



# Mordialloc Life Saving Club Inc.

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ABN 42 726 983 567

## Club Craft Subsidy Policy

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## 1 General

- 1.1 Mordialloc Life Saving Club Inc. (the Club) has established a program to provide financial assistance/subsidy to club members wishing to purchase craft (Craft) for training and competition purposes (the Program). Under the Program the Club maintains a part interest in ownership of the Craft with the Club member (the Member). The Program applies to the purchase of both new and second hand craft.
- 1.2 The subsidy is available up to a maximum of 50% of the purchase value of the Craft. The percentage value of the subsidy may be negotiated with the Committee of Management (COM) of the Club.
- 1.3 Craft covered by the Program include: fibreglass boards, racing mals and surf skis.
- 1.4 Approval of applications under the Program will be dependent upon the COM determining that the Club has sufficient funds to finance the Program.

## 2 Application

- 2.1 Applications must be received by the COM by November 30 of each year for first round consideration and by February 28 for second round consideration. The COM will consider each request on its merits and a decision will be advised to the applicant within 28 days of the first committee meeting held after the submission deadline for each round of applications.
- 2.2 The COM reserves the right to consider and approve or reject applications made separate to the funding rounds as described above at it's discretion.
- 2.3 Members must have been financial members of the club for at least 12 months prior to application.
- 2.4 Members must fully participate in club training in craft related disciplines in order to be eligible to apply for the subsidy.
- 2.5 Member's competition rights must be held at MLSC.
- 2.6 The Club reserves the right to nominate preferred manufacturers for each type of craft, in which case only craft purchased from those manufacturers will be eligible for the Program.
- 2.7 All craft specifications including manufacturer, dimensions, artwork and sponsorship must be included in the application for the COM to consider.
- 2.8 Applications are limited to one per member per financial year if unsuccessful and one per member per two financial years where a successful application has been made.
- 2.9 The Member would be expected to participate in regular LSV and SLSA competition and activities, as well as Club fund raising activities.
- 2.10 Upon approval of the subsidy, the Club and the Member (and/or guardian) will formally enter into an agreement acknowledging subsidy terms and conditions.

### **3 Purchase**

- 3.1 All Craft purchases under the Program shall be arranged mutually between the Member and the Club prior to purchase.
- 3.2 Members may request the Club to arrange the purchase of the Craft or alternatively, Members may organise the purchase themselves once approval from the COM has been received.
- 3.3 The Club has absolute discretion in determining the suitability of Craft approved for purchase under the Program.
- 3.4 The subsidy is limited to SLSA/LSV approved craft only.
- 3.5 The Club reserves the right to put Club sponsor(s) advertising on the craft at its absolute discretion. Club approval is required for any advertising by sponsors of the Member to be placed on the Craft.
- 3.6 Members sponsored by other organisations may arrange for their sponsor to contribute to the part or full payment for the Craft. However, the Club will retain full ownership of the craft if the sponsor's contribution is made to the Club for tax purposes (ie: if the sponsor makes a tax deductible donation up to 50% the value of the sponsored board). If the sponsor contributes money in the form of direct sponsorship, the Member will retain their share of ownership of the craft for the duration of the agreement.
- 3.7 Members must pay in full their share of the purchase price prior to the Club ordering and paying for the craft.
- 3.8 In the event that the member arranges purchase of the craft after approval has been granted, subsidy will only be released on presentation of formal Tax Invoice/Receipt from supplier and will be paid direct to subsidy applicant.
- 3.9 The Craft will be jointly owned by the Club and the Member.
- 3.10 The Member (or their parents/guardian) will pay the full cost of any accessories (eg. board cover, ski paddles) and any custom artwork they order.

### **4 Sale**

- 4.1 Craft will be kept for minimum of 2 years unless unable to pass SLSA/LSV scrutinising, or the subsidy may be forfeited.
- 4.2 The club may consider selling its interest in a Craft to a member if they want to keep it when the agreement ends. However, this is not expected and would be dependent upon the Club's requirements at that time and on both parties agreeing upon a satisfactory price.
- 4.3 When a Member wishes to sell and/or return craft purchased under the Program, the Member will notify the Club immediately. The Club will first make all reasonable endeavours to arrange sale of the Craft to another Club Member at a price mutually agreed between the Club and the co-owning Member.
- 4.4 If not sold to another Member, the Club will have first right of purchase of the Craft.

- 4.5 Should the Club be unable to sell/purchase the Craft within a reasonable time frame, the Member may then independently seek to sell the Craft.
- 4.6 Any costs associated with the sale of the Craft shall be incurred by the Member.
- 4.7 Upon sale, the percentage owed to the Club shall be forwarded to the Club within ten business days of receipt of proceeds from the sale.
- 4.8 The agreement terminates once the proceeds of the sale have been received by the Club.

## 5 Use of the Craft

- 5.1 The Member has exclusive use of the Craft. They (and their parents/guardians) are responsible for its custody and safe keeping during the period of the agreement. The Craft is not to be used by other people during this period without the express approval of the Member.

## 6 Repairs and Maintenance

- 6.1 The Member will take all reasonable steps to ensure the Craft is maintained in good condition at their own expense.
- 6.2 Where the Craft is damaged in the course of use, transit or storage, the Member is responsible for the organisation and payment of all repairs.
- 6.3 Repairs may only be carried out by persons authorised by the Club.
- 6.4 If the Craft is lost, stolen or damaged to the extent that it is either technically or financially not viable to repair, the agreement will be terminated and the Member will, within one month of the agreement being terminated, pay compensation to the club for the loss of its interest in the Craft. Under a 2 year agreement, this will equate to 32.5% of the total base price.
- 6.5 Upon consideration of the circumstances surrounding the loss the Club may, at its absolute discretion\*, agree to waive part or all of this compensation. However, should this damage occur due to irresponsible or inappropriate use of the Craft at any time, then the Member must replace the craft or repay the Club to the value of the craft at the time of destruction.
  - \* For example, the Club would normally waive or reduce the compensation if a board or ski was snapped during a race and the Member had not been reckless and maintained their commitment to training. It would not be waived or reduced if a member habitually left the craft unattended on the beach and, as a consequence, it was stolen.
- 6.6 If both parties are unable to agree on the value of the Craft, an independent valuation will be sought and the value set by the valuer will be binding.

## 7 Renewal of Agreement

- 7.1 Upon reaching the end date of the agreement, and, at the discretion of the Committee, the Member will be offered the opportunity to renew the agreement for a period of one year on the condition that:
- i. The Member has demonstrated appropriate use and care of the craft for the duration of the existing agreement
  - ii. The Member intends to continue competing for The Club for the duration of the next 12 months
  - iii. The Member continues to satisfy clauses 2.1 — 2.4 of this policy
- 7.2 The Club reserves the right to refuse to enter into a second or subsequent agreement upon the completion of any given agreement.
- 7.3 An agreement cannot be renewed if it has been terminated for any of the reasons outlined in section 8 of this policy.

## 8 End of Agreement

- 8.1 The agreement will automatically terminate immediately if:
- i. The Member does not renew their membership by 30 November in any year;
  - ii. If the Member transfers their competitive rights to another club; or
  - iii. Upon the Club being notified that the Craft has been lost, stolen or irreparably damaged.
- 8.2 The Member (or their parent/guardian) may terminate the agreement by giving at least one month's written notice to the club.
- 8.3 When the agreement reaches its end date or is terminated (other than for loss, theft or irreparable damage) the Member must promptly have the craft inspected by one of the Club's approved repairers. Once any necessary repairs have been carried out and paid for by the Member, the Craft will be returned to the Club who will buy out the Member's interest and pay the Member according to the following schedule:
- i. *25% of the total base price if returned after a single season (or part thereof)*
  - ii. *17% of the total base price if returned after a two seasons (or during the second season)*
  - iii. *10% of the total base price if returned after a three seasons (or during the third)*