

INTRODUCTION

The JMS scheme is flawed in that it attempts to shoe-horn too many disparate clubs into a one size fits all formula that heavily skews the burden of affiliation against the smaller clubs whilst offering those clubs who are in a position to charge high membership fees a distinct advantage in terms of income/JMS cost ratios. The JMS also levies disproportionate fees on member types (juniors pay a far higher % of their membership fees towards JMS for example). Furthermore, the JMS fails utterly to deliver adequate tangible benefits to both club & individual members. Indeed, in a straw pole of club members many of the people asked were blissfully unaware that they were even members of the ISA (despite the fact that they receive ISA keycards every year).

There are several fundamental questions which need to be addressed in conjunction with the review such as –

- Is the JMS designed to be a revenue generating device for the ISA or an affiliation fee for a club & its members?
- Why are clubs obliged to make all sailing members a member of the ISA? This obligation is grossly unfair and represents an attack on a club-members freedom to choose.
- Strategically, where does the ISA wish to position itself? Is it a representative & governing body or is it a ‘club’ in its own right with boats (sailfleet) etc?
- Why does the ISA wish to represent groups such as powerboats & windsurfing? Surely these branches are non-core and would be better served by their own separate bodies (such as The IWA)?
- By divesting of non-core elements of the ISA would the inevitable cross subsidization of these departments be eliminated?
- Whilst the ISA is “the national governing body for all forms of recreational & competitive activities involving sail & engine powered craft in Ireland” is it possible that this is too broad a church and as a result fails to adequately represent *all* of these sectors (i.e. ‘stick to the knitting!)?
- Why does the JMS review set as one of its parameters the retention of the same level of income for the ISA when this is one of the key parameters which individual clubs would view as a critical item for review?
- Why does the review not start with a clean sheet of paper & a zero budget?

Note on Standards used in this submission

(We have based our calculations on a mix of membership as follows –

Juniors 25%
 Ordinary Members 40%
 Family Members 35%

This we feel represents an average mix for clubs. Where needed for comparison purposes, we have used a unit club size of 100 members.)

CURRENT JMS FEE & mid-size Clubs

The current fees structure which applies to Skerries as a ‘large’ club means that the levy applicable to the 3 main membership types will invariably be at close to the maximum in the JMS structure:

CURRENT JMS FEES FOR 'LARGE' CLUB		
	<i>Min</i>	<i>Max</i>
Junior	16	16
Ordinary	24	36
Family	44	62

SSC Fees for 2011		
	<i>Fee</i>	<i>JMS</i>
Junior	€ 55	€ 16
Ordinary	€ 340	€ 34
Family	€ 400	€ 60

For clubs ranging in size from 100 to 500 members (Small to Medium clubs) with a representative membership spread of 25/40/35 per 100 of Junior, Ordinary, Family, & using Skerries Sailing Club’s current fee structure, the JMS levy will operate as follows -

Approx Club Size	100	150	200	250	300	350	400	450	500
Member Breakdown									
Jnr 25%	25	38	50	63	75	88	100	113	125
Ord 40%	40	60	80	100	120	140	160	180	200
Family 35%	35	53	70	88	105	123	140	158	175
Min Fees Payable	€ 2,900	€ 4,350	€ 5,800	€ 7,250	€ 8,700	€ 10,150	€ 11,600	€ 13,050	€ 14,500
Max Fees Payable	€ 4,010	€ 6,015	€ 8,020	€ 10,025	€ 12,030	€ 14,035	€ 16,040	€ 18,045	€ 20,050

Application to Skerries Sailing Club using 2011 Rates

JMS Fees	3,860	5,790	7,720	9,650	11,580	13,510	15,440	17,370	19,300
% of Income	13	13	13	13	13	13	13	13	13

As can be seen from the above table, for club size ranging from 100 to 500 members, JMS levy will represent 13% of membership income and in all cases is close to the maximum rates applicable under the JMS.

This leads to the following major anomalies:

- Junior JMS rate is levied at 29% of membership income.
- Family club membership rate is 18% higher than individual but JMS fee increases by 76%! This is completely disproportionate
- For the lowest possible family rate to apply a club would have to change just €295 membership
- For the lowest possible Ordinary rate to apply a club would have to charge just €240

If we examine the average membership fees for similar sized clubs we get the following –

Mid-Sized Sailing Club Fee Structures			
Club	Family	Ordinary	Junior
Greystones	500	415	150
Skerries	400	350	55
Malahide	480	360	150
Bray	695	515	96
Galway Bay	504	420	100
Lough Derg	360	200	130
Kinsale	640	423	56
Rush	290	174	60
Tralee Bay	400	355	105
Waterford Harbour	540	350	100
Mean	481	356	100

Thus the mean ratio for Family/Ordinary/Junior is approx 51/38/10 with Family membership rates approx 35% higher than Ordinary but their JMS fee would be 72% higher! For the average Junior member, the JMS represents 16% of their membership fee.

From the above, it is apparent that both Junior and Family memberships are disproportionately levied under the JMS & the minimum rates for JMS are completely out of synch with current membership rates in many clubs. Meanwhile the maximum JMS rates are also out of synch with those rates chargeable by the more wealthy clubs thus creating a highly unbalanced fee structure from the outset.

OTHER SPORTING ORGANISATIONS

The JMS affiliation rates cannot be viewed in isolation and to get a clearer picture of how fee structures operate in other sporting organisations a survey of several sporting bodies was undertaken with the following results –

Swim Ireland charges each club an affiliation fee of €138. In addition, competition members pay €42 for the 1st member in a family, €37 for the 2nd member & €34 for a third family member. A lower rate applies to members who do not swim competitively. Thus a ‘family’ member might pay €79 for 2 active swimming members. However, the lump sum due from the club is set very low to compensate for the high ‘individual’ fee.

Cycling Ireland charges each club €290 for affiliation. Members pay a separate fee to the body depending on their involvement in the sport - €10 basic membership, €55 club competition license. Included in membership is 3rd party + personal injury insurance & race eligibility. Again, a very low lump sum fee but a high individual fee. However the individual rate includes insurance thus proving a readily visible benefit to membership.

Tennis Ireland, charges each club an affiliation fee of €33 for family, €16.50 for individual & €9 for junior affiliation fee.

GAA, charges a club approximately €100 per team and an additional fee of €2 for each player to register individually.

Hockey Ireland, charge an affiliation fee per squad of approx €1,100 P/A. There are no individual affiliation fees.

IRFU, via Leinster Rugby each senior club is charged an affiliation fee of approx €750 per club. There are no additional individual affiliation fees.

The RYA

There are two separate and distinct categories of membership, Clubs and Class Associations affiliated to the RYA and individual personal members of the RYA. Each of these two categories has its own range of benefits but members of an RYA affiliated Club or Class Association are not RYA personal members simply because they are members of an RYA affiliated Club or Class Association. If a club member wishes to be a personal member of the RYA they need to join the RYA in their own right, as a personal member.

For a Sailing Club to affiliate to the RYA the fees are calculated on an incremental basis with the 1st £7,000 of income (derived from full-members only) charged at 4% and the balance at 2% thereafter. All clubs are banded into 1 of 11 bands which deliver minimum & maximum levies as follows –

RYA			
Income from	Income To	Affiliation Fee	Max %
-	2,538	£100	3.9
2,539	3,605	£120	3.3
3,606	5,119	£170	3.3
5,120	7,268	£245	3.4
7,268	13,316	£350	2.6
13,316	21,988	£495	2.3
21,988	34,301	£705	2.1
34,301	51,787	£1,000	1.9
51,787	76,615	£1,430	1.9
76,615	111,782	£2,030	1.8
111,782	-	£2,880	2.6

For an individual non-club-member to join the RYA, the fee is £39 for individuals, £59 for a family & £5 for juniors.

ISA Review Committee Proposal for new JMS Scheme.

The ISA review committee has proposed a preferred revised JMS scheme based on the following stages;

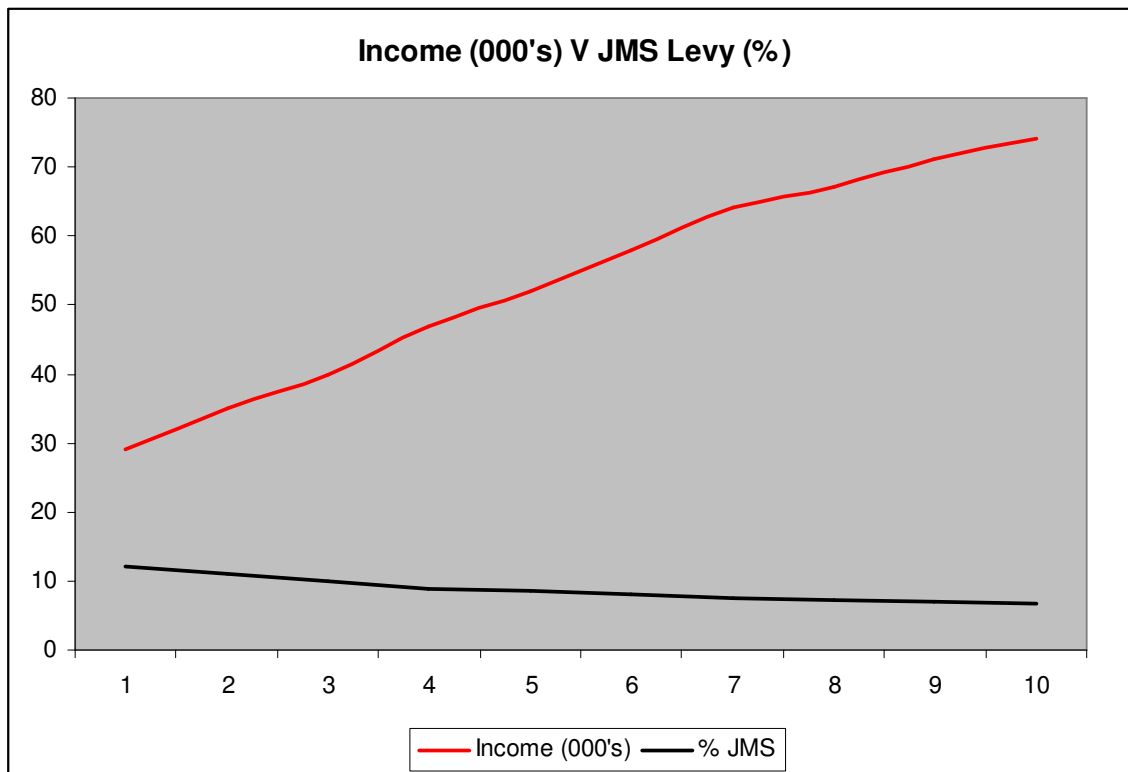
1. Clubs will pay a fee of 2.5% of income up to a maximum of €1,500 +
2. A 10% membership sub with the following maxima; Jnr €15, Ordinary €30, Family €50.

The implications for SSC and for other ‘mid-sized’ large clubs would be as follows –

ISA NEW JMS FEE STRUCTURE PROPOSAL									
Approx Club Size	100	150	200	250	300	350	400	450	500
Gross Income	28,975	43,463	57,950	72,438	86,925	101,413	115,900	130,388	144,875
2.50%	724	1,087	1,449	1,500	1,500	1,500	1,500	1,500	1,500
% Income	12	12	12	12	11	11	11	11	10

As a club increases in size, the gross contribution will gradually decrease from 12% to 10% of income. However, the critical factors for all clubs to consider here is the relationship between the membership fee and the maximum levy formula (e.g. the greater of €50 or 10% for families.)

Taking a club with a sample membership base of 25% Juniors, 40% Ordinary & 35% Family spreads, then for a unit club size of 100 members, the relationship between the proposed JMS & the clubs gross income can be shown as follows –



Thus, for a club such as **SKERRIES**, which currently charges memberships of €55, €350 & €400 respectively for Junior, Ordinary & Family, the club would expect to pay 11.8% of gross income. However, if the club is in a position to charge a much higher fee of €95, €550, €800 respectively, then the JMS levy reduces to 8.6% of gross income – a reduction of 27%!

As FEEs increase what effect on proposed JMS										
(Calc based upon 100 members @ 25% Jnr, 40% Ord, 35% Family)										
	Fee	Fee	Fee	Fee	Fee	Fee	Fee	Fee	Fee	Fee
Jnr	55	65	75	85	95	100	105	105	105	105
Ordinary	350	400	450	500	550	600	650	650	650	650
Family	400	500	600	700	800	900	1000	1100	1200	1300
Total JMS	3,472	3,991	4,159	4,328	4,497	4,650	4,803	4,891	4,978	5,066
% Income	11.8	11.4	10.2	9.3	8.6	8.0	7.5	7.3	7.0	6.8

If we examine the typical fee structure of 10 Mid-Sizes Sailing Clubs the following data can be plugged into the equation –

Mid-Sized Sailing Club Fee Structures			
<i>Club</i>	<i>Family</i>	<i>Ordinary</i>	<i>Junior</i>
Greystones	500	415	150
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Taking the mean fees of these clubs, & using a club standard size of ‘100’ members, the JMS proposal will require a club to pay 11.8% of membership income:

Type	Fee
Jnr	100
Ordinary	356
Family	481
Income	33,575
JMS 1	839
JMS 2	3,134
Total JMS	3,973
% Income	11.8

CONCLUSION

In conclusion, both the current fee structure and the structure proposed by the JMS Review Committee both represent an excessive burden on the finances of most of the 'medium' clubs whilst simultaneously benefiting the "superclubs" who are in a position to charge fees in excess of the 10% threshold maxima. To achieve any measure of equality in the process it is therefore proposed that the Review Committee examine the following possibilities –

- (a) Clubs should be re-categorised into a minimum of 10 different income bands according to income from full members.
- (b) The JMS levy would be applied as a fixed % within each band.
- (c) The committee should remove the mandatory link between a clubs members & ISA memberships
- (d) The imbalance between Junior, Ordinary & Family maxima must be corrected to reflect the reality of the relationship that exists between each category of membership ;

Skerries the ratio is 7:43:50 between Jnr/Ord/Fam
Mean for mid-size clubs is : 10:38:51

- (e) There must be an upper limit of 4% on any contribution applied to any club under the JMS
- (f) The ISA should re-organise its structures to bridge any finance gaps as a result of the revised JMS.

Suggested Revisions to ISA Structures.

In brief, The ISA appears to be living beyond its means when Irish Sports Council grants & High Performance are excluded. Income net of ISC & High Performance is approx €737,000 whilst operating expenses are in excess of €900,000. Salaries including personnel expenses account for €740,000 which is an equivalent per FTE of over €52,000. Expenses such as Website, database, promotions at €50,000 are excessive.

The organisation has several revenue streams from the sailing community which are probably being subsidized by other costs –

- IRC & ECHO services
- The ICC program
- Training courses & certification program
- Training centers
- Race management.

In our opinion these revenue streams should become full cost centers within the ISA with the possibility of increasing revenue from these sources. In fact it is these services that are mainly used by ‘regular’ (non high-performance) sailors and in general they would be prepared to pay for the privilege. Club members who simply want to sail or race locally without recourse to competitive events or travelling should not subsidize the more ‘active’ members.

The organisation has also become distracted by representing non-core activities such as wetbikes, motorboats, inland waterways, windsurfing, kitesurfing etc. As these are all minority practices when compared with the core sailing activity, there is obviously cross subsidization of these minority groups which is driving up costs for sailing members. As part of a strategic review, it would perhaps be of benefit to restate the objectives of the ISA to become a solely representative & lobbying body for sailing.