

Dear [club],

I am taking the unusual step of writing to you in support of this year's Annual Report to further explain our financial position. The long and short of it is-as I say in the report-the Federation finds itself at a watershed: do we carry on with our advocacy at its present level, or should we scale back? My own view is that that we would be abdicating our responsibilities to future generations of outdoor users if we were to scale back our activities. However, this is financially unsustainable unless we are better funded, despite the best efforts of our hard-working volunteers.

What to do? It is untenable, I believe, for the Federation to seek external funding from government agencies, or commercial sponsors; to do so would jeopardise one of our most valuable attributes, namely our independence. Because we are not beholden to anyone, we can advocate for our members at any forum, at any hearing and to any politician. Believe me, this makes our advocacy always credible and gives us the freedom to be as staunch as need be. We are envied for this.

There are thus limited sources of income for the Federation: grants from the Marewhenua and FMC Mountain & Forest Trusts, membership subscriptions and Individual Supporter fees. Increased donations and some bequests to the FMC Mountain & Forest Trust in recent years have made a significant difference to our operations, but the fact remains that charitable trusts cannot fund political advocacy. The corpus of these trusts is very much smaller than that enjoyed by all our cousin NGOs' equivalents-more donations would be very welcome, I assure you!

I can see only one way in which the Federation can operate usefully and effectively into the future and that is by increasing the subscription fees of our member clubs and our Individual Supporter fees. Just how much the fees should increase and how the increases should be spread are matters focussing the attention of the Executive at the moment, but a feel for what the increase should be can be gauged by the fact that we need around \$50,000 additional income each year.

I would hope that you agree that in the big scheme of things, an increase of under \$10 is neither extravagant, nor an imposition, especially noting that the last time we increased our subscription fee was twenty years ago. Indeed, once you factor in inflation, the current \$10 subscription fee has the same spending power that \$6.64 did back then. I think we must be the only organisation in New Zealand that has kept its fees constant for so long, let alone so low, and yet achieved so much.

As I mentioned above, our Executive is looking at how best any increase should be managed and we will be debating this matter at our next meeting in late May. One possibility is for a one-off increase in fees next year, noting that any increase of 20% or more would require the approval of a Special General Meeting. A series of lesser increases over several years may be preferable to clubs.

I would appreciate your views on how big a fee increase your club would be prepared to accept and your preference for either staged increases over two or three years, or a one-off increase. If you can email Jamie Stewart at administrator@fmc.org.nz your views by 25th May, this would be of great assistance.

In the middle of the year, guided by your feedback, we will provide some specific recommendations and a course of action.

In the meantime, I thank you for your support.

Yours sincerely,

Robin McNeill
President