

Treasurer's Report for MRSG's 2018 Annual General Meeting

Accompanying documents :

Balance Sheet for 2017-2018 financial year

Profit/Loss Statement by Action Group for 2017-2018 financial year

Summary

MRSG's finances are in a very sound position for a not-for-profit organisation.

We were able to secure two sizeable grants during the previous financial year: \$6,000 Events & Festival Grant from the Macedon Ranges Shire Council to pay for the co-ordinator of the Sustainable Living Festival and \$3,750 Stronger Communities Grant from the Department of Infrastructure and Regional Development which paid for the custom trolleys used for setting up the Woodend Community Farmers' Market and Sustainable Living Festival.

The surplus figure of \$13.6k looks healthy but needs some explanation and perhaps some caveats. The surplus amount includes the bank account amounts from two action groups (Transition Town Riddell [\$977] and Kyneton Transition Hub [\$2,853]) which were incorporated into the MRSG accounts system and not included in the previous years' figures. The surplus amount also was bolstered by the \$11.3k Commission Earnings for the Renewable Energy Fund. It is highly likely that Commission Earnings in 2018-2019 will fall by around 50% as MRSG is no longer eligible for commissions from the C3 program and Mount Macedon Sustainability Hub (worth \$2.6k in 2017-2018) and the Solar Mill in Black Forest Drive has lost some major tenants so we expect a significant reduction in the commission from solar power generation.

MRSG's future effectiveness in the area of running sustainability projects will thus increasingly depend on its ability to secure grants from local and state governments and other sources. We have, in recent years particularly, established a good track record in attaining the stated project outcomes and thereby expect to be strongly placed to attract further funding in the coming years for many if not all of our action groups by this means.

Proposed Membership Fee Changes

One financial issue that needs redressing at this AGM is that of membership fees. Up until the last two years the revenue for membership fees was sufficient to cover our insurance costs. However, early in 2017 it was deemed by professional consultants that MRSG was under-insured for the activities that we were undertaking. The MRSG Committee immediately responded by taking out adequate coverage. Consequently, insurance premiums jumped from \$2,654 in 2016 to \$7,267 in 2017 (settling to \$7,146 in 2018). Membership fee revenue in the previous financial year was \$5,235. There is therefore a short-fall of just under \$2,000. The encouraging trajectory of increasing membership numbers in the past couple of years will help to narrow this gap but will not be sufficient to balance it completely.

The Committee therefore proposes the following **annual membership fee changes to be put into effect on 1/1/2019** :

Individual : increase from \$25 to \$30

Family (2 partners) : increase from \$30 to \$50

Business: increase from \$50 to \$100.

To ensure equity for those on low incomes we propose **a new concession rate of \$10** per year for students, pensioners, and those holding a health-care card.

It should be noted that MRSRG membership rates have not changed for a very long time and even with the new proposed rates are much lower than those of neighbouring sustainability groups (e.g. MASH : Individual \$60 ; Concession \$30 ; Youth \$10 ; Family \$80 ; Business \$150)

Dr David Gormley-O'Brien - Treasurer
5th October 2018