

## **Submission to Yachting Queensland**

**from**

**Hervey Bay Boat Club Yacht Squadron**

**on**

### **YQ Proposal for Membership/Affiliation Fees**

#### **1. Impact of YQ Proposal**

Our club is a small club racing trailer-sailers, yachts and multi-hulls. Total membership is typically less than fifty people. Adult membership fees are \$65.00 about half of which currently goes to YQ. The current YQ proposal would see these fees necessarily raised to about \$225.00.

I understand that this is reasonably typical for other small clubs throughout Queensland. It is anticipated that such a fee increase would be a major disincentive to membership. Notwithstanding a reasonably large number of yachts in Hervey Bay we struggle to get boat owners to join the club and become involved in racing. Fees of the magnitude proposed would make this task even more difficult.

Furthermore it can be difficult to attract crew and in particular to get crew to take out membership of the club, particularly if a crew member is not able to crew regularly. Again such a higher fee is a significant disincentive.

The scarcity of volunteers is common to all clubs. Again expecting volunteers to pay substantial fees to Yachting Queensland when they are least likely to receive the benefits will simply make the task of finding volunteers even more difficult.

In short the impact of such a proposal on our club would be similar to that of may affiliated clubs. At a time when club numbers are exceedingly difficult to maintain, the proposal would be another blow to the viability of clubs with the potential to see clubs either cease to operate or alternatively cease to affiliate.

It should be remembered that this is a problem not merely for the yacht clubs and associations but also for Yachting Queensland itself. If the clubs loses membership so does YQ, thus further exacerbating its budgetary problems.

#### **2. The YQ Budget & Expenditure**

If the schedule of membership and affiliation fees proposed by YQ is more than clubs and members are willing or able to pay then it is suggested that YQ will need to re-consider its activities and budget.

It has been suggested in the joint submission from clubs in this area that YQ should:

1. prioritise its budget and operation;
2. determine what its core business is. It is suggested this is providing membership affiliation through to ISAF level and support for regattas and championships etc including an appeal process for protests;
3. perhaps offer an optional higher level of membership which individuals or clubs might choose if they wish to access additional packages of services.

Our club generally endorses this proposal although there is support for some level of contribution to training.

In that context, while this submission cannot address every aspect of the YQ proposed budget, a few comments are warranted:

### ***Insurance – Accident & Death Cover***

YQ, through Yachting Australia, offers a personal accident insurance policy particulars of which are available on YQ's website. It is understood that this is included within the silver card cost. A study of the website information (and of the policy document) suggests that this insurance is of limited value. Many of the benefits would already be covered by other policies such as health insurance. There is also some limited cover for various injuries and death cover. In the examples given of benefits paid it is clear the amounts involved are relatively minor and presumably the death cover would be paid only very rarely.

It is suggested that as most people are capable of making their own arrangements for health cover, sickness and accident insurance and life insurance this policy simply represents an unnecessary duplication and members would not be significantly worse off if it was abandoned.

### ***Liability Insurance***

The YQ proposal shows a staggering amount of \$80,640.00 for liability insurance in the proposed budget. This represents 11.5% of the total anticipated expenditure. Again it is suggested that this insurance simply duplicates the third party liability cover which boat owners will have if they have insured their boats. The existence of the additional cover will not provide any additional benefit but merely create a demarcation dispute as to which insurer should be responsible for the payment of any claim if the boat owner should be negligent and cause injury.

It has been suggested that this insurance will cover those boat owners who are sailing uninsured boats. While this has an element of truth it will of course only cover those boat owners who happen to be affiliated with Yachting Queensland. It would be interesting to know how many claims have been made on this insurance.

It is unlikely that many boats fall into this category. Already it is a requirement at state and national titles that entrants produce evidence of their insurance. Sailing

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clubs could likewise make it a requirement of membership. This step alone would effect a massive saving in the YQ budget.

### ***Wages & Administration***

As others have noted the wages and administration component of the budget is very significant, together comprising more than half of the expenditure. It is accepted that some of this expense may cover other services but it is nonetheless a very substantial part of the expenditure and it is an obvious place to start looking at where savings might be made. This again is part of the overall concept of ascertaining what services Yachting Queensland can afford to provide for its membership given the amounts of money which are likely to be available.

### ***Training & Participation***

Our club is happy for there to be some level of sail training offered by Yachting Queensland. However it is suggested that Yachting Queensland needs to justify its training program both in terms of the sailors/clubs to whom it is offered and in terms of the costs. While no doubt we would all be happy if some Queenslanders made it into the Olympic team, at the end of the day our lives are unlikely to be much worse off if this doesn't happen. It is not unreasonable to expect that Olympic aspirants will for the most part fund their own ambitions one way or another, as the rest of the world has to do.

It is argued that Olympic success may bring publicity to the sport and thereby attract young people back into sailing. Perhaps there is some truth in this but it is a very long term strategy and the risk is that if and when the strategy pays dividends there will be hardly any small clubs which the locals can join.

It is suggested that some economies in training could be achieved if training was carried out on a regional basis rather than trying to offer training to every individual club within the state.

### ***Power Boat Involvement***

It is noted that one of the benefits referred to in the proposal (Annexure B Item c) is that YQ is a registered training organisation overseeing over one hundred power boat licensing training providers in Queensland. This is also referred to on the YQ website.

Unfortunately, on the material available to the writer it is not clear; precisely what this oversight entails, nor what it costs, what it earns, or how it is relevant to the members of Yachting Queensland.

If it returns a profit to YQ then this is obviously a good thing. However if such operations are run at a loss then YQ would need to justify why its members should be providing this sort of subsidy to the power boating community.

It is noted incidentally that the website asserts that YQ is "the peak body for all forms of boating including power and sail in Queensland." There is (or was) a reference to a power boating sub-committee. A perusal of the list of clubs on the

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website does not indicate any clubs that are obviously power boat clubs although some clubs perhaps include power boats. While it might be admirable for YQ to aspire to being the peak Queensland body for power boating this would only be of consequence if it resulted in a very substantial increase in membership with a commensurately broader financial base.

It is suggested that unless there is a clear and simple way of achieving the additional membership then any ambitions in this direction should be shelved unless the activities can be carried out on at least a cost-neutral basis.

### **Summary**

In summary while many of YQ's existing or proposed activities are admirable in themselves, non-core activities should be pursued only to the extent that they can be paid for within a budget which the present membership is prepared to support.

It is obvious that an overwhelming number of clubs do not want to pay membership fees of the order suggested in the proposal and in that event there is no choice but for YQ to trim its activities accordingly unless of course other funding sources can be found.

### **3. Alternative Funding Sources**

Options for further funding would, it is suggested, include the following:

1. A proposal whereby a small component of the nomination fee for state and national titles within Queensland be paid to YQ as an additional funding source. It is suggested that this would be equitable in that those sailors attending national and state titles are more likely to avail themselves of the training and other facilities offered by YQ and in this way they can make some small contribution towards those services.
2. The obtaining of Government grants to cover training activities especially training activities aimed at the elite end of the sport.
3. The adoption of a user pays approach to activities wherever possible.
4. The adoption of a policy that non-core activities such as services to the power boating fraternity be engaged in only where these can achieve a profit for YQ.

### **4. The Membership Model**

Our club has no great concern about a proposal that individual sailors should be members of YQ. However it does have some practical implications and it is suggested that it is probably not the best model.

It raises issues such as voting at meetings in that it is administratively far simpler for clubs to exercise the voting rights, arrange proxies where they are out of Brisbane and so on.

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There is the practical difficulty that sailors intending to join a club would have to pay both a club and YQ fee separately. Clubs would be put to the bother of ensuring that their new member had paid the YQ levy. It would be simpler (and more easily enforced) if the YQ levy was included as part of the club membership and the funds remitted by the club to YQ as happened under the old capitation method.

While communication with individuals (whether direct members or otherwise) can often be facilitated electronically, nonetheless there will continue to be some communications which need to be by mail etc. This will be much cheaper if the members are the sixty odd clubs rather than four thousand individuals.

## **5. Summary & Conclusion**

Our club's position can be summarised as follows:

1. We believe that the YQ proposal involves fees that are far too high for the overwhelming majority of club members. We suggest that funding should be on a capitation basis with fees in the order of \$50.00 for adult members and \$25.00 for juniors. Any additional fee payable by the club should be quite minimal.
2. We believe that YQ should not be imposing a levy on non-sailing volunteers.
3. Importantly a levy of the order proposed would impact very adversely on club membership, with consequent impact on YQ finance.
4. YQ should prioritise its activities so that it can carry out its core functions but limit its other functions to a level achievable at a much lower level of membership fee than that proposed.

I trust the above is of some assistance.

David Lewis  
Vice Commodore  
**Hervey Bay Boat Club Yacht Squadron**