

Debbie

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Sent: Thursday, 27 September 2018 14:29
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Cc: Debbie Hunt; Neil Smith; Wessel Strauss; Willem Edeling
Subject: DSA FINANCIAL OUTLOOK AND BUDGETING FOR 2019

Dear Dressage Council,

We will all shortly be faced with the task of preparing our 2019 budgets as well as setting down the 2019 membership fees. Fortunately our experiences during the 2018 year has given us all the understanding of formulating and living according the approved budget categories and levels and we will all benefit hugely from this. Please could you start assembling your teams and start asking how they view the 2019 year from a financial point of view.

Here are some salient issues that you may want to share with your council, clubs and members alike in setting the tone for the 2019 budget:

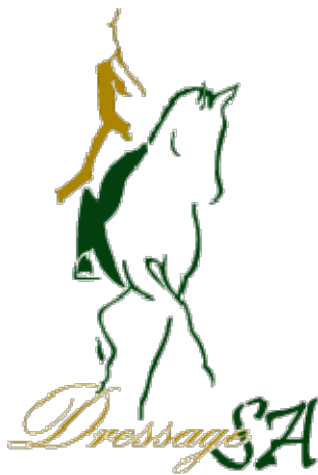
1. The 2019/20 revenue budget as well as the expense budget will need to be prepared for a **15 month period** although the financial year is only 12 months. This is a once-off exercise to ensure that we get full council approval for the January 2020 to March 2020 period at the 2019 AGM.
2. The **DSA challenge financial models seems overly complicated** so here are some suggestions:
 - a. The participation fee per section is waived and a simple, nominal R 500 commitment fee is paid by the show holding body of each province who wants host the challenge.
 - b. The payment of 50% of Judges travel costs is expanded to 100% of travel costs as well as 100% of Judges daily rate for the challenge. The contact will be entered into between National and the individual Judges.
 - c. The show holding body undertakes to reduce the costs of entry for the DSA challenge to a much more affordable amount.
 - d. The revenue split (presently 50% / 50%) between the province and national for either membership subs or Levies gets adjusted to offset this additional cost to the National Budget.
 - e. Remember this is one of our greatest and most successful national competitions and has the added advantage of "bringing the competition to you" thus saving athletes huge amounts in travel costs and time collectively.
3. It is clear that **SAEF will require a substantial increase in annual subs** (which will be tabled to the SAEF council shortly but could well be in excess of R 350 increase per member per year) in order to meet their constitutional obligations to the members and as a result we should as far as possible limit the % increase that DSA impose on its members for the 2019 year in order to limit a double-whammy effect. Some suggestions here would be to:
 - a. Increase all show levies by no more than 5%
 - b. Increase membership fees in the two larger provinces and possibly also KZN by no more than 7% and offer an early bird discount to keep the effective rate the same should you pay by end of December 2018.
 - c. Allow the smaller provinces to either adjust the membership fees upwards to achieve parity with the larger provinces and then offer them a larger range of subsidised services such as big show, development and travel subsidies which will capacitate the province, or allow them a smaller annual increase on their annual subs which will then limit their project activities and in the long term probably weaken the Dressage footprint in that province which is not a good idea.. Anyway, a minimum of 15% increase would be expected from smaller provinces to make the numbers work.

- d. Again, the subsidy of the marginal provinces could be assisted by a change in the Provincial/National revenue split of annual subs.
4. In the 2019/20 budget, either National or Provincial budgets need to carry a much more **substantial transformation budget** in order to ensure compliance as a sports organisation.
 5. The National budget must contain a fixed line item for a **number of International Judges or Officials** who can, in addition to judging at our big shows, offer more clinics around the country as per the recent Peter Hollard experience. Again, this cost will need to be offset out of the national/provincial revenue split.
 6. Some high performance budget will be required to assist preparing our athletes for the 2020 Tokyo Olympic Games without this contribution, it will be difficult, or even impossible to get SASCOC to subsidise our athletes.

Additional input and suggestions are also most welcome as at this stage, the items above are for debate and discussion purposes. Budget proposals will be requested formally from all provinces as from the 12th of October 2018.

Lots to think about.

Kind Regards,
Pierre Hefer



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