



ROYAL PERTH YACHT CLUB OF WA (INC)

**MINUTES OF THE
157TH ANNUAL GENERAL MEETING
HELD ON
THURSDAY, 4th August 2022 @1900hrs**

CHAIRMAN:

The Commodore (Mr S Offer) occupied the Chair and declared the meeting open at 1908 hrs welcoming members and invited guests.

ATTENDANCE:

Commodore (Mr S Offer), Vice Commodore (Dr J Hornbuckle), Rear Commodore (Mr A McAullay), Hon. Treasurer (Mr B Wearn), Captain Power (Mr M Busio), Captain Sail (Mr R Gibbs), Captain Dinghies (Mr D Hinton), 2 members of General Committee, 55 members, General Manager (Mr SN Walton), Minutes Secretary (Ms G Tosh), Financial Controller (Mr N Smith), Marketing Manager (Ms K Scott), and Accounts Officer (Miss Louise Satterthwaite).

ACKNOWLEDGEMENT OF COUNTRY

APOLOGIES:

Rob Scharnell, Jess Myers, Jamie Mercer, Rob Martin, Cdre Denys Pearce, Greg Hansen, Rudi Muller, Andy Fethers, Jon Sanders AO OBE CitWA, Colin Sanders, Les Marshall, Peter Leggatt, Barry Johnson, Dave Mitchell, Fiona Laing, Vera Waldby, Rob Kilcullen OAM, Ben Fitzhardinge, John Fitzhardinge, Cdre Mike Campbell, Jeremy O'Neill, Sarah O'Neill, Graham Hansen, and Astrid Hansen.

DECEASED Members during the fiscal year to May 31st:

Mr Jack Bendat AM, Mr George Fotios, Mr Bryan Mickle AM, Mr John Richards, Mr Peter Thorp, Mr Graham Devitt, Mr Neil Loftus, Mr Norman O'Brien, Mr Andrew Stachewicz, and Mr Ross Chapman.

NOTICE OF MEETING:

The Chairman read the Notice of Meeting convening the 157th Annual General Meeting.

MINUTES OF THE 156th ANNUAL GENERAL MEETING:

Moved by Commodore Shawn Offer *“that the minutes of the 156th Annual General Meeting held on Thursday, 29th July 2021 be adopted.”*

ADOPTED

COMMODORE’S ADDRESS:

The Commodore thanked all for coming down and showing an interest in their Club.

What a year it has been. The last three years have not been comparable or normal at all. The Club has had some great successes and endeavours and had to tolerate some big challenges.

Having to deal with Covid by ourselves has been a big roller coaster for all.

A mutual decision was held to end the partnership with Hyatt Regency. In this process, a decision was made to protect the Club and its reputation by bearing the loss of operations in full, from that day forward.

The backflip of the Government decisions regarding opening borders increased uncertainty which curtailed function business for the Club.

Then there was the breakdown of the tammy lift on April 1st.

These circumstances lead to a large effect on cashflow.

Despite those setbacks, the Club has had success with

- the relaunch and rebranding of our sailing pathways with the arrival of the new Elliot 7’s,
- Food and Beverage services now fully absorbed into the Club operations,
- Club has remained open and operating despite shortages of labour,
- Successful Opening Day and for the first time in 19 years, held a Power Opening Day,
- Appointment of a new Auditor and
- Risk management controls improved.

Plan for the future

- Fiscal rebuild and focusing on business revenues, cost controls and cash flow,
- Succession planning
- Stability in Management and General Committee.

Introduction of the General Committee Review which involves KPI's, workplace culture, new interactive sessions with management, introduction of the Management Limitations Policy, formal review of Governance procedures and ongoing policy reviews.

The Commodore thanked the special team of Volunteers that make up the General Committee and thanked everyone of them for their support, commitment, and dedication to the Club over the last 12 months and extended this to the Management Team.

FINANCIAL REPORT:

The Hon Treasurer moved *“that the Statement of Profit and Loss and comprehensive Income, State of Changes in Equity, Statement of Financial Position and Statement of Cash Flows for the year ending 31st May 2022 be adopted”*.

Seconded – Cdre Mike Kilcullen
ADOPTED

The Hon Treasurer summarised his report, which appeared in the 157th Annual Report, outlining the Performance Overview and Key Issues.

The good news –

- Hospitality Sales (member & functions) is at pre-covid levels and
- Membership levels and pen occupancy are at excellent levels, driving solid income streams.

The not so good news –

- Operating expenditure commitments exceed income streams,
- Unlikely to meet current debt repayment commitments for 2022/23 – there is a need to renegotiate debt repayments with the bank,
- Function (hospitality) income – substantially lower, post mining boom, uncertain income stream, cannot be relied upon to fund expenditure commitments,
- General Committee focused on review of expenditure commitments to ensure financial sustainability and
- Taking a conservative view in terms of the contribution to financial performance of the Club over the next few years.

The Hon Treasurer highlighted the profit from the operations table which showed that the removal of the Government subsidies in the last financial year played a major role in the Club's bottom line result.

The Hon Treasurer advised the strong economic growth is giving rise to inflationary and interest rate pressures, as well as a tight labour market.

Vigilance is needed in managing Club's finances. Tight cashflow management and cost controls, essential CapEx only and focus on the management of hospitality services.

Some initiatives the General Committee have introduced are:

- Increase pen fees by 5%
- Increase boat lifter charges
- Increase House Support Levy
- Introduction of coaching fees
- Reduction of 2 F&B staff
- Reduction in CapEx
- Changeover of IT contract

Positive outlook with increased function deposits, removal of some general operating costs and strong economic growth.

The General Committee and Finance Committee show strong vigilance in reducing expenditure without impacting member benefits and to maintain the value proposition.

The Hon Treasurer thanks the General Manager, Financial Controller and Finance Committee for all the time and effort put in over the past year.

Questions:

Rob McDonald – concerned that we will be unlikely to meet debt commitment, and can the Club continue as a going concern?

Hon Treasurer – changed auditors this year and a lot of due diligence has gone into the accounts as presented in the Annual Report.

Our obligation is to have a look at what our debt commitments are going forward versus our forecast cash position.

Reality is that if we are unable to meet this commitment, we are, and the Auditors are obliged to report there are some ongoing concerns. We are legally not allowed to trade insolvent. However, there are some actions that have been put in place in terms of reducing our expenditure and this reduction is demonstrated in our performance, we will now re-negotiate payments with the bank. We have every expectation that the bank will accept that.

Rob Rooke – there is a lot of work to be done with cost cutting and arranging the bank. What is the timeline in place for this resolve?

Hon Treasurer – savings are real and in place, timing wise, our next instalment is due in November. Will go to the bank in the next month or so as we want to show the real effect of those changes. Hoping the matter will be resolved before the payment is due in November.

Derek Cockle – detailed several actions regarding cashflow and improving our performance, that have been verbalised. Will that be made in writing so members can peruse?

Hon Treasurer – the GM will follow up and publish for the members.

Rob McDonald – now that the tammy lift is back in operation, is there a plan to replace it in the short term or medium term?

Hon Treasurer – it is about a half a million-dollar expenditure to replace the tammy lift. At this stage, it is not feasible or reasonable to commit to that now, however we will continue to monitor going forward as we will with the second phase of the renovations. We know we will have to replace it; it's about getting the time right and that we are in strong financial position.

John Allpike – understanding the addition of \$500k to the bottom line, given the interest rates we have on the loans is 3.98% and we are looking at increasing interest rates, are we underestimating the true benefit given the increase in interest rates going forward which could wipe out the \$500k?

Hon Treasurer – we have forecast and modelled this into the cash flow in terms of interest rates. We have taken quite a conservative position in that respect.

Gavin Jones – concerns that the leave liability is growing. Are staff encouraged to take leave when it is due and long service leave within two years of it accruing?

Hon Treasurer – there is no formal policy in respect to clearance of leave, however we do acknowledge that it has accrued to a point where we need to address that. We do recognise that that is an issue, and we will address it.

No further questions.

HOUSE REPORT:

Presented by the Vice Commodore, her report outlined the update of the composition of the House Committee and their responsibilities.

Her report also outlined the variety of events held at the Club over the past twelve months along with some of the new initiatives, exciting new events kits, Club improvements, Community Connections, and Sustainability.

No questions.

REGATTA REPORT:

Presented by the Rear Commodore, his report outlined the update of the composition of the Regatta Committee and their responsibilities.

The Rear Commodore also reported on the on-water activities including Keelboats, Female participation, Power participation, Off the Beach participation and Offshore participation.

His report included the success our Junior and Senior Members have had throughout the year.

With the purchase of the new Elliot 7's, the Rear Commodore presented a short video along with the introduction of the new Sailor Development Program, OTB Pathways and OTB Strategic Plan.

Questions:

Andrew Waldby – regarding the Racing Skills Program, despite ongoing attempts to collaborate with the Club about what was happening with the Elliot's in particular with teams racing, we missed a couple of months of training because we weren't included in the planning of it and consultation as key stakeholders. My concern is the level of communication in/out of the sailing office is at times quite poor and non-existent.

R/Cdre – agreed, communication has been tardy coming out of the boating office due to some staff changes, however this is being addressed.

R/Cdre advised that the Teams' racing group was not left out of the program, boats were made available while the Elliot's were being sorted out.

Moving forward, communication will be improved in all areas.

Question from the floor – Off the Beach, are all the boats single handed boats?

R/Cdre – most are, however, there are some double-handed Tasars. Aware of shortfall in the double-handed program and have been looking at it for many years, but the problem is we don't have parent update. Parent uptake is key when it comes to bringing in a new class to the OTB program.

No further questions.

MOTIONS PUT TO MEETING:

Notice of Motion - Endorsed by all members of General Committee present at a meeting held on 7th June 2022.

Hon. Treasurer spoke to the motion.

Hon. Treasurer moved *“that in accordance with the Club’s By-Laws section 8, Clause 8.2.3, the subscription for a Full Member of the Royal Perth Yacht Club, will be set at \$1,616.00 (previously \$1,569.00) inclusive of GST. All Members subscriptions, as adjusted, are the fees due and payable with effect from 1st September 2022.”*

Seconded Richard Horan-Goldsmith
Carried

ELECTION OF OFFICERS:

The votes have been counted and I now declare the following elected for 2022/2023:

COMMODORE	MR SHAWN OFFER
VICE COMMODORE	DR JANET HORNBUCKLE
REAR COMMODORE	MR ANDREW MCAULLAY
HON TREASURER	MR BRAD WEARN
CAPTAIN SAIL	MR ROBBIE GIBBS
CAPTAIN DINGHIES	MR DAVID HINTON
CAPTAIN POWER	MR MARK BUSIO

MR PAUL DURRANT
MS FIONA LAING
MR ROB SCHARNELL
MR TONY STRICKLAND

GENERAL BUSINESS:

Member Awards (presented by Commodore Shawn Offer)

Commodores Commendation

John Roberson (not in attendance)
S80 Team – Tony Strickland and Jeff Crookes

Horace Rumble award

Commodore Mark Fitzhardinge

Other Business:

Rob McDonald – in regard to the change in the Club By-Laws, I understand they were updated, but understood from the last AGM that there would be a process to directly notify members of changes to the By-Laws. I believe there should be a formal mechanism that notifies every member of their obligations under the By-Laws.

Commodore – since last year, there has been an Admin Matters email circulation of the changes and it is also posted on the Notice Board.

Commodore offered to discuss further with Rob at the bar after the meeting.

Capt Graham White – commended Flags on the presentations. 3 quick observations:

1. With the costs reflected in the Annual Report, there is a significant increase in the percentage for labour leaving aside the transition away from the Hyatt, wages in the other areas have gone up a significant amount.
2. Transition from the Hyatt to management by RPYC has obviously been a comprehensive exercise and thinks the results are excellent. I find the food and the service excellent.
3. The acquisition of the Elliot 7's, already in a very short time of using them, they are proving to be an excellent investment. They provide the opportunity to take part in national and international events and the training program is already proving very successful. One of the benefits is that we are seeing a mixture of youth and more mature people being involved in the program.

Commodore – encourages members to go back through previous years annual reports as looking over a 10-year period may give members more comfort on how the organisation has managed labour over the years.

Denis Cosgrove – refer to attached letter which forms part of these minutes.

Commodore – was introduced by General Committee over 6 years ago and the points to make are we are a proud Australian Club that prides itself on the Club's rich history, we fly our national flag and celebrate ourselves as being a part of the history of the city. We look to a leadership model and example to people in our communities and in this contemporary era it is right to recognise the original inhabitants of the lands around us and the history and connection to them. We are on crown land, and we have a social contract to the community at large.

The Club is an inclusive environment.

John Haynes – Do we still have builders' insurance? I ask because there are defects in the changerooms with steel already rusting.

General Manager – Unaware of any issues, please bring them to my attention and they will be dealt with appropriately.

Hugh Shedden – in relation to the restrictions to CapEx and the stage 2 re-development being pushed back, is there any estimate as to when that will happen?

Commodore – there is no estimation at this point of time, it is something we have plans for, but we are years off something like that happening. Priorities may change sometime in the future, or other General Committees in the future may take a different direction.

Dorothy Bell – 2-part question.

1. Is there still a suggestion/complaints box available? and
2. Is there are formal reply procedure available for anybody else in the Club to find out what the answers to those questions/complaints might be?

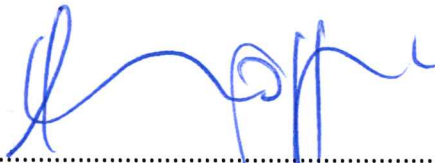
Commodore – yes there definitely is. You can contact anyone on General Committee if you feel that the feedback you have provided has not been acted on properly.

Anybody is welcome to put their feedback in writing in an envelope, address it to the General Manager and pop it in the mailbox in the reception front door.

There being no further business the Commodore thanked the members for their attendance.

Meeting closed at 2102 hrs.

CHAIRMAN



DATE

10/08/2023

