International Amateur Radio Union Region1
General Conference - 16th to 21st November 2008 - Cavtat, Croatia

SUBJECT	Future Financial Strategy		
Society		Country:	
Committee:	C3 > C2	Paper number:	CT08_C2_05
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Introduction

This paper, presented to the Conference by the EC, asks Conference to consider the future direction that the Region's finances should take, in the light of increasing financial pressures on member societies. It is proposed that the paper should initially be considered in Committee C3 and then passed to C2 for use in preparing the Proposed Annual Budget.

Background

In 1999, there was a strong reaction against proposals which had been developed by the then Executive Committee, to increase member society dues by some 50%. This appeared to reflect three concerns:

a) The financial pressures on member societies
b) The lack of understanding of the value of IARU membership
c) Some concerns about the spending pattern of the EC at that time

As a result of the discussions at the 1999 General Conference, actions were taken to limit spend, and to eliminate the need for a significant increase in membership subscriptions.

In 2005, at the General Conference, core membership fees were reduced by CHF 0.1 per member.

In January 2008, proposed changes to the budgeted for 2008 agreed by the Davos Conference were circulated (as is required) to member societies for approval. The reaction from our two largest societies has been to challenge the need to spend more, and to question some areas of spend. It is therefore appropriate that the EC considers carefully the strategy that should be adopted for the level of future membership dues.

The Issues

The core roles of IARU are defined in its Constitution:

Its objectives shall be the protection, promotion, and advancement of the Amateur and Amateur-Satellite Services within the framework of regulations established by the International Telecommunication Union, and to provide support to Member-Societies in the pursuit of these objectives at the national level, with special reference to the following:

a) representation of the interests of amateur radio at and between conferences and meetings of international telecommunications organizations;

b) encouragement of agreements between national amateur radio societies on matters of common interest;

c) enhancement of amateur radio as a means of technical self-training for young people;

d) promotion of technical and scientific investigations in the field of radiocommunication;

e) promotion of amateur radio as a means of providing relief in the event of natural disasters;

f) encouragement of international goodwill and friendship;

g) support of Member-Societies in developing amateur radio as a valuable national resource, particularly in developing countries; and

h) development of amateur radio in those countries not represented by Member-Societies.

It could be argued that, looking at the "global" IARU, it is (a) and (e) above which take precedence. Work takes place in the other areas, but a time analysis would show that (a) and (e) consume the resource.

In Region 1 there are numerous activities which consume financial resources, and which increasingly will need to be questioned as financial pressures increase. Appendix 1 shows the current budget for 2008, together with two possible options for the future, as a basis for discussion and to help with framing the future strategy. Appendix 1 also shows the impact on the dues payable by each Society. Note that Appendix 1 should be considered as indicative only, and not a firm budget proposal. It is submitted to provide the basis for a discussion on future direction at the Conference.

As will be seen from Appendix 1, under the "minimum" budget, there are five spend areas which contribute most of the costs of Region 1 in the "Option 1" budget:

- General Conference:	30,000
- ERC	30,000
- Treasurer	16,500
- IS	14,000
- EC meetings	16,000

Taken together, these account for around 60% of the Option 1 spend.

Any further significant reduction in spend will need to further address the level of these five line items.

Summary

There is scope for cost saving in Region 1, as a result of reducing the activity of the Region.

The Cavtat Conference is asked to consider the strategy for the way ahead.

Analysis Projects IARU R1 Budget 2009 Draft

Items	CC Nr.	Outline Budget 2009	Minimum Budget 2009	2009
Income @ per member subscription >		**1.8**	**1.10**	**1.40**
Annual fees Member Societies		230,000	140,556	178,889
Drawn from Long term capital		0	0	0
Drawn from SDF		5,000	5,000	5,000
Drawn from development fund		25,000	25,000	25,000
Drawn from WRC fund		3,000	3,000	3,000
Drawn from Foresight fund				
Total drawn FROM funds		33,000	33,000	33,000
Other income (interest/below the line gain)		9,000	9,000	9,000
Total Income and taken from funds		**272,000**	**182,556**	**220,889**
Costs				
EC Meetings	100	25,000	16,000	16,000
EC other	101	8,000	2,000	8,000
AC Meetings	102	6,000	3,000	6,000
Region 2/3 Meetings	103	3,000	2,000	2,000
Presidents cost	104	5,000	2,000	5,000
Treasurer cost (audit cost included)	105	15,000	15,000	15,000
Financial expenses (taxes, write offs...)	129	5,500	4,000	4,000
Office/secretary cost	106	7,000	5,000	5,000
Web	TBD	7,500	7,500	7,500
General conference	107	0	0	0
Sub-Regional meetings	108	5,000	0	0
HF Committee	109	1,500	1,500	1,500
VHF Committee	110	1,500	1,500	1,500
External Relations Com.	111	22,000	30,000	31,000
Support to 4U1ITU	131	1,500	0	1,500
WRC	112	3,000	3,000	3,000
RRWG	113	4,500	*	*
EMC WG	114	2,000	*	*
ETSI/CISPR	115	12,000	9,000	9,000
STARS WG admin.	116	2,000	500	1,000
EUROCOM WG	117	8,000	*	*
ARDF WG	118	1,600	0	1,500
HST WG	119	1,600	0	1,500
Emergency Comm.Coord.	120	3,500	2,000	2,000
IARUMS Coord.	121	1,200	1,200	1,200
Beacon Coord.	122	250	0	0
IPHA Coord.	123	400	0	
STARS Projects	124	25,000	25,000	25,000
Exhibitions	125	5,000	2,000	2,000
ARSPEX	126	2,500	0	500
Spectrum defence payments	127	5,000	0	0
IS Support	130	23,000	14,056	17,889
Sponsorship to ARDF	132	2,500	0	2,000
Sponsorship to HST	133	2,000	0	0
Total direct cost		**218,550**	**146,256**	**170,589**
Transfer TO funds:				
Long term capital		50,000	35,000	35,000
SDF		0	0	0
Development fund		12,650	0	0
WRC fund		7,500	7,500	7,500
Foresight fund		0	0	0
Total transfer TO funds		70,150	42,500	42,500
Total direct cost and set aside for funds		**288,700**	**188,756**	**213,089**
Net charge to General Fund		**16,700**	**6,200**	**-7,800**

* included in ERC budget