

2010 AGM REPORT

It is with pleasure that I present my yearly report to the members of the Royal Papua Yacht Club. The 2009 Executive Committee have achieved a lot in the past year. We have also prepared some work for the 2010 Committee to take forward. 2010 is shaping up to be what could arguably be one of the biggest that an Executive committee could embark on.

1. Membership

Membership now stands at 3,263. As previously reported the dynamics of our membership have changed dramatically. Whilst it could be said that a majority of our members have no relationship with the club's core objectives, never the less they are extremely important to our long-term growth.

Our sailing division had a remarkable year; with improved numbers they have conducted a number of Learn to Sail and Navigational courses, which were well attended and in high demand. I see that they are already well into preparations for the 2010 program with many of the yachts out there preparing for 2010 season. We also saw a significant increase in the number of hobbies on the water. It would be remiss of me if I did not acknowledge the hard work put in by the sailing committee and of course none of this would occur if it were not for our sponsors. We thank you.

Of real importance were the improvements and continued participation in the junior fleet. We saw the introduction this year of Lasers into this level of competition and there will be further increases in 2010. We had two of our junior sailors participate in the Mini Pacific Games. Once again there has been high demand for learn to sail courses for juniors. We highly commend the input given by our dedicated band of volunteers who put in many hours of their own time to ensure that the junior fleet can participate safely in the sport of sailing.

I see that the Sailing Division Committee have set a number of goals or challenges for 2010 and beyond, these being:

- Creation of additional multi fleet events
- Finalising the Youth Development Program
- Attracting participation by large boats in the offshore events, increase participation in the Hobie, TSSY and A Class events

We strongly recommend that you give your support to these initiatives.

As you will recall the committee put to the membership last year a proposal to cap membership. As you will recall, this failed. This committee has taken comments made at that SGM on board and are concentrating our efforts on ways how we can best handle the expected high demand for membership of our club in the next few years and beyond. I will talk more on this later.

I have also recommended to the committee that further consideration must be given to putting forward proposed changes to the constitution in areas such as classes of membership, introduction of Gold Key Memberships and Powers and Duties of the FAB.

2. Restaurant & Bar

During the year you would have seen a considerable turn around in staff, this has been due to a number of factors. We continually find it difficult to recruit adequately qualified people for both wait staff and kitchen staff. Earlier this year we decided to recruit a Food & Beverage Manager to oversee daily operations. Initially we searched within PNG however this was not successful. We then went to the overseas market and as a result we now have on staff Ashish Tripathi who takes on the role of Food and Beverage Manager, welcome aboard.

While we were waiting for the his arrival, we secured the services of Sharne Black. Sharne was able to provide in her relatively short stint with us significant improvements in service levels.

We are still unable to fill vacancies for Head Chief, Senior Sous Chief, Pastry Chef and Pizza Chief. We are currently advertising these vacancies. We are firmly of the opinion that any suitably qualified Chiefs will not be readily available, we have plans if necessary to once again recruit from overseas.

We do take your concerns and complaints regarding the quality of meals being served; however let us not forget the large number of meals served each day. The complaints whilst relatively small in number they are of concern to us.

Having said this we do acknowledge that there is still a lot of work to be done but I am sure you will join in with me in congratulating our dedicated staff for their efforts throughout 2009.

2.1. Revenue

We are extremely pleased with the levels of revenue generated from all income streams. Both the restaurant and bar are well patronised, most of our themed dining nights are well attended. We do recognise that there are at times issues with both the standard of service and quality of meals, however in the main standards are within acceptable levels.

Each month we have achieved good profit margins and our cash position throughout the year has been extremely fluid. However we will see these decline over the next few months with planned club improvements and maintenance programmes.

We should acknowledge the hard work our senior management and dedicated Honary Treasurer has put in to ensure that we continually have control over our member's finances.

3. Club House Facilities

3.1. Club furniture

You will recall that in 2008 the Committee proposed to purchase new club furniture. This has been an exhaustive process. You would have noticed the new furniture downstairs. While it suits its purposes we found that it was quiet difficult to get exactly what we wanted for the clubrooms. We were not prepared to go down the same path so we eventually decided to have our clubhouse furniture made here in PNG. The furniture you now see before you are good quality and we do expect it to last for many years to come.

3.2. Gymnasium

You may recall that over time our Gymnasium members have been seeking additional facilities. The committee has examined the requirements of the Gym. The single biggest issue surrounding the gymnasium is in managing it. We do not have qualified people on staff and have found that even when suitable people were available significant amount of management time was needed to oversee the gyms operations. This year the committee received a submission from BFirm a qualified company that has been working in PNG for sometime. Their proposal was accepted by the committee and was put to the gymnasium committee as part of the consultation process. A subsequent proposal was received from Life Gymnasium. It was considered that this proposal did not match that of BFirm and was rejected by the RPYC Committee. The RPYC will now enter into a contract with BFirm, as we believe this will provide a better system of management for the gymnasium and provide better services to our members.

3.3. RSL

Now that the RSL Club has taken up residency a strong bond has developed between the two clubs. We will see continued benefits from this relationship over time. Please support them in their endeavours whenever you can.

4. Marina

4.1. Repairs and Maintenance

As reported last year our marina is showing signs of its age. Whilst we have had a maintenance program in place we have found that it still needs significant repairs. These include replacement of pedestals, corner brackets, fender and fascia boards and infill panels. This is critical to maintaining integrity of the marina, and minimising potential insurance liabilities in the event of failure resulting in damage to vessels. Total cost of this maintenance programme would be in the vicinity of NZ\$319,870.00. It is envisaged that this work will be carried out in conjunction with the proposed marina extension. Having said that if for some reason the marina extension does not eventuate then these upgrades must.

4.2. Future Plans

Throughout 2009 we have discussed what the future holds for our marina. You can see that the marina is now full. We have a number of members who have expressed interest in securing a berth. Some of these members are interested in purchasing a berth.

We have had extensive discussions with Bellingham Marine and as a result the committee has resolved to extend the marina. The proposal as it stands will see a total of 91 additional berths provided. The current cost of such an extension is NZ\$2,864,000.00.

What this now means is that the committee has instructed that a sub committee be formed to look at the proposal that is before us and work out the full extent of such extensions, i.e. how many berths will be sold, what will be the lease period, what will be the sale price. The committee has approved these extensions on the condition that it is in the main self-funding to such an extent that there is no additional financial burden on members.

4.3. Marina use

As many of the older members will know there have been certain “rules” or “marina by-laws” governing the use of the marina. The committee has sought advice from these older members and this has resulted in a new set of by-laws governing the use of the marina. These will shortly be published and made available to all current and future marina users.

5. Car park Improvements

Members will be well aware that work finally started on the upgrade after many years of discussions. The upgrade has been a long time coming. Unfortunately, after undertaking considerable work on the road to the gantry, and the northern parts of the car park, work was halted in November due to plant availability problems for the contractor.

With the Christmas break and the current wet season, the car park sub-committee agreed to postpone re-commencement of the works. It is scheduled to re-commence on the 20th March 2010. In the meantime the contractor at no cost to the club completed some minor repairs to the worst of the potholes.

I know that it has been frustrating waiting for the work to be completed. However, if you look at the standard of the gantry road, I am sure you will agree that it is much better that it used to be. Once the remainder of the work to be done is completed it will be a vast improvement on what was. I ask that you to bear with us, as we look forward to having the car park upgrade completed next month.

6. Legal Matters

There is only one legal case regarding an expelled member which is currently before the courts; however nothing has happened regarding this for some time.

7. RYPC Inc – Rules of Association/Constitution

Nothing has progressed regarding the proposed new constitution since the failed Special General Meeting. I would like to see that we move forward on this in 2010.

8. Club House Extensions.

The theme of my report tonight has been to highlight the significant gains our club has made over the years. Some 15 years ago the club was forced to relocate. Reluctantly they embarked upon developing plans for building this magnificent club house which we now occupy.

As I understand there was significant discussions on what form the new club would take. Those who were involved broke remarkable ground and I guess many a sleepless night went by and eventually they built this club to what it is today.

Similarly we now need to embark on similar plans not because we have to relocate but because those plans which were put in place so many years ago have proven very successful in that we have now almost reached a stage where we have outgrown this wonderful facility.

As reported earlier we now have significant membership growth and this is not about to abate. We have reached a point where we need to extend our facilities so that we can cater for the following areas of our operations:

- Kitchen and dining facilities to cater for a membership of 3,500 plus
- Expanded administration facilities to cater for the support staff employed to cater for our expanded membership
- Meeting and conference facilities to meet the demand of our existing members
- Continued demand for improved facilities for gymnasium members
- Improved facilities for our gaming area
- Expanded floor space for membership especially casual dining and entertainment areas.

During the year the Executive Committee approved a proposal to engage Frameworks Architects to draw up plans for expansion of our current facilities to cater for future needs. In December the Committee approved plans and estimates for expansion. A subsequent proposal of approximately K8m was submitted to the FAB for approval. The proposal was submitted on the basis that final Quantity Surveyed Costing were still forthcoming however estimates ranged up to K12m.

The FAB has since met and has approved that the proposal be accepted with certain caveats. The committee is currently evaluating the final estimates and will soon be putting together a submission to present to financial institutions for finance.

(Commodore to present a separate presentation to the members regarding the extensions)

You are about to elect a new committee which will lead your club into 2010 and beyond. The 2009 Committee has played its part in the future of our club. Many on this committee have elected to offer their services once again. However I would like you to join in with me to thank the 2009 Executive Committee members for their dedication during the year. It certainly was a pleasure working with them.

Regards
Ron Barton
Commodore
Royal Papua Yacht Club