issue that they should only have to include sailing members of their organisations in their banding data and not include the non-sailing or social members. This approach can be seen in some of the larger clubs where sailing members might be in the minority and especially where club governing bodies are comprised of mainly non-sailing members.

10. This situation could be overcome by only counting the sailing members of a club, and charging them a membership fee directly from YQ. In addition the clubs could still be charged an affiliation fee but at a much reduced rate, one which could be based on the number of sailing members who take out any level of YQ membership. Having a direct membership scheme with the individual members paying YQ would take away any guess work and/or rubbery figures currently produced by some clubs.

Interpretation of the Membership Categories Reported by Clubs

11. Many clubs currently have different categories of members (eg. adult, senior, youth, child, family, social, non-sailing, sailing, life, power boat and associate). The diversity of categories is producing friction within some clubs as to why all members should be assessed as part of the club’s overall numbers for YQ membership. YQ has attempted to lessen this problem, and for the 2008/2009 financial year introduced only two levels of membership (Adult and Youth) for banding purposes. This is accepted for YQ calculations but some clubs are still unable or unwilling to distinguish their members into the two categories or include their non-sailing/social members in their calculations.

12. This situation could be overcome by using only the sailing members of a club with YQ creating a number of levels with corresponding fee amounts (eg. Various adult levels for such aspects as racing, cruising, crewing, youth racing, volunteer, official, and coach, etc). Introduction of this system would require the individual member to have a direct membership with YQ. Even if the individual membership category was introduced some clubs would still need to be affiliated to YQ (conduct of competitions, government grants etc). The club affiliation would be at a much reduced fee (compared to the current fee) based upon the actual number of their members who join YQ. Clubs should be affiliated to gain the benefits listed in Annex B.

Reportable Categories by Clubs

13. As a result of the banding experience during the past two years YQ has cut the reportable categories down to two, Adult and Youth. This change has assisted YQ but has not relieved the clubs of having to include all their various levels of membership. For some of the larger clubs the

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problem of various levels of membership within the club being included in the YQ calculations is still causing a major problem. The one common membership factor (sailing member) can be clearly identified in each club. This number could be used for calculations but the problem would then exist, particularly for the smaller clubs, of a minority group carrying the membership fee cost for larger groups within the club.

14. This situation could be resolved by YQ offering direct individual membership. There would need to be various levels of membership to ensure that all types of members were catered for within the sailing community and a fair and equitable fee was charged. This would take away the problem of clubs having to justify to non-sailing and social members why the club needs to be a member of YQ. The membership levels and associated fees would need to cover the YQ future budget requirements to ensure that the State body survives, can conduct its role and tasks, and can meet its commitment to the National Sporting Organisation. Any perceived disadvantage could be overcome by ensuring that the individual members receive easily identifiable and appealing benefits in return from YQ.

Which Club Members Should be Supporting YQ?

15. During the past two years of banding the YQ policy regarding which club members should be financially supporting YQ via Club affiliation fees has been that all members except for those who are registered with another state sporting body within their club (eg. Rowing and Dragon Boating). This approach is becoming more tenuous, particularly where sailing members are in the minority on Club governing bodies. Recent incidents of sailing divisions/branches breaking away from the main club and forming a new yacht/sailing club is becoming more prevalent and indications are that this could happen to many clubs in the near future as their objectives move from sailing to a business venture. This would have a devastating adverse affect financially upon the operations of YQ and sailing in Queensland.

16. This situation could be avoided in the future if the sailing members of each of the QLD clubs became YQ members in their own right. The clubs should still be affiliated members of YQ at a much reduced rate, which would be based upon the numbers of people from the club that join YQ as individual members. The benefits to clubs would remain.

Direct Individual Membership of YQ

17. Direct individual membership of YQ would give YQ:

- Direct communication and improved relationships with members, both club and individual;
- An accurate database of participating and competing members;
- A firm platform to launch development plans and assistance to members;
- Increased funding;
- Ability to provide more suitable tangible benefits to individual members;
- Less reliance on government grants;
- Less administration of banding appeals and associated problems;
- Increased administration for individuals;
- Requirement to increase staff and/or technology.

Perceived YQ Individual Membership Benefits

18. Currently the clubs do not totally identify with the YQ membership benefits. Most only consider benefits as being something that is tangible and something that has a return monetary value. Many clubs do not see YQ as being able to produce such financial benefits for them as individual clubs. It would be more productive for YQ to provide a list of benefits for individuals that have clear monetary value.

19. It is more meaningful to produce benefits which might satisfy an individual rather than sixty odd clubs with a huge range of members, many of who are not interested in the sport of sailing. By introducing an individual membership there are many different types of benefits that could be provided (see Annex A for an example of suggested benefits). The value of these benefits demonstrates that they equal or surpass the membership fee.

Sustainability and Improvement of YQ Operations

20. The obvious key to sustaining and improving the YQ operations is to gradually increase the annual budget. In addition, future funding needs to come from a more secure source. YQ cannot conduct operations nor set an annual budget on the off chance that every Member Club will pay its due affiliation fee.

21. There are indications that the government grants will be further decreased at the conclusion of the current three year grant period and could possibly disappear totally within a few years after that. Based on historical data YQ needs to raise, in addition to the current government grant, at the least \$600,000 per annum to meet future operational needs and to be able to achieve set Strategic Plan objectives. This level of funding could not be raised from the clubs under the current banding system. In fact it will become more difficult to retain some of the bigger clubs on their current 2008 levels, in the future. The current banding system if all clubs met their due debts would produce around \$360,000 well short of the figure needed to take YQ successfully into the future.

22. YQ must make a commitment to establishing a membership system that will provide sufficient funding to maintain and improve future YQ operations. The current banding system cannot achieve this and therefore an alternate system for the collection and level of fees must be introduced as soon as possible (2009/2010).

YQ Membership Levels

23. Any system used for the collection of funds must take into account that the level of funding expected must relate in return to a certain level of receiving. That is, membership fees must reflect where the funding is going to be used and any benefits the giver will receive. Obviously every YQ member will have different objectives within the sport of sailing. Some will want to compete, some will want to achieve elite status and others will want to crew, officiate, work as a volunteer or participate on a recreational basis. All these categories of individuals must be catered for.

24. In an effort to secure the maximum number of individual members YQ will need to offer a membership which is attractive to all groups within the sailing community. This will need to be achieved on a scaling basis as one fee will not fit all individual members and some should pay more depending on the sailing activities that they undertake. Suggested membership levels are:

Table 1

SER	Membership Level	For
1	AA – Adult Membership	Sailors competing in Club, State and/or National events
2	AB – Adult Membership	Official, coach, volunteer operating at club and/or State events
3	AC - Adult Membership	Cruising, recreational only
4	UA -Under 19 Membership	Competing in club, State and/or National events
5	FA – Family Member	Competing in Club, State and/or National events

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25. YQ must move now to put in place for 2009/2010 a new membership system that will raise the required level of funding and replace the club banding system as the main income source. The direct membership of individuals with YQ at the selected levels in Table 1 above would assist in achieving this. The club banding system should still be retained to provide clubs with the avenue to be affiliated to YQ.

Benefits to Members

26. To introduce set memberships as detailed in Table 1 above YQ would need to clearly demonstrate substantial tangible benefits to the individual members at all levels. An example of what might be achieved with benefits and how they could be allocated is detailed in Annex A to this document. It needs to be demonstrated that the overall benefit outweighs the fee in a monetary sense. The example at Annex A shows that YQ could offer individual members benefits of a substantial monetary value in return, compared to their fee.

Value of Membership – Individual Members

27. The various levels of membership will enable all individual members to fit into at least one category of YQ membership. The members need to relate the membership level and the level of benefits to the membership fee. They must feel that they are receiving value for money.

28. At the same time YQ must ensure it will collect enough membership funding in the 2009/2010 year to meet the budget requirements and allow YQ maintain its operations. To achieve this suggested levels of annual membership fees are detailed in the Table 2 below.

Table 2

Ser	Membership Level	For	Fee
1	AA – Adult Membership	Sailors competing in Club, State and/or National and/or international events	\$175
2	AB – Adult Membership	Official, coach, volunteer operating at club and/or State events	\$150
3	AC - Adult Membership	Cruising, recreational only	\$50
4	UA – Under 19 Membership	Competing in club, State and/or National and/or international events	\$100
5	FA – Family Membership (mum/dad/children)	Competing in Club, State and/or National and/or international events	\$400

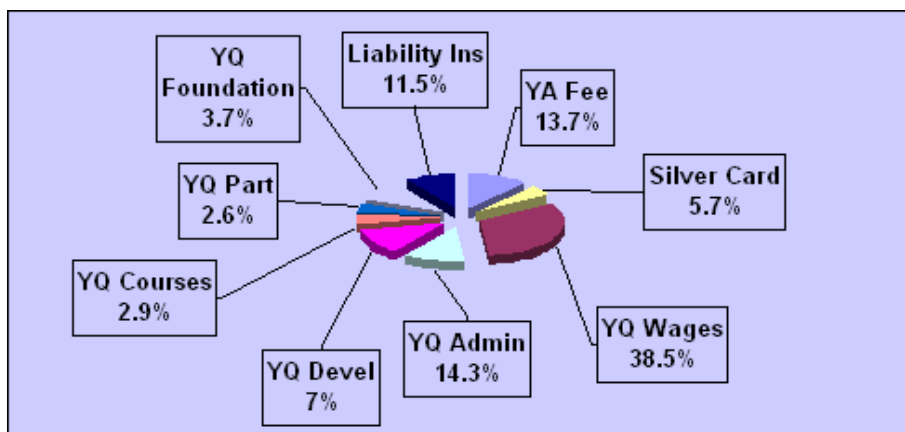
29. The various fees detailed above in Table 2 reflect the minimum that YQ would need to conduct effective future operations and meet the provision of the benefits listed in Annex A.

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The division of the individual member’s fee as detailed in the following charts would clearly show how their membership fee was being distributed:

\$175

		Individual’s Division		
YA Fee	\$96,000	YA Fee		\$24
Silver Card	\$40,000	Silver Card		\$10
YQ Wages	\$269,500	YQ Wages		\$67
YQ Admin	\$100,200	YQ Admin		\$25
YQ Develop	\$50,000	YQ Develop		\$12
YQ Courses	\$20,000	YQ Courses		\$5
YQ Part	\$18,000	YQ Part		\$5
YQ Foundation	\$25,660	YQ Foundation		\$7
Liability Ins	\$80,640	Liability Ins		\$20
Total	\$700,000	Total		\$175



Value of Affiliation – Clubs

30. Some clubs have expressed opinions at Banding Appeal hearings that their club had been unfairly treated in the allocation of annual affiliation fee levels due to the membership mix within the club. Large clubs with large numbers of social members were affected the most.

31. If YQ established an individual membership approach there would still be a requirement to retain a membership level to enable the clubs and class associations to be affiliated to YQ/YA. Like the individual membership benefits a club would need to see tangible benefits to make it worthwhile for it to remain affiliated with YQ. A suggested list is detailed at Annex B that would provide such benefits in the following areas:

- Information Services
- Sailing Club Promotion
- Training
- Racing Rules and Event Management
- Funding Facilitation
- State Sporting organisation
- YQ Facilities

32. With the individual members paying their affiliation direct to YQ it would be reasonable to substantially reduce the affiliation fee levels currently paid by clubs. The level of fee to be paid by the clubs could be tied to the number of individual members who affiliate with YQ. This approach

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would remove the social and non-sailing members from the club equation, resolving one of the major problem factors. A suggested club association fee is detailed in Table 3 below.

Table 3

Ser	Number of YQ Members	Club Level	Club Affiliation Fee
1	Less than 50	1	\$500
2	51 - 100	2	\$1000
3	101 - 200	3	\$2000
4	201 - 300	4	\$3000
5	301 - 400	5	\$4000
6	401 - 500	6	\$5000
7	501 plus	7	\$6000

33. Class Associations would continue to pay affiliation fees at the following levels:

- a. Under 20 members \$110; and
- b. Over 20 members \$200.

Club Support for Individual Membership

34. Clubs and Class Associations would be required to sign a contract or an agreement (MOU) with YQ regarding the implementation of the membership scheme. The support of the clubs would be required to ensure that non-members of YQ did not participate in any sailing competition and that all participants held the required level of membership to compete.

Collection of Individual Membership Fees

35. The individual membership fee would be collected by direct payment to YQ. This could be achieved via on line payments, credit card, direct debit, cheque, or cash. This method takes the club out of the equation and would provide a clear line of communication between YQ and the individual member. YQ would not have to wait for clubs to complete their AGM each year before receiving payment. Membership payments could be received at the commencement of the financial year.

Conclusion

36. The YQ banding system has reached the point where it would be most difficult to increase the level of future funding received from clubs. The current amount of funding received is not sufficient to meet future needs, nor is it enough to allow YQ to introduce new development into the sport in QLD. The current banding system therefore needs to be replaced by a system that will provide the required level of funding that will ensure that YQ can produce a more effective and efficient operation for its members in the future.

37. As described in this paper the introduction of an individual YQ membership needs to be introduced. The system of an individual membership as detailed would, for example, enable YQ to raise the required amount of funding to:

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- Provide members with clear tangible benefits
- Produce greatly improved communications with members
- Meet future budget funding requirements
- Enable YQ to achieve Strategic Plan objectives
- Establish and achieve development and participation objectives
- Place less reliance on government funding grants

Recommendation

38. It is recommended that the implementation of the individual YQ Membership fee process along the lines detailed in this paper for the financial year 2009/2010 be introduced.

Process Timetable

39. A timetable for the introduction of the recommended Affiliation Fee process is detailed at Table 4 below:

Table 4

Ser	Activity	Date Processed By	Comment
1	Board Reviews Membership Proposal.	6 Aug – 17 Sep 08	Board issued with proposal document at Aug meeting.
2	Board makes a decision regarding Membership Proposal.	17 Sep 08	EO to provide a brief for Board at Sep meeting.
3	New Membership fee proposal with a draft policy to be sent out to Clubs and Class Associations with a request for written comments by 24 Nov 08.	24 Sep 08	In anticipation that Board will approve new membership fee approach.
4	General meeting to be held to discuss the new membership fee proposal and draft policy.	29 Nov 08 (Saturday)	General meeting for all financial members at YQ office at 7pm.
5	Rewrite the YQ Membership policy with any necessary amendments from General meeting.	24 Dec 08	
6	General meeting – launch the new membership product.	5 Feb 09	
7	YQ Membership Website established.	29 May 09	
8	Membership Applications Open.	1 Jul 2009	YQ website. Payments made by credit card, direct debit, cash at YQ, cheque or direct payment.
9	2009/2010 Membership Fee Paid.	15 Jul 2009	

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Comments on Proposal

40. Addressees are invited to forward any comments on the proposal to the YQ Executive Officer by Monday 24 November 2008. These will be displayed on the YQ website under the heading "Membership Proposal".

General Meeting

41. A General Meeting will be held on Saturday 29 November 2008 commencing at 7pm, at the YQ Office, to provide a further opportunity for YQ delegates to discuss the proposal.



Norman Fry
Executive Officer

YACHTING QUEENSLAND MEMBERSHIP BENEFITS

SER	BENEFIT	AA MEMBER \$175	AB MEMBER \$100	AC MEMBER \$50	UA MEMBER \$100	FA MEMBER \$400
1	Voting right (one vote) at YQ General Meetings and AGM	X	X			X
2	YA Silver Card	X	X	X	X	X
3	Personal Accident Insurance OAMPS	X	X	X	X	X
4	Public Liability Insurance OAMPS	X	X		X	X
5	Death Cover \$75,000 OAMPS	X	X	X	X	X
6	10% Discount on Boat Insurance Suncorp, OAMPS	X	X	X	X	X
7	Business Discounts (IHG, HP, Hertz)	X	X	X	X	X
8	50% off Cost of YQ Courses	X	X		X	X
9	One free recovery/rescue as by Org to be confirmed	X			X	X
10	40% Discount on Sailing Magazines	X	X	X	X	X
11	Free Entry to YQ Seminars/Workshops	X	X		X	X
12	Free Electronic YQ Quarterly Journal	X	X		X	X
13	Free Training at State Squad Level	X			X	X
14	Free YQ Coaching Clinics	X			X	X
15	Free YQ Library Service	X	X	X	X	X
16	Legislation Changes Electronic Advice	X	X	X	X	X
17	Free YQ Administrative Support	X	X		X	X
18	Free YQ Annual Report	X				X
19	Free Two Nights YQ Accommodation	X			X	X
20	Entry in Members Monthly Draw	X	X		X	X
21	Annual Fee Draw	X	X		X	X
22	Access to IRC Cert Measurement	X			X	X
23	All the Benefits listed in Annex B associated with individuals	X	X	X	X	X

YACHTING QUEENSLAND CLUB MEMBERSHIP BENEFITS

a. Information Services

- YQ Website www.qldyachting.org.au provides the latest sailing news, State wide, nationally and internationally. Clubs can also advertise NOR and details on upcoming events.
- YQ's E-News provides the latest sailing news to each club and class.
- YA's monthly Nautical News email service details national and international yachting news.
- YQ Information forums for Queensland club and class officials to provide the latest information on industry best practise, administration management and market characteristics.
- YQ electronic Quarterly Journal
- YQ forums on risk and volunteer management, club, race and event management
- Government legislation changes, staff and volunteer training opportunities that will benefit clubs are provided by YQ direct to clubs via mail and electronic mail.
- YQ packages on Risk Management, Volunteer Management and On the Water Risk Management.
- YQ staff provides information on an as required basis regarding all matters boating.

b. Sailing Club Promotion

- Club events are promoted on the state and national websites to sailors throughout Australia and overseas.
- Club is listed and promoted on the Yachting Queensland and Yachting Australia Website.
- 'My Club' and 'My Centre' are simple online systems that provide databases of club patrons for further marketing and promotion opportunities.
- YQ staff available to facilitate development support in sail training programs for Queensland yacht clubs.

c. Training

- YQ is a Registered Training Organisation overseeing over 100 power boat licensing training providers in Queensland.
- YQ assists training centres in small boat sailing, powerboats, cruising and motor yachts together with auxiliary courses in navigation for the Queensland boating community.
- YQ provides instructor training to ensure the highest level of training possible for our developing sailors.
- YQ facilitates junior development camps in each region featuring elite level coaches.
- YQ provides a State Squad to facilitate the pathway for young and adult athletes to the Australian Sailing Team.
- A Queensland elite youth development program is currently under development. The structure proposed will contain a partnership between YA, the YQ State Squad and the Queensland Academy of Sport (QAS).
- YQ provides training courses on an as required basis covering Rules, Officials, Instructors, Safety Boat handling and other aspects as requested.

d. Racing Rules and Event Management

- Membership enables clubs and classes to use the International Rules of Sailing.

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- YQ facilitates international rules and appeals committees for club and class events.
- YQ conducts race management training forums and rules seminars.
- YQ provides the facility to measure and issue IRC and IRS certificates.
- YQ provides advice regarding the Racing Rules of Sailing.
- YQ provides State Championships for the competition of its members.
- YQ provides advice to Clubs and Class Associations on the conduct of competitions and issuing of Notice of Race and Sailing Instructions.

e. **Funding Facilitation**

- YQ provides application support for yacht clubs seeking funds through the Australian Sports Foundation.
- YQ provides application support for yacht clubs applying for funding grants from local, state or federal governments.
- YQ is establishing a Foundation to support future YQ boating activities.
- YQ provides free funding presentations/forums.

f. **State Sporting Organisation**

- YQ provides the link between the QLD Clubs and Class Associations and the State Government organisations (eg. Sport & Rec, MSQ, Tourism, QAS) and other State boating organisations (eg. Marine QLD, Windsurfing QLD and other sporting bodies).
- YQ provides the link between the QLD Clubs and Class Associations and YA and ISAF.

g. **Yachting Queensland Facilities**

- YQ provides the following facilities at low cost at Manly for Clubs and Class Associations:
 - Accommodation. Self Contained bunk style accommodation for 19 persons, including a kitchen with all cooking, washing and drying equipment; and
 - Training Room. Complete with internet access, overhead projection, TV, video and DVD. Can provide for small groups or a large meeting up to 70 persons.