

Membership Fees

Background

The club currently charges a membership fee of \$40 per year (incl GST) this fee is reduced to \$33.33 per year if a member chooses to pay for a 3 year membership (\$100 incl GST).

In addition a discount is allowed where there is joint membership (\$4 for annual membership and \$10 for 3 year membership).

Prior to increasing the fees to their current level (1 January 2016) membership fees had remained largely unaltered for more than 10 years. A small increase of \$5 per year took effect in 2010, however, since that increase GST also increased from 12.5% to 15.0% which also had an effect of reducing the club income base.

My predecessor suggested in the 2011 financial report that their needed to be a reconsideration of the annual subscription, if losses were to be avoided and the clubs financial position was not to deteriorate.

Financials

A Financial summary of the last five years income and expenditure is attached and the following is noted:

- The operating expenditure of the club is at a level of approximately \$100,000 per year.
- Our income decreased from \$90,000 in 2012 to \$82,000 in 2015. The subscription increase from 1 January 2016 assisted in maintaining income at around the \$86,000 level.

We have been fortunate, therefore, to have been able to maintain reasonably consistent income levels from 2012 despite interest income falling from \$11,375 to \$6,669 and new membership fees reducing from \$7,374 to \$4,976.

Over the period 2012 to 2016 we have continued to operate satisfactorily by calling on the reserves that we had built up over the years. The reserve pool, however, has been depleted by nearly \$80,000 over the recent 5 years.

Membership

Our membership is decreasing:

Feb 2010	3,050
Feb 2011	2,948
Feb 2012	2,840
Feb 2013	2,736
Feb 2014	2,667
Feb 2015	2,708
Feb 2016	2,617
Feb 2017	2,485

Since February 2010 (7 years) membership has fallen by 18.5%.

This represents a loss in subscription income of approximately \$16,000 (Net of GST) per year from 2010 levels.

Our membership will continue to decline due to the age of our members resulting in some of them dying and others giving up motorcycling and thus membership of the club. Many people in the 40+ age group do not hold a motorcycle licence. The motorcycle registration statistics show a significant decline in new motor cycle registrations post 1985.

Expenditure

You will note from the five year summary that while we have managed income levels with the 2016 increase in fees we have experienced some ongoing and one off expenditure increases.

The recent one offs have been in relation to the website development (\$5,000) and Logo registration (\$2,820). In the 2017 financial year we will have one off costs in relation to updating our membership database (\$3,500).

We can handle these planned one off expense but what we are unable to meet under the current situation is the substantial increased cost for the Ulyssian magazine in 2012 these were \$9,309 and in 2016 they were \$32,898 an increase of 350%.

In order to ensure the financial sustainability of the club we need to address the magazine issues.

Ulyssian

The club magazine is published 4 times per year and is (until June 2017) printed and mailed out to every member. The club in the past only had to meet the cost of wrapping and postage. The costs associated with publishing and printing were all covered by the advertising revenue.

Unfortunately the advertising revenue has declined substantially and the cost for printing, packaging and postage have increased over the years.

This has had a significant financial impact on the club.

In order to address this issue it was proposed and accepted at the April co-ordinators meeting that the Ulyssian be only produced in a digital format and be emailed to members.

While numerous members supported this move and requested that all communication be in a digital format our current database does not allow us to specifically meet these individual requests.

This move to a digital only "Ulyssian" did not gain support from many of our members who advised that they want a printed copy. In a "holding" move Natcom decided to continue to produce all four issues digitally and also have two issues available in a printed format. This was done as a means of controlling expenditure.

Membership Fee Proposal

In view of the support from members to have the Ulyssian published in a printed format four times per year and in order to ensure the future viability of the club finances I am recommending and increase in the membership fee for the 2018 financial year and applying to all membership fees paid from **1 March 2018**.

In recognition of those members who only want the magazine in digital format a discount will be offered on the membership fee.

The proposed fees are as follows:

	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Membership Fee	40.00	50.00	100.00	130.00
Discounts				
Digital only "Ulyssian"		(10.00)		(30.00)
Net Fee	<u>40.00</u>	<u>40.00</u>	<u>100.00</u>	<u>100.00</u>
Discount for Joint Membership	(4.00)	(4.00)	(10.00)	(10.00)
Joint Member Fee for Each Person	<u>36.00</u>	<u>36.00</u>	<u>90.00</u>	<u>90.00</u>
Joining Fees				
Initial Joining Fee	35.00	35.00	35.00	35.00
Initial Partner Joining Fee	10.00	10.00	10.00	10.00

In relation to the magazine costs the estimates for these are as follows:

	Estimated per copy	Discount
Design & Edit	\$1.50	
Printing	\$2.40	\$2.40
Postage & Wrapping	\$1.00	\$1.00
Advertising Revenue	Approx \$1.50	(\$0.90)
		\$2.50
	4 issues per year	\$10.00

Stuart Burns #3703
National Treasurer
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