



PROPOSED MOTION TO CLARIFY 50-YEAR MEMBERSHIP ARRANGEMENTS AND INTRODUCE 50-YEAR SOCIAL MEMBERSHIP CATEGORY

Overview:

A motion will be presented to members at the upcoming Annual General Meeting on August 16, 2022 to clarify the 50-Year membership arrangements and introduce a 50-Year Social membership Category.

The Committee and management's role is to ensure the membership and the amenity of the Reserve reflects our traditions, members' expectations and contemporary life, while always remaining financially viable.

Many members will be aware that the Club has been undertaking a membership review over the past four years with the aim of both improving your membership experience and planning for the future of the Club.

One of the first topics of the membership review was 50-Year membership, a cohort whose membership has spanned more than 50 years. It has been a long held practice of the Club to recognise the long term support these members have provided to the Club (in financial, and often other, terms) and by providing this group with additional benefits on top of Full member entitlements.

The Committee believes there are four fundamental points in relation to the 50-Year membership classification which the Committee believes need to be addressed in the interests of overall fairness for all members both current and future, our obligations to maintain the amenity of the Members' Reserve and to bring arrangements in line with contemporary times. Those four points are:

1. Despite the introduction of 50-Year membership classification back in 1965, the cohort has never been formally recognised in the Rules of the Club;
2. As females weren't eligible to be members of the Club in their own right until 1984, there are currently no female members in the 50-Year membership cohort and under the existing arrangement this will not change until 2034;
3. A proposed change to the 50-Year membership fee that the Committee believes is more sustainable and financially prudent in the long-term. Given the long-term nature of this problem and the recognition that this will be a financial adjustment for current 50-Year members, the increase proposed will be gradual over the next six year period. At the end of the six year period, 50-Year members will benefit from a 50 per cent discount on the Full membership rates for their geographic membership classification; and
4. The creation of a 50-Year Social membership category. A new category – the 50-Year Social membership – is being proposed with a subscription fee of \$15 per membership season to create an option for those members, currently within the 50-Year membership classification, who are either unable or no longer wish to attend event days at the MCG but want to retain their long held and treasured membership.

As required, the MCG Trust has been provided with the proposed changes to the MCC Rules and has provided its consent for the matter to be put to a vote at the Annual General Meeting.

For further enquiries about the proposal members are encouraged to email membership@mcc.org.au

Summary:

- Formal recognition of 50-Year membership as a class of membership;
- Inclusion of an initial specified cohort of female members into the class of 50-Year membership;

- Creation of a 50-Year Social membership category;
- Setting subscription rates for the next six years for the newly recognised 50-Year membership classification; and
- Full members to vote on proposal at Annual General Meeting on August 16, 2022.

PROPOSAL TO AMEND THE RULES OF THE CLUB AND SET SUBSCRIPTION RATES

An electronic copy of the consolidated Rules incorporating the proposed amendments, and a mark-up showing the proposed changes to the Rules, is available on the MCC website:

<http://www.mcc.org.au/clubrules>

Printed copies of the proposed amendments to the Club Rules can be provided to a member on request by that member to:

Address: PO Box 175, East Melbourne 8002

Email address: membership@mcc.org.au

Attention: Chief Executive Officer

MOTION

1. 50-YEAR MEMBERSHIP ARRANGEMENTS

ITEM 1: The Committee proposes that the Rules be amended and the subscriptions be approved as described in the following paragraphs 1.1 to 1.5:

1.1 50-Year Member

That new Rule 6.5(a) be inserted in accordance with the mark-up to the Rules made available to members.

Explanatory Note

In the interests of good governance and complete transparency of all membership classifications and categories, the Committee believes this point should be addressed and corrected, so that the Rules reflect what has been custom and practice over the past 57 years. This will formally recognise the current 50-Year membership cohort within the Club Rules.

In the Rules, the 50-Year member classification would incorporate any member who has been a Main Category member (that is Provisional member, Restricted member or Full member) for 50 continuous years from the time of first being admitted as a Main Category member of the Club.

1.2 Inclusion of initial specified cohort of female Members to 50-Year Members

That new Rule 6.5(b) be inserted in accordance with the mark-up to the Rules made available to members.

Explanatory Note

As a result of females only being able to either:

- (a) join the waiting list from June 1983, and subsequently become members of the Club in 1992 (at the earliest); or

- (b) become a member in 1984 (on the basis of a male Full member choosing to relinquish his right to purchase an Annual Lady's or Guest Card and then nominate a woman to gain membership),

the Club now has many females who have been members in their own right from their first available opportunity but who remain well short of 50 years in membership.

Detailed below is a reminder of some other relevant points in relation to the history of the process of females first commencing to be eligible to become members of the Club:

- From June 1984 females were initially admitted as Provisional members via the conversion of a male Full member's Annual Lady's or Guest Card before this category was abolished and all female Provisional members had until August 31, 1987 to apply for Full membership or their membership would lapse.
- Females nominated from June 1983 through to August 31, 1987 would have been offered Restricted membership by November 1996, so had until September 30, 1997 to accept their offer.

It is clear that many of the females who moved quickly to take up the opportunity to seek membership of the Club when it first became available to them would now be 50-Year members if they had been allowed to join the waiting list and become members before 1983 and 1984 respectively.

Not having any females as part of the Club's 50-Year member cohort has sat uncomfortably with the Committee and Club management for many years. This does not reflect the current ethos of the Club to be welcoming and inclusive, and therefore it is critical that this is addressed in the updating of the 50-Year Membership classification.

Given females could only become members a maximum of 38 years ago (as the beneficiary of a converted Annual Lady's or Guest Card) or 30 years ago (if they were nominated to the waiting list in 1983 to be eligible to be offered Restricted membership in 1992), there is the unfortunate inability of many of our first female members to ever reach 50 years of membership. Due to the rules which were in place, they are effectively being excluded from reaching the milestone in their lifetime as a result of not being able to join the Club as early as they would have otherwise.

Rather than wait a further 12 years until the 50-Year Membership classification will feature any female members, the Committee proposes that female members who meet the below criteria will be eligible to be classified as 50-Year members and receive the benefits associated with this classification of membership. This decision underpins the desire to achieve long-term gender equality across all classifications and categories of membership, which ultimately reflects the Club's objectives around diversity and inclusion.

To reflect this decision, current members who meet the following criteria would be eligible to be classified as 50-Year members:

- (a) became a female Waiting List Nominee before August 31, 1987 and then subsequently either:
 - (i) accepted an offer of Restricted membership on or before September 30, 1997; or
 - (ii) became a Full member on the basis of a converted Lady's Card or Guest Card, on or before September 30, 1997; and
- (b) 65 years of age or older.

Members who satisfy the above criteria by August 31 each year will be acknowledged as 50-Year members from the following membership year commencing on September 1.

The age of 65 reflects the earliest age a male member can possibly become eligible to be a 50-Year member, given the minimum age for membership is 15 years of age.

While no simple rule structure can exactly reflect the particular circumstances of every individual, we believe updating the Club's rules fairly and reasonably places this initial cohort of female members on the same footing as male members of the same age in terms of their journey to reach 50-Year membership.

1.3 **50-Year Social Member**

That new Rule 5.6 be inserted in accordance with the mark-up to the Rules made available to members.

Explanatory Note

The Committee proposes the introduction of a 50-Year Social membership as an alternative to 50-Year membership for eligible members who:

- a) are unable to attend any games or event at the MCG;
- b) would still like to be able to nominate and second candidates for the waiting list;
- c) would still like to have a connection to the Club, continue their years of loyalty and have the option to attend non-match day events or visit the Club.

This classification has been introduced as the Committee deeply values the continued support of the Club's longest serving members and wanted to create an option for those members within the 50-Year membership classification who are either unable or no longer wish to attend event days at the MCG but want to remain involved in Club life. Once transferring to the 50-Year Social membership category, members are not able to return to their previous 50-Year member classification at a future time.

The Committee has resolved that the fee for the 50-Year Social membership should be set at \$15.

1.4 **Consequential amendments**

That existing Rule 1.3 be amended to:

- (a) insert new definitions to reflect the introduction of "50-Year member" and the "50-Year Social member";
- (b) amend definition of "Additional Category Memberships" to reflect the introduction of "50-Year Social member";
- (c) amend definition of "Age Classification" to reflect the introduction of "50-Year member";
- (d) amend definition of "Class" to reflect the introduction of "50-Year member";
- (e) insert definition of "Lady's Card" to reflect the criteria for elevation of a cohort of female members into the class of 50-Year membership,

in accordance with the mark-up to the Rules made available to members.

That the following existing Rules be amended in accordance with the mark-up to the Rules made available to members summarised as follows:

- (f) existing Rule 3 be amended to reflect the introduction of "50-Year Social member" as an Additional Category of Membership and "50-Year member" as a Class of membership.
- (g) existing Rules 4.2, 4.3, 4.4 and 6.1 be amended to reflect "50-Year member" as a Class of membership.
- (h) existing Rule 5.1 be amended to reflect "50-Year Social member" as an Additional Category of Membership.
- (i) existing Rules 8.1 and 8.2 be amended to allow 50-Year Social members to propose or second persons for membership.
- (j) new Rule 12.3 be inserted to provide that where a member's rights of membership are restored under Rule 12.3, any period that the member's name was on the Suspended Members' List and any period that the member had ceased to be a member (as applicable) will be deemed to count towards the requirement of continuous membership in new Rules 6.5(a) and 6.5(b).

1.5 **Setting of 50-Year Member Fees**

In accordance with Rule 12.2, the Committee proposes that the Subscriptions payable by 50-Year members for the next six years will be as follows:

- (a) 2022/23 Membership Year: \$15;
- (b) 2023/24 Membership Year: 5% of the Subscription payable by a Full member in the relevant Membership Year;
- (c) 2024/25 Membership Year: 20% of the Subscription payable by a Full member in the relevant Membership Year;
- (d) 2025/26 Membership Year: 30% of the Subscription payable by a Full member in the relevant Membership Year;
- (e) 2026/27 Membership Year: 40% of the Subscription payable by a Full member in the relevant Membership Year; and
- (f) 2027/28 Membership Year: 50% of the Subscription payable by a Full member in the relevant Membership Year.

Explanatory Note

Back when the 50-Year membership classification was introduced in 1965, the discounted subscription of \$15 was set at 75 per cent of the Full membership rate at the time being \$20.00. Despite all other subscriptions rising steadily since 1965, the 50-Year membership subscription fee amount has remained unchanged. With the prompt of the overall membership review and an in-depth look into Club finances and amenities for the future, the Club has undertaken actuarial modelling of the membership numbers and fees. This has revealed that the continuation of the 50-Year membership fee at its current rate is not prudent financial management of the Club for all members.

The Club also needs to take into account the fairness of the fee structure for all members, both current and future, in reaching a balance of recognising our longest serving members with a fee that equates to contemporary times and long-term financial sustainability. The current 50-Year membership classification fee does not reflect the contemporary costs of

managing our Club, amenities or MCG entry contribution for members to our venue hirers and is not sustainable in the long term

Modelling shows that 50-Year membership will steadily grow towards 20,000 members over the next 30 years (up to 33 per cent of our current Full membership base), even without the introduction of the measures relating to female members to the category described above being put in place. To give further context, currently in the 2021/22 season there are approximately 4,000 members classified as 50-Year members, and the estimated number of female members who would be eligible under the measures described above is approximately 1,500, which would take the complete cohort of 50-Year members at this time to 5,500 members (approximately 3.67 per cent of the total membership).

As the number of 50-Year members grow over time, the Committee have identified that this will have a significant impact on the Club's finances and the level of amenities and benefits offered to members in the future. To avoid this occurring, the Committee proposes a strategy that will gradually increase the 50-Year membership subscription to 50 per cent of the Full membership rate, relevant to each member's geographic classification, over a five year period commencing from the 2023/24 membership season (September 1, 2023).

The 50 per cent discount, opposed to the initial percentage discount of 25 per cent when the classification was first introduced in 1965, acknowledges and rewards our longest serving members by delivering them a membership fee that is affordable and in line with current day costs in running the club and ground. After the six year period to adjust the subscription fees for the 50-Year membership classification, any increase to the cohort's annual subscription fees would revert to 12.2 (c) in the Club Rules.

The Committee would like to emphasise that this proposed change to the 50-Year membership fee structure would have been recommended regardless of the global COVID-19 pandemic or the inclusion of female members into the classification, with management working through future financial modelling prior to March 2020.