

SOBA 2019 AGM Minutes

Date: 06 July, 2019

Start Time: 11:45 AM

Attendees: Denise Garland, Neil McInnes, Nigel Jones, Gareth Guitry, Tom Coleman, Warwick Foy, Michael Donaldson, John Oszajca, Barbara Joppa
Apologies: Jeremy Bayliss, David Wood, John Austin

Committee Members for 2018-2019:

Warwick Foy – President
Tom Coleman – Treasurer
Barbara Joppa – Secretary
John Austin – committee
Gareth Guitry – committee
Jeremy Bayliss – committee
Dallas Potz-Nielson – committee (new)

President's Report: Warwick Foy

I was motivated to become president because I believe that we do good things for good beer in Aotearoa. The Pursuit of Hoppiness, National Homebrew Comp, National SOBA Awards and our festivals are very strong products which add life to the beer scene in Aotearoa. Our education, promotion and advocacy roles are still important. This is evidenced by the media almost always using stock pics of beer whenever they report on alcohol issues. Our advocacy role has changed though... more on that later.

One of the key goals of the executive committee in this term has been to improve our technology. Our membership system is old fashioned and arduous for the membership officer. Our database could be more user-friendly but we have learnt that updating these systems is complex and has an effect on numerous people and procedures throughout the organisation.

We have recently updated some of the back-end systems relating both to how members sign up, and how we communicate with them. We are in the process of rolling out these changes to members, and aim to use the new systems infrastructure to improve how we promote and communicate about SOBA events and venues that support SOBA.

I would like to congratulate our honoured members for 2018-2019: Maree Shaw, Tom Coleman, Phil Murray, Mike Stringer, Ed Briem and Karl Summerfield. Thank you once again for your service.

This year we welcomed Tony in BOP and John in Whangarei as regional coordinators. These two were not recruited, they saw value in contributing and signed up to help. We appreciate this and we look forward to seeing you develop some events in your regions.

The National Homebrew Comp was once again a massive success. Thank you to Dave and his team and all of the hard-working vollies who make this such a great event. Dave has stepped aside for 2019 and for a while it was looking like we would have to rest the event due to a lack of person-power. We now have a bid from Wellington to run the event so that is great news.

Our National SOBA awards were popular this year. Gareth did a great job of communicating and synchronising events so that there was more impact across the country. Congratulations to all nominees and winners. My hope is that this event goes from strength to strength because it's such a positive and visible event.

Lately, some of us have been asked "what is the point of SOBA anymore"? This is a concerning question and it does require some consideration. As I stated at the start of this report, I believe there is still a need but the only way we will know for sure is if you tell us. If hands stop going up for roles and if interest in our events tails off, then that's the answer. Right now, there is no evidence of this occurring and in fact, we actually are experiencing growth in some aspects of our organisation. Yes, there is far more good beer available all over the place but many of the fundamental issues remain: faux craft beer, a wine/beer hierarchy in restaurants and on planes, slanted media presentation of beer issues etc. You only had to watch Michael's appearance on The Project to see that there is still a staggering amount of ignorance about beer in the drinking community. So, those are my thoughts on why I will continue to work for SOBA.

I do wish to mention a dynamic which some of us office holders and RC's often encounter. This is the "us and them mentality" where some members feel that those who step up are responsible for running and organising everything. If things don't go so well, these folks can then be the target of some fairly honest feedback. With respect, I would like to remind all members that the society is you. We are all in this together and if people do not pitch in, things will not happen. The NHC is an example of this. There is no magic army waiting in the wings to take this on, only regular members who are willing to give it a crack. Thanks for your consideration of this point.

I would like to thank committee members who make such a valuable contribution to what we do:

Dave (who has now departed from national committee) - for the professional job you did on NHC.

Jeremy - our hospo professional who tells us when we need to get real.

Tom - Quite simply, you are indispensable to SOBA.

Barbara - Thanks for your hard work in the secretarial role and also your counsel!

Gareth - Even though they don't have the internet in Hamilton yet, Gareth manages to keep us on the level and he does a completely professional job running awards.

John - Although I don't speak IT, I understand enough to know that John makes a massive contribution in the tech space. He is also our goto for database, website and general problem solving and advice.

I would also like to thank our other key contributors:

Firstly, all the unnamed worker bees who just get stuff done. We are a broad-based society and we would be nothing without the contribution that you make.

Our RC's. It's a tough job in some regions but you battle on and we have seen some good wins - such as Awards being held in BOP for the first time in a while - possibly ever!

Wade - for all the work you do on distribution of Pursuit.

Alex- who did a sterling job as membership officer before handing over to Shalaya who has carried this on.

Michael - who flies a very large flag for us whenever the opportunity arises. And of course, is unparalleled as editor of Pursuit and all round good beer guy.

Our festival teams - lead by Adam in Dunedin, John in Wellington, Brian in Taranaki and Damon and Mike in Auckland. I commend you for the high quality events you bring to these regions.

Here's to 2019-2020 and good luck to everyone who is involved today!

Treasurer's Report

Tom Coleman provided Financial report and the following notes in the survey which was sent to members. The financial report was passed by membership prior to the meeting.

Notes on FY2019 P&L

As always, membership subscriptions are our most important source of income. A sure sign of the contribution our members make to the New Zealand beer scene.

These funds enable us to undertake the business and activities that keep us busy throughout the year and we have to recognise that some of these activities will not return profit to the society. These include the increasingly high-profile SOBA awards, the general business of running the society and annual meetings for the committee and regional coordinators.

It is expected that the National Homebrew Competition will also continue to fall into this category unless there are significant changes in terms of sponsors or partnership.

Regional events such as bus trips, tastings and classes are usually subsidised by central funds for members but not non-members. This expense meets our mission of promoting and educating for good beer and is also a driver of membership growth and maintains our community of members.

'Pursuit of Hoppiness' has yet to be a profitable undertaking, advertising revenue has never covered growing production, distribution and content costs – a problem common to much print media. Editor Michael Donaldson will present and take questions at the AGM but in advance we want to be clear that the committee is fully committed to financially supporting 'Pursuit of Hoppiness' as an independent and entertaining voice in the beer scene and our most public face as a society.

Our festivals have grown to cover four cities: Auckland, New Plymouth, Wellington and Dunedin. These are expected to return a small profit to the society (which is not always clear in the P&L due to the cut-off date often falling between revenue and expenses) however they do represent a substantial financial risk to SOBA, and one reason that we maintain a strong current account balance is to mitigate this risk and ensure that we remain in a position to bankroll such events.

Any questions online or at the AGM are most welcome.

Cheers

Tom Coleman
SOBA Treasurer

Pursuit of Hoppiness Editor's Report:

Michael Donaldson attended the AGM meeting and provided information regarding the SOBA publication PoH. The report is as follows:

In the past financial year members will see that Pursuit of Hoppiness recorded a loss of a few thousand dollars.

The background to that is as follows:

The annual turnover for the magazine is around \$100,000 – we take in about \$14,000 in revenue per issue and we try to make sure it is cost-neutral. The average costs are: Printing \$7500,

Design \$2500, Distribution \$2500, Editorial costs (editor, writers) \$1500, Pumpt (contract publisher) commission and fixed fees \$1000.

The 2018-19 financial year started well and we were on track to break even – but from the end of 2018 through the start of 2019 advertising dropped significantly.

I've heard anecdotally from others in various industries that the Christmas New Year period of 2018-19 was incredibly slow and you may recall many large stores like Briscoes and Harvey Norman doing pre-Christmas sales rather than waiting for Boxing Day.

I also think there are some breweries and others in the industry hurting financially while others are diverting money from print to digital where they think they get better bang for their buck on Facebook and Instagram.

We have some great and loyal advertisers and our rates have been described as very low by those in the corporate world (New World for instance made this comment about some space they took out around their awards). But we need just a handful of more regular advertisers to make the magazine profitable for the members.

Much of that has to do with our passive approach to advertising – we wait for people to approach us – rather than actively chasing people.

I've suggested to the committee that we look to hire a commission-based advertising sales rep. It would be a part-time position that could net a keen salesperson a few hundred dollars per issue based on a few hours work per month. It wouldn't carry a cost to SOBA as the remuneration would be commission only on ads sold.

Having more revenue would allow us to run a bigger magazine, with more content, for which we could remunerate professional writers at market rates – it would be a win for the readers and advertisers alike if there's a bigger, better magazine coming out every eight weeks.

Michael Donaldson

Editor *Pursuit of Hoppiness*

Addendum: After presenting verbally to the AGM on this subject it was suggested we source a database of advertisers and share that with regional co-ordinators so they can then target new advertisers with an informal approach as well as talking to others who may have stopped advertising. I will source the relevant material and share ASAP.

Questions raised in the survey to Members:

- Is there a way to get embossed expiry date on membership cards?
 - Embossing would be very expensive. The committee is currently looking for electronic solutions to membership cards.
- Can the Treasurer clarify the risk element of hosting festivals in comparison to promoting SOBA message or spent on members?
 - Risks include not selling the beer purchased, cash flow, poor attendance. But the festivals do fulfil the SOBA mission of promoting good beer, and provide benefits to members. So even if a festival loses money, the committee is willing to balance that risk against the overall benefit to members and our mission.
- Accounting policies should accompany the numbers
 - These are decided at the committee level but we welcome members to make suggestions.
- Can the Treasurer clarify "Unassigned" and what these numbers represent?
 - These costs are to keep the club operating; website, committee attendance at AGM, fees for survey monkey, accounting software etc

- Has SOBA considered having the books audited or reviewed?
 - The cost of audit or professional review is very high. SOBA is not a charity but we are following the minimum requirements of an incorporated society. Members are also welcome to query the committee for specifics.
- Please keep the NHC
 - Yes, absolutely. The committee strongly supports the NHC but the problem is finding someone to volunteer to run the event. Fortunately, John Austin (RC for Wellington) has agreed to take this on. Details will be announced soon.
- Request for an online version of PoH
 - Each issue of PoH is uploaded to the SOBA website as a pdf. The Committee recognizes that a searchable version would be ideal but the web person has limited time to do this. If any member is able to help upload to the website, please contact admin@soba.org.nz
- SOBA should look into beer style education for consumers "I see so many self-proclaimed "beer geeks" coming into the taproom asking "what's an ESB?". I believe SOBA has an opportunity (and perhaps an obligation?) to educate the consumer. Beer is more than IPA. Small beating big isn't enough. Diversity of choice is important. Can we do anything with this? I hate proposing anything when I don't have the time to contribute personally, but I'd love to see more education/awareness around beer styles and I think SOBA is the group to do this
 - Limited time is an issue for all of us in the club. While the Committee supports this idea, we would need someone to volunteer to drive this idea. Can anyone volunteer?

Other questions raised at meeting:

- Has the committee discussed what amount of money we need to keep in the bank?
 - Not specifically. We do try to keep ~\$70k but 30k is a reasonable float. Currently we use an interest-bearing account but we can consider a term deposit. SOBA broke even this year. We would be happy to spend or grant more \$\$ if we can run another festival or more regional events.
- How do festivals get started? – what if someone wanted to run a new festival?
 - SOBA would pay invoices, provide guidance and templates for budgets. We can also discuss co-promoted events.
 - This is a message we should provide to members – that they can suggest ideas for trips and/or festivals but someone needs to take the lead
 - Regional events such as bus trips to breweries tend to lose money but festivals tend to make a small profit.
- Pursuit of Hoppiness should be made available at festivals (especially SOBA festivals) to help spread the word about the club.
 - Agree – reminder to RCs and Wade for distribution planning.

Meeting closed 12:51 PM