

## Update on IChemE subscription rates

### Background

For a number of years, IChemE has maintained an overly complex subscription rates' structure with variations by grade, country of residence, threshold income and hardship status. When setting the rates, the Board of Trustees (with some local exceptions) have considered a variety of factors, such as the Institution's desire to secure members in a particular location or the income status of a particular country, as identified by the [World Bank](#), before confirming the rates. Owing to the significant complexity of this approach, IChemE has not been able to publish a simple table of rates, preferring to invoice individual members.

### Review

In 2016, the Trustees recognised that the cost of operating complex systems was unsustainable in the long term. They therefore instigated a review. The review identified a number of areas for improvement, some of which required immediate attention (increasing the democratic accountability of the Board of Trustees) and some that would necessarily depend on foundational work being completed first (such as improved information systems and technology deployment). In 2019, with the plans for business systems improvement underway, the Trustees commenced a wide-ranging review of the Institution's operations, both within the UK and internationally, which included:

- Examining the existing subscription rate structure and making strategic recommendations to introduce transparency and simplicity. This has included reducing the number of currencies in which subscription rates are charged and the levels set per grade and country of residence.
- Reviewing the existing regional governance structures to ensure trustee oversight of all of the Institution's activities and ensuring that they are capable of supporting the delivery of Strategy 2024
- Reviewing policies on local reserves
- Reviewing the model for supporting the delivery of services to members.

With the majority of the current phase of the business systems work concluded, the Board of Trustees has confirmed that the time is right to finalise a simplified approach to the subscriptions model, and that such changes should be transparent to the whole of the membership. In doing so the Trustees directed that the following be published:

1. A summary view of the relevant subscription rates
2. The principles adopted by the Board of Trustees in setting subscription rates
3. The roadmap describing the timeline for any resultant changes in rates.

Each of these points are addressed below.

## 1. Summary view of the relevant 2022 subscription rates

	Full Rate	Discount Rate 1	Discount Rate 2	Full Rate (incl 10% GST*)	Discount Rate 1 (incl 15% GST*)	Malaysia
	GBP	GBP	GBP	GBP	GBP	GBP
Fellow	299	199	119	329	229	173
Chartered Member	249	159	98	274	183	129
Companion	249	159	98	274	183	129
Associate Fellow	224	149	91	246	171	119
Senior Associate (in grade for 10 years or more)	199	126	80	219	145	137
Associate Member	174	110	68	191	127	90
Associate Member - Graduate 2nd Year Discount (50%)	87	55	34	96	64	45
Technician Member	114	74	46	125	85	57
Affiliate Member	114	74	46	125	85	57
Reduced Rate - Postgraduate Student	26	26	26	29	30	22
Reduced Rate – Retired / Career Break / Unemployed	54	54	42	59	62	54

\*GST = Goods & Services Tax

### Notes

- Full Rate applies to UK and Australia\*\*
- Discount Rate 1 and 2 are applied to all other members based on country of residence and according to the World Bank GDP ranking
- Discount Rate 1 is based on approximately 65% of the Full Rate
- Discount Rate 2 is based on approximately 40% of the Full Rate
- \*\*As Australia and New Zealand are subject to GST, the Full Rate (incl. 10% GST) applies to Australia, and Discount Rate 1 (incl 15% GST) applies to New Zealand
- Graduates receive 100% discount in the year after graduation

## 2. Board of Trustee policy on setting subscription rates

In determining an appropriate rate, the following considerations are considered:

- The cost of providing services to members (both local and global overheads).
- Whether a country is classified as 'high income', middle income or low income by the World Bank.
- Any jurisdictional taxation that may be applied.
- Discounts linked to career lifecycle e.g. graduates and postgraduates.
- Any other relevant information put forward for consideration in a given year.

To promote overall simplicity, going forward subscription rates will be based on the following tiers:

- A. Full Rate
- B. Discount Rate 1
- C. Discount Rate 2
- D. Reduced Rate

Eligibility for Discount Rates will depend on the World Bank income classifications by country. The rates applicable to 2022 will be charged in GBP. The decision to standardise upon GBP has been made in order to ensure that a simple data structure can be maintained.

### 3. Roadmap

As part of the commitment to transparency the Board of Trustees has also decided to share the key principles of the longer-term roadmap as follows:

- Australian rates will be brought (reduced) in line with the Full Rate for 2022 renewals
- Malaysian rates will be increased over the next two years to align with Discount Rate 1
- All other rates should continue to increase in line with inflation for 2022
- Further consideration will be given to the efficacy of continuing with legacy grades that are not accepting new members
- Further work will be undertaken as part of the Future Institution Transformation (FIT) Phase 2 to understand the associated costs and benefits of membership to ensure rates are appropriately aligned with costs.

The review of our subscription rates is not complete and the structure of individual rates moving forward will also be reviewed.

**Jon Prichard CEng FICE FInstRE**

**Chief Executive**

**July 2021**