

## **NOTICE TO T.E.E.R.A. MEMBERS**

### **FINANCIAL SITUATION – October 2019**

TEERA is operating at a loss. We expect to end the year about \$15,000 in the red after depreciation (\$11,000 cash). A first cut budget for 2020, with limited discretionary spending, is looking like a loss of around \$9,000. There are a number of reasons for this situation -

- TEERA took on some of the ride expenses – an attempt to keep ride fees down.
- TEERA membership fees have not risen for several years. The last movement was in 2013.
- We have fewer members.
- Tasmanian fees and charges are the lowest in Australia, as far as we know.
- Day “membership” was reduced this year to almost half.
- Half year reduced fee memberships are low revenue (at a loss in the case of juniors) due to AERA charging the full year affiliation rate.
- The public liability insurances paid by TEERA increased by around 40% in 2018. (It should be noted that increases in most other AERA fees have been insignificant).
- Due to a long-standing error, we have been charged by AERA for Day Members as if they were full members. The same error resulted in membership numbers being over-stated. This has been fixed.

TEERA has a relatively large cash reserve, accumulated from various situations in the past. This is held in a term deposit with the interest being reinvested.

There are ways ahead:

- Significantly increase the number of members and the number of rides and riders.
- Further limit discretionary spending and increase membership and ride fees to balance the books – the movements of both would need to be very significant.
- Continue as we are but with some fee increases and draw down on the cash reserves (retaining a contingency of \$60,000). This would provide approximately five years additional funding.

The developing TEERA strategic plan includes to continue to sponsor:

- clubs to encourage them to hold longer distance rides;
- introductions to endurance days
- interstate competitions for Juniors
- Tom Quilty teams, and to
- promote endurance riding in the wider equine community and beyond.

All of these will have associated costs.

Until we know from AERA what their fees and the insurance charges will be (possibly late November) we will not be able to set TEERA fees.

The SMC will be looking further at this issue. The purpose of this notice is to start a conversation so that other views can be considered. Please send any thoughts via email to [secretary@teera.asn.au](mailto:secretary@teera.asn.au)

TEERA SMC