

12-Jun-2008

There has been a strong desire to have a safe harbour at BMYS since the early days of the Squadron. This desire has gained momentum in recent years.

At a Special General Meeting in September 2002, members of BMYS adopted Strategy Plan and 2002 – 2012 Business Plan for the Squadron. The Executive Summary of the Plan identified four priorities:

- Membership value and retention
- Enhanced facilities for members and the community
- Improved facilities commensurate with site environment and existing regulations
- Financial sustainability

The Strategic and Business Plan made clear the Squadron's on-going commitment to its current and future members and the environment in which the Squadron was expected to operate over the next decade. The Plan recognised the opportunity to extend the existing lease area and to build a safe harbour. Members may peruse a copy of the plan which is available at the Squadron's office.

Since adoption of the Plan, the Board of Directors of BMYS has continued to pursue the Business Plan, including the concept of additional land and a safe harbour. In discussions with our landlord, the Department of Sustainability and Environment (DSE) made it clear to us that BMYS would only gain extra land if we also constructed a safe harbour.

As BMYS enters its 50th year in 2009, it was fitting that we should look to the next 50 years of the Squadron's life with a positive and forward-looking Concept Plan for the members. The Board addressed this challenge, and developed a plan that would be presented to members for their review and approval.

In early April 2008, at a meeting attended by approximately 300 members, the Board presented a Concept Plan for a proposed safe harbour and associated capital works. The Concept Plan has been designed to benefit both current and future members and ensure the long-term financial viability of the Squadron. As presented to members, the pre planning application process for a safe harbour and initial Concept Plan has been agreed between the DSE and Bayside City Council as the way to move forward. As detailed in information sent to you previously, the budgeted cost of the preplanning and permit process is \$350,000, which is funded by deposits received from Expressions of Interests lodged by members, potential government grants and Squadron's funds.

The Concept Plan shows a safe harbour with a small boutique marina and dry stand, with new landscaping of our leased area and a new and relocated Club House. The new Clubhouse will be designed to cater for the additional requirements of the proposed safe harbour and marina.

The BMYS Concept Plan is unique in Port Phillip as it is designed to cater for smaller powerboats with most berths being 8 to 10 metres in length.

A financial viability analysis and cash flow has been completed on the Concept Plan. This analysis established that the project is both financially viable and affordable to the Squadron without the inclusion of any government grants in our costings.

The timing of our project is very favourable as the State Government is showing interest in developing the infrastructure for boat owners and others around Port Phillip.

Parks Victoria completed a Bays and Marine Vision Study late last year which provided a vision to develop boating facilities around the bay and our proposed shallow berth safe harbour was included in the Parks Victoria Vision Study for Port Phillip.

We believe that substantial grants on Port Phillip may be available in the future for safe harbour projects and breakwaters specifically and with a planning permit we would be in an excellent position to apply to secure some significant external funding for the project.

BMYS has a narrow window of opportunity to expand our facilities with some government support. The Board believes the upgrading of our leased area must occur if we are to have the continued support and respect of the State Government. If we do nothing, when our lease comes up for renewal in 2018, BMYS may have a difficult time explaining what we have done as custodians of our leased area. It may make the renewal of our lease difficult at that time.

On the other hand, DSE has informed the Squadron that part of the planning process in BMYS moving forward with the safe harbour project will be to renegotiate our lease with them in the same application and process, therefore a minimum of a new 25-year lease would be sought.

It must be appreciated by members that the planning process requires the total Concept Plan to be put up in its entirety for approval by the authorities. Once we move into the construction stage, some staging of works for the project may be possible if we decide that is the best course of action. For example, to assist cash flow, a delay in relocating and constructing the proposed new Club House may be an appropriate action.

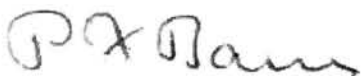
As we move forward with the preplanning process, which may take up to six months, there are likely to be many changes required to our Concept Plans. Likewise, our feasibility analysis may change. Our current analysis has been prepared on a very conservative, worst-case scenario as the Board wanted to be certain the Squadron could afford it. Our costs included a substantial contingency amount. Once we get to the construction stage we expect our costs to be much less, especially with the potential receipt of a government grant, with resultant reduction in costs to members who have leased berths and dry stands.

It should be noted that BMYS will not be increasing the number of members as a consequence of this project, nor is it our intention to increase subscriptions above our normal annual CPI increase.

The Board is in favour of proceeding with the Pre-Planning Process and Planning Permit Application stage of the Concept Plan, and strongly recommends that you vote for it in the affirmative.

As we move into our 50th year, the decision you make may be the most important and the best opportunity you have to ensure the long-term future of the Beaumaris Motor Yacht Squadron.

Yours Sincerely



Peter Barnes
Commodore - BMYS