



National Fee Structure- Banded fee model methodology

Background

This paper is intended to provide clubs an initial overview of the new national Affiliation fee structure. The new structure has been designed to harmonise fees and the funding of the sport so that it is equitable and nationally consistent across clubs.

All existing state fees structures and a number of overseas sports were reviewed as part of this process. It was determined that a Banded Fee Model was the most suitable structure for sailing in Australia.

This model was chosen for a number of reasons:

- It allows clubs to be grouped with their peers so they pay the same fee
- Provides budgeting certainty for both Clubs and Australian Sailing
- Reinforces that Clubs are the members- removes direct reference to individuals
- Similar models already being used in most states
- Ensures the financial footing of the sport is sustainable

For Queensland clubs, this is a move away from the capitation model where affiliation fees were based on individuals. The new model is based on a single fee to the club and does not directly reference the number or category of members at a particular club.

Implementation timing

Implementation will commence on 1st July 2018, with the first states being NSW and VIC. All states have different timing and constitutional constraints which will impact implementation, but the aim is to have the structure adopted in the next 12 months. There will be separate communications for each state to address the specific circumstances. The structure is intended to be fully implemented across the country within three years of adoption.

Transition Plan

There will be a period of adjustment for clubs that have significant changes in fees (both upwards and downwards movements). The following is a guide:

Increase/ decrease	Time frame
Between 0% and 10%	Immediate effect (year one)
Between 10% and 20%	Staggered over two years
Greater than 20%	Staggered over three years

Financial model

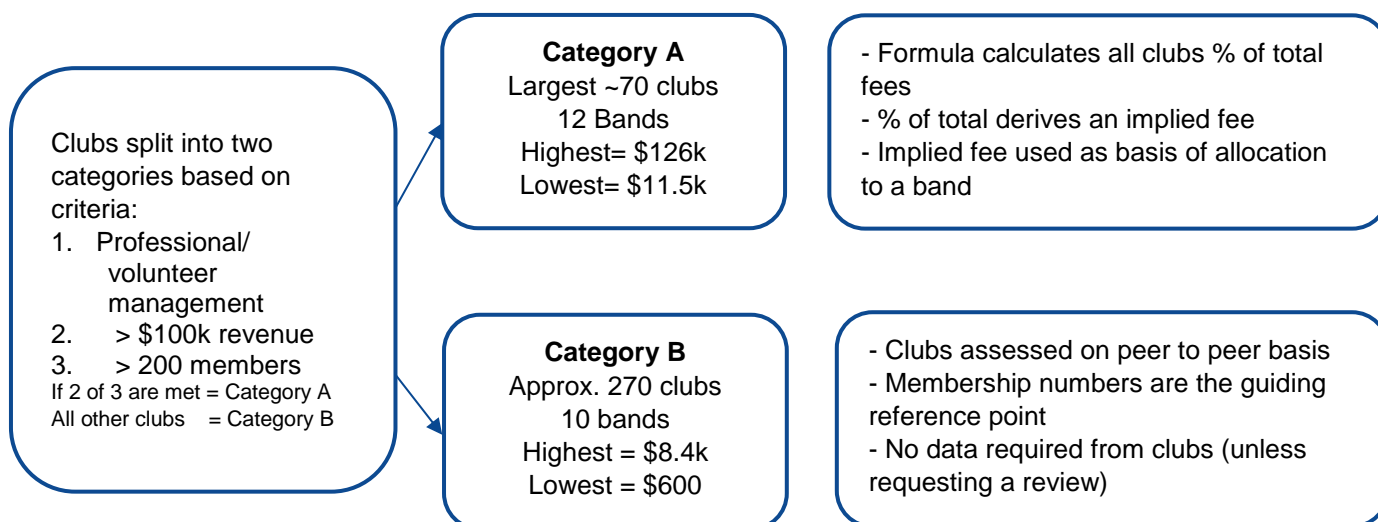
The financial model is based on apportioning a predefined total fee across all ~350 clubs that are grouped into 22 bands. The steps between the fees attached to each band are sufficiently large in order to minimise movement of clubs between bands.

The bands are split into two categories, based on meeting two out of three criteria:

1. Professional club management
2. > \$100,000 total revenue
3. > 200 total members

Clubs that meet two out of three criteria fall into Category A (bands 1- 12) and use an “implied fee” calculation to derive an objective measure which assists in allocating a club to a band. Clubs in Category A are requested to supply membership income and total revenue data to assist with this process.

All other clubs are allocated to Category B (bands 13- 22). Membership data is used as the guiding measure and forms the basis of allocating clubs to bands in this category.



It is anticipated that this model will be reviewed every three years and that there will be annual increases (no less than CPI).

Summary of Bands

	Band	Fee
Category A	1	\$126,000
	2	\$89,000
	3	\$75,500
	4	\$63,000
	5	\$52,500
	6	\$42,000
	7	\$31,500
	8	\$28,500
	9	\$24,000
	10	\$19,000
	11	\$14,500
	12	\$11,500

	Band	Fee
Category B	13	\$8,400
	14	\$6,800
	15	\$5,500
	16	\$4,200
	17	\$3,100
	18	\$2,600
	19	\$2,100
	20	\$1,500
	21	\$1,000
	22	\$600

Fee Review mechanism

A process has been developed to address club requests for a fee review in a nationally consistent manner. Reviews will be considered for one of two reasons- financial hardship or perceived misallocation to bands.

Submissions will be considered with input from the Regional Manager, an MYA representative and any other party that may be relevant to the review.

All clubs have the right to appeal if they do not agree with the decision.

Clubs that want to make a submission will be required to include the following information:

- Detailed submission explaining why it believes its fee is not equitable
- Whether it is requesting temporary relief (due to financial hardship) or a change of band
- The clubs proposed solution
- 3 x years of financial statements as provided to members (including all related club entities)
- 3 x years of membership data (including membership categories)

Further information

Additional information is currently being developed and when completed will be located on the Australian Sailing Website.

Further details on timing for each state and changes for clubs will be communicated by the end of May.