

Proposal for membership:

General Manager - Rob E.

Recommendation is to get rid of the membership or merge it into our product. Driving question is what is membership? Has had numerous queries across the desk as to the reason for paid membership. If you pay a membership then there should be something you get for it. 536 new registrations in 5 weeks. Making the facility nice has helped to bring people in, however, the usage needs to increase. Offering a discount via paid membership will lose money as has been the case at other centres. To get people at the club, more money will be generated through usage of products as opposed to membership fee. Not against a nominal fee. Nepean has only 30% of their membership base as paid members. This makes up 4% of their income annually. A strong membership base is important to show council. This is reflected in voting power for the council. A membership should be put off for a year until all old paid memberships have finished and the product is in full swing. CEO of Nepean states that the best thing they did was abolish membership fee. Wollongong Tennis Club have \$1.4 mil turnover vs 28k in membership fees. Rework tender numbers for the next committee meeting. In favour of the direct debit option. Spreading out payment over the year which looks like a discount.

Committee Response –

Lyn – Constitution states the ‘Association consists of people that have paid \$1 or other amount that is determined by the committee’. Follows on to AGM where only financial member can vote. GTC pays Tennis Australia ~\$6100 per annum. Covers insurance etc. and this could be made up with membership fees.

Rob D – Feels there should be some type of payment for membership. Possible factor being reduced rates for memberships? A visitor fee, membership fee, gold membership fee annually that gives a more benefits. Can we produce the cash flow if there are no membership fees?

Tony – What is influencing Rob in raising the no membership? *States its due to being across the counter and getting feedback. New people are unsure about paying for membership. Think bigger and long term. By getting them to commit to the club, we are able to raise more money than by charging membership fee (Rob E).* Probably many loyal people who do want to pay a membership but also want a reduction for this. Average around 100 days of wet weather where there is no income. Need to find 220k gap (including infrastructure) to cover this potential shortfall. Pay as you go issue is how do you make up for shortfall. Looking at ITS 53 % on casual membership and 47% on paid membership. Tender agreement was based on minimal knowledge of the running of the club. In the last meeting with the council, Peter Stokes felt confident with the business plan and the lease increased to 15 year from 5 years. Challenging the status quo by not having a membership fee is problematic. Tony submitted paperwork for a \$45k fund for infrastructure.

Kat – Is loyalty not a form of membership? People will use the club for its product. There are a small amount of people who want to pay more money for the purpose of belonging to a club. This is especially evident when taking into consideration the increased product fees this year and feedback from some people that are happy to stay at smaller facilities in the area in order to pay less. Infrastructure cost should be a long term goal and not factored as heavily into the discussion of profit v loss.

Murry – Charging big money for membership means that people won't join. If we do not charge people for membership, it is in line with a community space. We are offering the community an inexpensive sport to play for a nominal fee. The infrastructure costs are too great to fund from income. Rob has formed an opinion on how the business is running now that we have a feel for how things are shaping up over the last 2 months. ‘Hybrid’ cash flow like maybe a nominal fee as an option. 2 groups that are long term participants that want to pay \$20. There are special deals for long standing members.

Chris – rework the tender figures with membership figures and also without. Important to have it right for council. Time will allow us to predict and change accordingly.

Dale – Ladies midweek are covered until June 30. If they change over to free membership, they get it for the next 8 months.

Further discussions.

- 1) The membership fee that is currently free will continue until the next meeting occurs on the 13th March, where further discussions will occur.
- 2) Book keeper: Enquiry into accrual accounting as it shows the current state of payments out. Involves a lot of work. A good option is to have a book keeper in a few days per week. \$50/hr through Elizas Bookkeeping to do BAS and wages. Kat to discuss with Allcoast Book Keeping as another option and discuss with Rob.
- 3) ITS – An issue of safety has arisen due to homeless man at the bottom courts. The ITS school were advised that the bottom courts were closed temporarily and the top courts were used. A question was raised, Is it muddling the message by allowing them up here.
- 4) Priority List of actionable items (highlighted).
 - a. **Bins need to be looked into.** New bins need to be placed around that are more functional.
 - b. Table tennis tables. Wet weather options for comps and squads.
 - c. **Spend money marketing hotshots.**
 - d. Flag and paint pole.
 - e. **Liquor licence**
 - f. Look into corporate/team building and birthday parties

Discussion for next meeting on Monday 13th March.

- 1) Rob to produce a revised membership cash flow based on actual numbers as opposed to what was listed in the tender. Also will provide cash flow based on free membership option for comparison.