



PRESIDENT'S MUSINGS #7

Following on from Musings #6, this edition is an update on the FAI finances and more.

The Budget for 2019 has now been re-visited and adjusted so that the FAI income and expenses are now balanced.

However, balancing the FY2019 budget does not provide us with a long-term solution. From 2020 there will be a substantial reduction in income, primarily being that derived from the Red Bull Air Race, FAI's main partner until the end of 2019.

As mentioned previously, the FAI Executive Board has discussed numerous proposals designed to come to a balanced budget for 2020, and 15 specific measures have been identified. An extensive document is under preparation which will describe the measures that the FAI Executive Board will propose to the General Conference, and it will be provided to everyone before the end of September. This will explain the proposals in detail and will describe other options that have either been postponed or are not proposed for implementation by the EB. Other, non-financial actions that have been initiated to assist with providing longer term stability and efficiency for the FAI are included in the paper.

The draft principles for a new Membership subscription scheme, in conjunction with a new FAI Sports ID, have been discussed in the EB, and need further deliberation with you as FAI Members. The General Conference will provide an opportunity to discuss these principles in order to determine that there is sufficient support for this direction.

Further opportunities concern external FAI projects, for example delving into the aeronautical and aviation sector and securing new partnerships and memberships there. For this area of activity to be successful, it is essential to take into consideration the learnings from past endeavours in order to progress such projects successfully.

The document explaining the Budget for 2020 will, of course, also include an overview of the income and expenses planned by the Commissions. As you are all aware, the FAI Head Office provides administrative services to the Commissions throughout the year, as required by the FAI Constitution. The Commissions generate sanction fees from their events and other activities which are used for expenses for their Officials and meetings as well as selected development projects. The Commissions do not directly finance FAI Head Office operations; rather these support activities are funded through membership subscriptions plus additional income, such as partnerships.

The 2019 budget that was presented at the FAI General Conference in 2018 identified that the budget for Commission activities had an overall deficit of about 130,000 CHF. This deficit will, as has been the practice in the past, be covered by the Commission Special Reserves. For 2020, the budget across all

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Commissions foresees a deficit of 74,944 CHF, which will again be covered by the respective Commission Special Reserves. The document explaining the proposed measures for the 2020 Budget will include information on the important Commission projects that are contributing to the planned expenditures.

I ask you to please bear in mind that the proposals for the 2020 budget can only be interim measures. The organisation cannot, in my view, continue to function successfully past 2020 without some significant and wide-reaching changes, not only to the financial model but also to the way the FAI does business overall.

In fact, as you will see when the document explaining Budget 2020 reaches you, there are already significant cuts in functional capability planned to assist in balancing the budget.

The current necessary discussions about FAI's finances emphasize the need to come to one shared vision of the purpose of the FAI, a singular understanding around the responsibility and accountability of each of the working bodies in FAI and a consideration of the best design of the organisation in order to achieve its objectives.

We can benefit from previous strategic work and from the momentum gained by that work. This current cycle of innovation for FAI will prepare the organisation for the next decades and respond to the significant changes that are taking place in air sports in particular, in the world of sports in general, in society and in the commercial world. I am working on a plan to gather key people together prior to the General Conference to start working on reshaping the whole organisation. In the 1990's Eilif Ness had the courage to fundamentally change the FAI. I am now asking you all to join me on a similar journey. I will be coming back to everyone very shortly with my vision of how to make this work for the benefit of our current members and especially for those who will follow us in the future.

I am looking forward to meeting you at the FAI General Conference on 5 and 6 December 2019 in Lausanne where together we will set the FAI on its future path.

Best regards

A handwritten signature in black ink that reads "Bob Henderson". The signature is written in a cursive, flowing style with a long horizontal line extending to the right.

Bob Henderson
FAI President

16 September 2019