

# Motorcycling South Australia Inc



## Board Meeting – December 12<sup>th</sup> 2016

### Minutes

Meeting Opened At: 6:40

Present:

|                         |                                  |              |
|-------------------------|----------------------------------|--------------|
| Brenton Matters (Chair) | Dan Marsh (Deputy)               | Rocky Warren |
| Mike Hampton            | Malcolm Bulley (General Manager) |              |

Apologies:

Warren Duthy

Minutes of Previous Meeting:

Tues 14<sup>th</sup> Nov

Approved:

Rocky Warren and Dan Marsh, carried.

#### ACTION ITEMS STATUS

Nil in December due to limited agenda.

#### CHAIRMAN'S ITEMS

Pricing model still under review however final model nearing completion. Licence pricing was discussed and it was acknowledged more work is to be done before final release. More to be discussed later under budget heading.



## GENERAL MANAGER ITEMS

### Financial Report / Budget 2017.

An updated Balance Sheet and P&L were presented to the Board, the associations finances were discussed at length. MSA are continuing to operate with its overdraft for cash flow basis, drawing on the association's asset value. November through to February sees seasonally low cash flow months, this has been taken into account.

For November 2016 MSA posted a \$19k loss, (2016 YTD \$46k). For the year end 2016 MSA will post a negative result primarily due to;

- Permit revenue – 2016 total \$24,081. (2014 total \$63,273)
- Licence revenue (capitation) – 2016 total MSA \$199,800 however an additional \$79,947 in insurance premiums comes out of this amount. In 2017 this will rise by? (Awaiting MA confirmation).
- Receivables and payables were also discussed, all outstanding amounts must be followed up.
- Changing conditions at MA, accounts, invoicing, insurance premium uncertainty and licence fee splits have all added a level of uncertainty leading into 2017.

A model has been developed to take into account the impact of all income and expense line items. This can be utilised for budgeting and cash flow forecasting for future years.

### 2017 Budget:

- Rider numbers assumption to be at 2015 levels.
- Additional MA insurance premium included.
- Reduction in annual leave provision.

The chair spoke of the permit initiative delivered to clubs in 2014. The strategy was based on MSA subsidising permit fees to encourage increased events and therefore members. Unfortunately this did not occur and these fees would be taken back to what they were in 2014, these are still some of the most competitive permit fees in the country. Closed to Club / Interclub were held some \$130 below 2014 figures at \$150.

BM also spoke of the Australian Council not taking part in licence increases at a state level so all increases were attributable to MA. Additional work is being conducted to reduce national costs and those passed on to state members.

Many different scenarios were contemplated with the premise of returning to the black (Cash flow) and developing initiatives for development and growth in the sport. It was decided to return permit levels to those in 2014 and before due to the incentive to encourage additional events did not transpire. It was also decided, after much discussion and modelling we would engineer levies to be the balancing item in the short term. Being ultimately transparent, levies were decided as the best way to balance items in the short term. Many different combinations were modelled with the final result being \$25 for competition events and \$12 being for recreational riders.



Strategic initiatives and total sport development is in dire need of attention. Individual clubs are flat out running tracks and events and have little time and resources to embark on development activities. MSA will look to add value to club, interclub and state events. The issue is common to each and every club with cost impediments, lack of resources and increasing costs.

Calendar 2017 – Status, final version complete with all National, State and Championship events confirmed. All clubs have been offered to participate in the MSA State Calendar for promotional purposes. These will continue to be populated.

Board review – In the New Year the board will undergo a governance and leadership formal review. As most know this is an ongoing exercise to ensure a robust and sustainable member based business.

Standing disclosures – A register of standing disclosures will also be added for the purposes of conflict management and board involvement in conflicted situations.

A sports managers meeting was held on the 14<sup>th</sup> of December. Discussion was based around Sports manager's guidelines which were changed and agreed by all parties present. The 2017 calendar was coordinated well by Liam Meegan and a very minimal number of events were moved. Calendars supplied by state bodies are very much still in draft until the calendar is finalised in the best interests of every club and discipline.

MSA has two facilities it is responsible for, the Junior Development Park in Wingfield and ACUSA Park. The JDP costs approx. \$4,000 per annum and has recently been the result of some damage which is currently being repaired. A stolen car was driven through the gates and damaged the building, MSA and the Council have put in a claim to repair the damages. MSA are still looking for partners / JV to operate the junior development program.

Close of meeting

7:46pm

