



21 November 2008

Royal Queensland
Yacht Squadron Ltd

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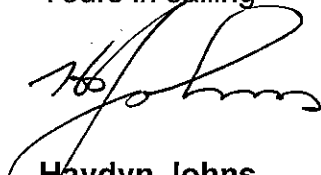
Mr N. Fry
Executive
Yachting Queensland
PO Box 5462
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Dear Norman

Please find enclosed our submission for Yachting Queensland Proposal for the future collection of Yachting Queensland Membership Fees.

Should it be of assistance we would be pleased to discuss this further by the Flag Officers or myself.

Yours in sailing



Haydyn Johns
General Manager

21 NOV 2008

ROYAL QUEENSLAND YACHT SQUADRON

Submission to YACHTING QUEENSLAND PROPOSAL FOR THE FUTURE COLLECTION OF YACHTING QUEENSLAND MEMBERSHIP FEES

Executive Summary

1. Royal Queensland Yacht Squadron's objectives are that members do not pay more than they currently pay (or more than other comparable clubs around Australia) after years of costly and protracted conflict and negotiation and that Yachting Queensland moves as quickly as possible towards establishing Yachting Australia as a true national peak body (as opposed to a Federation of independent MYAs)
2. The YQ proposal fails both of these tests as our calculations show a much increased level of fees from the Royal Queensland Yacht Squadron membership under the proposed scheme and neither YA or any other MYA support the YQ proposal. Furthermore there is significant risk of a major revenue shortfall if this system is adopted.
3. Royal Queensland Yacht Squadron suggests that YQ investigate adopting the national banding system as a means of achieving both of these aims whilst having a defensible position for charging all Queensland Clubs.

Detailed Submission

A. BACKGROUND

Yachting Queensland have issued a "Proposal for Future Collection of Yachting Queensland Membership Fees. The document has been available on the Yachting Queensland website and Yachting Queensland have invited submissions from member clubs and individuals.

B. HISTORY OF RQYS

Since the 1990's to 2006/07 year members of RQYS paid a Capitation Fee in addition to their RQYS annual membership fees.

The Capitation Fee was applicable for Adult and Junior and was paid by all categories of RQYS members. The Squadron has never differentiated its members between sailing and powerboat members and the Capitation Fees were paid by all members.

The Royal Queensland Yacht Squadron at that time (and remains) the highest paying Capitation and Banding Fee Club in Australia.

For a number of years prior to 2005/06 the Squadron had objected to Yachting Queensland in regard to the highest amount of fees paid by RQYS especially in regard to the level of fees paid for its ageing members, country members, powerboat members and generally those members who did not actually generally sail and did not receive a benefit from their payment to Yachting Queensland.

Due, at that time, to a high level of non co-operation with Yachting Queensland not only in Capitation Fees but in a number of other areas RQYS withheld payment of members Capitation Fees and was subsequently disaffiliated from Yachting Queensland.

Following a high level mediation process and the assistance of Andrew Plympton, President Yachting Australia agreement was reached for a limited reduction in the amount paid by RQYS and the Squadron was reinstated.

In 2006/07 the Banding System was introduced with arguable interpretation as to active and non active membership of Yachting Queensland and RQYS was unsuccessful in its appeal to again being the highest paying club within Queensland.

RQYS assisted Yachting Queensland in a review of the 2007/08 Banding System and supported the concept of Banding Levels being based on total membership for each club.

The reason for this support is that the total financial requirement of Yachting Queensland can be achieved by each and every member of every club paying a proportionate fee. By every member paying, the individual contribution is kept to a minimum rather than some members paying a higher fee.

The Royal Queensland Yacht Squadron has managed the Banding System by treating the fee in total as an "Affiliation Fee" and has spread the cost throughout its own membership by including that proportion within the annual membership fee paid by members.

(Silver Card requirements in 2008/09 were treated by request only, charged separately at \$10.00 per card)

Whilst RQYS continues to lobby Yachting Queensland to find alternative funding arrangements and continue to review costs to reduce the amount of Banding Fees paid by clubs the Squadron supports the current Banding system and its calculation based on total membership of all sailing clubs.

C. PROPOSED NEW YQ INDIVIDUAL MEMBERSHIP

(i) Direct Individual Membership of YQ

Individual membership of Yachting Queensland is not supported by Royal Queensland Yacht Squadron. For a person to become involved in the sport and recreation of sailing it would now involve Membership of their joining Club, the State Body and the National Body (Silver Card).

A person's key focus and support should remain involvement and participation at Club level. The Club should then maintain an association with the State Body who in turn maintains an association with the National Body who maintains an association with the International Peak Body.

Three memberships and three individual cards to participate in sailing is overrated and not required.

No other sporting association provides for individual memberships of state and national bodies and appears to develop, promote and maintain their sports without the proposed YQ type individual State membership.

The items listed in Item 17 do not justify individual membership and alternatively should be developed to allow for Yachting Queensland to increase its communication and strategies to address the needs and requirements of clubs of whom they are meant to represent instead of individual members who are already a member of a club or association.

(ii) Perceived YQ Individual Membership Benefits

The majority of benefits are already available to club members through their membership and silver card held with Yachting Australia.

Other promotional YQ benefits could be achieved by providing the benefit to the Club who can then assist with promoting YQ to its members by providing the benefit to best suit the Club and its members. Currently members of Yachting Australia and holders of Silver Cards

(iii) Sustainability and Improvement of YQ Operations

The proposed Individual Membership is to rely on Individual Membership support for YQ to sustain and improve its operations and to provide the security to conduct operations and prepare annual budgets.

The concept of relying on individuals to pay for higher fees than they currently provide holds a potentially higher risk of not succeeding than the current reliance on Clubs to meet their banding requirement.

Yachting Queensland, with its need for financial viability, should be directing its strategies to meet future financial requirements through identifying commercial and sponsorship opportunities and reducing the requirement to meet financial needs from Government Grants and the need to increase the financial commitments from Clubs and Individuals.

(iv) YQ Membership Levels

The proposal relies on Individual Members categorising and paying the fees themselves. The Adults Membership category of Officials, coaches and volunteers and Cruising recreational membership will be extremely difficult to promote and will not be supported by individuals.

(v) Benefits to Members

The fees proposed for individual membership are not considered "substantial tangible benefits to the individual members" and clearly their benefits do not substantiate the monetary cost of the membership.

Clubs traditionally provide the role of promotion of benefits for club membership and this remains at Club level to provide the reason why somebody joins a Club.

(vi) Value of Membership – Individual Members

The fee proposed for Individual Memberships are considered exorbitant for the benefits to be obtained and exceed the affordability of persons who have already paid to be a member of a Club or Association.

As the Royal Queensland Yacht Squadron currently proportions its banding across its total membership, the reduction we could contribute to each member through not paying the higher banding fee is very considerably less than the fees to be paid by Individual Members for Yachting Queensland membership.

(vii) Value of Affiliation - Clubs

Whilst RQYS supports the principles of the current banding system, Yachting Queensland should be encouraged to develop alternative funding methods to reduce the level of reliance for financial viability on clubs especially from the larger clubs who already provide services and promotion of sailing as detailed in Item 31.

(viii) Club Support for Individual Membership

Current indications are that the Royal Queensland Yacht Squadron membership is not in favour of YQ Individual membership as proposed.

As it is not supported by members RQYS would lodge an objection to the the Individual Membership Scheme and the signing of any contract or agreement (MOU) with Yachting Queensland. Any change in the Constitution to provide for a YQ individual Membership scheme would not receive an acceptance vote from RQYS.

(ix) Collection of Individual Membership Fees

The Squadron does not support Yachting Queensland direct collection of Individual Membership Fees and moreover the current level of support from members indicates that the individual payment of fees by individuals would not be supported and difficult to enforce.

This would substantially reduce the amount of funding that YQ expect to raise from the new arrangements and is likely to result in an overall reduction of funding for YQ. It would also lead to individuals leaving the sport of Sailing as Australia's worsening economic conditions will mean individuals can no longer afford the YQ fee as well as club membership to go sailing.

D. YACHTING AUSTRALIA BANDING

The collection of Capitation and Banding Fees throughout Australia has been, since its inception, administered at State level using each States own State Yachting Authority to determine level, method and process of collection.

RQYS has in the past and remains concerned that as a Club it contributes the highest Capitation / Banding Fees within Australia and which appear to be higher than other like or larger Sailing Clubs.

The Royal Queensland Yacht Squadron supports the consideration of an Australian wide Banding System which provides a more equitable and even sharing of the financial support provided by clubs to their State and National Authorities.

E. CONCLUSION

- (i)** The Royal Queensland Yacht Squadron does not support the Yachting Queensland Proposal for the Future Collection of Yachting Queensland Membership / Affiliation Fees.
- (ii)** The Royal Queensland Yacht Squadron supports the concepts of the current banding system and for Yachting Queensland investigating and obtaining alternative funding and administrative review to enable reductions in the fees currently applicable under the Banding System.
- (iii)** The Royal Queensland Yacht Squadron supports the introduction of an Australia Wide Banding System which is fair and equitable to all clubs within Australia. The Squadron would need to fully understand and agree with any such System before its introduction.