



42nd World Airlines Clubs Association Annual General Assembly

Kuala Lumpur, Malaysia 06 October 2009-09-06

Secretary General's Report

Dear Interliners,

Welcome to Kuala Lumpur! It is an honour for me as head of the Organizing Committee and WACA to host this Annual General Assembly and Interline Celebration in Malaysia for the first time. Malaysia itself is a microcosm of WACA, multi-ethnic and diverse. It is yet again that we meet old friends and new ones to discuss the present and future of WACA. Yet again, our industry is battered by another round of economic distress, and this time, the most severe in decades. As a result, this has impacted WACA directly in an adverse manner. There will be no doubt that our delegates will tell of members who lost their jobs and their continual struggle to maintain membership and keep their clubs active. As such, our objectives for the next year are to find ways to mitigate the current issues faced by our clubs. We must continually find ways to overcome our current problems and at the same time, find processes to make our Organisation run smoothly and efficiently.

One of the most immediate effects of the financial crisis is the cancellations of most of the WACA packages for 2009 so far. The packages were cancelled due to a lack of attendance numbers and WACA members are more careful with their budget. But again some packages did well, not surprisingly since these packages offered something different with interesting itineraries and good word of mouth. If you offer something different, competitive and you have a good track record of running events, you will get the numbers. Most of WACA's revenue depends on International Events and the annual Interline Celebrations, we are fortunate that the numbers for this AGA is quite decent, which should buy us more time on the revenue front, and we have to work harder as we cannot rest on past laurels. I am also encouraged by the willingness of member clubs to host AGAs. For 2011, the Airline Club of Thailand and the AIM Region have both submitted bids. It is the first time in many years that we see competing bids and this is a trend that we should encourage. I wish the best of luck to the bidding Clubs.

Currently WACA is working on 2 processes that can enhance the running of the Organization which can give tangible benefits to WACA. The first one is the WACA website. The main reasons why the WACA portal needs to be enhanced are:

1. More control over the look and content of the website, and the ability to sell advert space.
2. Better features that suit our needs.
3. Registration and payment functions.

During our last Executive Committee meeting in Montreal, the future of the WACA portal was discussed in detail and we had a very productive discussion with IATA's IT people. Currently IATA does not charge WACA for hosting the WACA website and while we can take advantage of this service, we need to look at the mid to long term solution of creating an independent portal. As is expected, cost is a major factor in determining whether we should go ahead and we can only proceed when a detailed cost benefit analysis is done. We, the EC, will always strive to find the most economical way to address the set-up of the portal.

The second process that we are looking at is the WACA ID cards. We have found a vendor of these cards and a pricing was provided. However we can only proceed as yet again, we need the seed money to kick this off. We have manufactured a list of WACA souvenirs for this Interline Celebration, including T-Shirts, Beach Towels and Lanyards. We encourage you to show support by buying these items so we can use the proceeds to kick off the launch of the ID cards. The WACA ID Cards are expected to provide the following benefits to WACA and member clubs:

1. Increased revenue for WACA and member Clubs.
2. A centralised ID card system.
3. As a discount card for services and products.
4. As an accessory for the new WACA portal for on-line payment and registrations etc.

Obviously, we will start with a simplified card, and add more features as we mature and gain experience in managing these cards.

Although the WACA office has not received any notices that a Club has ceased its operations, we do know that some clubs are struggling and have been inactive. Recently, the AIM have successfully helped revived the Nairobi Club, although the local initiative was also important. In terms of the WACA member Clubs, our focus should be put on existing Clubs, rather than expending energy on founding new Clubs, unless there are strong local initiatives in place. Our RVPS play a very important role in this respect. The RVPs need to take more initiative to talk to member clubs and find ways to revive, energise or assist struggling clubs. RVPs need to understand their roles are valid for the whole year, not only during periods leading up to the AGAs and regional meetings.

Just as we have looked at ways to keep our revenues coming, we are also continually looking at cost savings. For example, we have already cut down EC meetings from twice a year to once a year outside of the AGAs. However, the biggest cost drivers of an EC meeting are the air tickets. I, as Secretary General, have asked our VP-Finance to control costs in this area by reimbursing tickets at ZED levels only. We have also gone for home stays in most cases to save on hotel lodgings and select locations where our EC travels least. For example, in our last EC meeting in Montreal, the HQ Manager and the RVP-North America did not have to travel at all and 2 other EC members are from within Canada. As usual, we will continue to look at how our association is run and mitigate the rising costs of running this organisation.

Looking ahead, we should carry on a productive dialogue to keep our Association going. We need it at these times. We should continue our initiatives and ensure that these are seen to fruition by the time of the EC elections in Brazil next year.

Meanwhile, enjoy the Malaysian hospitality and a memorable Interline Celebration.

Yours in Interlining,

Julian Chau