**2021 FLYING FIFTEEN WORLD AND AUSTRALIAN CHAMPIONSHIPS**

**EXPLANATORY MEMORANDUM**

**Introduction**

You are receiving this Explanatory Memorandum as a consequence of being a Flying Fifteen member of either the RFBYC Fleet or SoPYC Flying Fifteen Sections or in your capacity as a member of Flying Fifteen International Western Australia (“FFIWA”). Most of you will invariably be receiving this email in more than one capacity.

On 19 October 2017 David Yu, President of Flying Fifteen Western Australia Inc (“FFIWA”) announced that the 2021 Flying Fifteen World and Australian Championships (“the Events”) would be sailed off Fremantle from 5 to 19 February 2021. The Events would be sailed out of Fremantle Sailing Club (“FSC”) with Royal Freshwater Bay Yacht Club (“RFBYC”) being the Organising Authority. South of Perth Yacht Club (“SoPYC) will also be supporting the Events.

The awarding of the Championship was as a consequence of a comprehensive proposal lodged with Flying Fifteen International. The proposal was put together by a Bid Committee comprising members of both the RFBYC and SoPYC fleets and lodged by RFBYC as the proposed Organising Authority.

You are invited to attend a meeting on 19 November 2021 at 12.00 Noon at The Centreboard Clubhouse of the South of Perth Yacht Club where a presentation will be given on issues associated with the bid process, the costs of running the Events and the envisaged underwriting of the sponsorship budget by the RFBYC Flying Fifteen Fleet, the SoPYC Flying Fifteen Section and FFIWA.

This Explanatory Memorandum also includes attachments providing notice of separate resolutions that at the conclusion of the presentation will put to members of the SoPYC Flying Fifteen Section and FFIWA to each separately but equally underwrite up to $10,000 in respect of the 2021 Flying Fifteen World and Australian Championships sponsorship budget. The RFBYC Flying Fifteen Fleet will be holding a separate meeting to approve a similar resolution as that being put to the SoPYC Flying Fifteen Section.

**Background**

Historically in Perth the Flying Fifteen fleets of the Club hosting either a State or National Championship has been responsible for the financial outcome of the event as the host Club invariably does not wish to take on the financial risk of running events at a loss to the detriment of other fleets and non Flying Fifteen club members or to be responsible organising sponsorship.

By taking on the financial responsibility for State or National Championship the Perth based Flying Fifteen clubs, namely RFBYC and SoPYC have run events over a number of years with the incentive of either breaking even or making a profit. Both the RFBYC and SoPYC Flying Fifteen fleets have built up cash reserves from standing behind the National and State Championships hosted by their respective Clubs. These profits have arisen primarily as a consequence of appropriate cost control and through the host club fleet organising sponsorship in the form of cash and goods in kind.

Clause 5.1 of the FFI World Championship Guidelines provides that the “*Organising Authority shall be Flying Fifteen International in conjunction with the Host Club (that is to say the Club whose invitation FFI accepts), not with the local Flying Fifteen fleet or any other body.”* It was as a consequence of this provision that the Bid Committee approached RFBYC to be the Organising Authority for the 2021 Flying Fifteen World and Australian Championships bid proposal.

In terms of the bid RFBYC quite rightly indicated they were not prepared to assume overall responsibility for the budget and financial outcome as it is not in line with their general approach to these types of events.  Put simply, RFBYC are happy to facilitate the Events in terms of being the Organising Authority, providing administrative support and certain resources to the Events at no charge to the Events, however, they are of the view the Class Association is ultimately responsible for carrying the financial risk associated with the Events. This historically has been the case for events organised for fleets such as the Etchells and Dragons.

It was considered by the Bid Committee that the cost of the Events and budget were likely to be at a level where any financial risk should be spread between the major beneficiaries of hosting the Events in Fremantle as distinct from solely the RFBYC Flying Fifteen Fleet or FFIWA. The Bid Committee considered the RFBYC, SoPYC fleets together with FFIWA would all benefit from hosting the Events out of Fremantle and as such they should collectively stand behind the Events and underwrite it so no loss was borne by RFBYC in undertaking the Organising Authority role. Likewise it was considered that the RFBYC, SoPYC fleets together with FFIWA should share equally in any surplus from the Events.

As part of the arrangements agreed with RFBYC prior to lodging the proposal to FFI, the Bid Committee confirmed in the event the bid was successful then the RFBYC and SoPYC Flying Fifteen fleets together with FFIWA would, subject to formal member approvals being obtained, be prepared to collectively assume overall responsibility for the budget and financial outcome from hosting the Events, carry any financial risk equally and likewise share equally in any surplus from the Events. Given the FFI proposal deadline constraints it was not practical to seek formal approval from members of the various fleets and FFIWA prior to lodging the bid document and the Bid Committee is now seeking that approval. In the event the bid had been unsuccessful no approvals would have been necessary.

As part of the proposal a comprehensive budget based on the collective experiences of the Bid Committee in running many profitable championship events was developed. Responsibilities for specific costs and arrangements have been agreed in writing with both RFBYC and FSC. The budget incorporates a small surplus and an ambitious sponsorship target of $30,000. A number of minor sponsors have been identified and shortly formal approaches will be made to a number of potential larger sponsors. Whilst the Bid Committee is reasonably confident of achieving the sponsorship target there is certainly flexibility in the budget to “*cut our coat according to our cloth*” so that we meet our objective of achieving a small profit outcome and at the same time run an excellent event.

For example an increase in the proposed overall nomination and social function fee costs by $100 per boat would not be a deal breaker and would increase revenue by $8,000 from what is in the budget.

Savings in excess of $10,000 could be achieved by not giving away free beer and sausages in a bun each race day and not paying a volunteer group to assist with the launch and retrieval of yachts as is currently provided in the budget. In addition, the keeper trophy budget could be reduced as could the costs of benefits being proposed to be provided to guests and volunteers. All these items were included in the budget in the first instance as they will contribute to the Championships being remembered for all the right reasons and not just being an average regatta. The objective is obviously to run an excellent regatta both on and off the water.

Despite the enormous amount of work involved in the hosting of a World Championship it is probably one of the best opportunities available to promote the Flying Fifteen class in Western Australia. In the lead up to an event such a Worlds many non Flying Fifteen locals will want to get into the class and sail in world class events without the costs of attending an international venue. It certainly presents the local fleets with a once in a generation opportunity to undertake significant class promotion.

The Bid Committee is seeking approval of members of the RFBYC Flying Fifteen Fleet, the SoPYC Flying Fifteen Section and FFIWA to each separately but equally underwrite up to $10,000 each in respect of the 2021 Flying Fifteen World and Australian Championships sponsorship budget. It is unlikely the funds will be called upon but it will allow the Organising Committee to proceed with certainty and incur costs knowing they will be covered.

The RFBYC Flying Fifteen Fleet, the SoPYC Flying Fifteen Section and FFIWA all have funds in excess of $10,000. It is considered an appropriate use of those funds to get behind the Events and embrace the class promotion opportunities that hosting a Worlds out of Fremantle present.

Notice of Proposed Resolutions

Formal Notices of Meeting incorporating resolutions to give effect to the proposed underwriting and profit sharing arrangements are attached.

**Conclusion**

In the interests of transparency and good governance it is important all members are fully informed and understand the background to the position adopted by the Bid Committee in seeking the RFBYC Flying Fifteen fleet, the SoPYC Flying Fifteen fleet and FFIWA to each separately but equally underwrite up to $10,000 each in respect of the 2021 Flying Fifteen World and Australian Championships sponsorship budget.

A significant amount of work has already been undertaken in negotiating arrangements with RFBYC and FSC and in planning for the Events. It is important the Organising Committee can move forward with certainty when incurring costs and making commitments firm in the knowledge that in the unlikely event a loss is incurred it will shared equally by way of the underwriting arrangements proposed.

The Bid Committee looks forward to your support of the resolutions on 19 November 2021. In the meantime if you have any concerns or wish to discuss any aspect of what is being proposed you should not hesitate to contact John Hassen on 0418 947 544 or David Yu on me.

**FLYING FIFTEEN INTERNATIONAL WESTERN AUSTRALIA (INC)**

**NOTICE OF SPECIAL GENERAL MEETING OF MEMBERS**

Pursuant to Clause 11.4 of the Constitution of Flying Fifteen International Western Australia (Inc) (“the Association”) Notice is hereby given that a Special General Meeting of the Members of the Association will be held at on 19 November 2017 at 12.00 noon at the Centreboard Clubhouse of the South of Perth Yacht Club.

The Explanatory Memorandum to which this Notice of Special General Meeting is attached is incorporated in and comprises part of this Notice of Special General Meeting.

**AGENDA**

**Ordinary Business**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

*On the basis the members of the RFBYC Flying Fifteen Fleet and the SoPYC Flying Fifteen Section each separately resolve by 27 November 2017 for their Fleet or Section to underwrite up to $10,000 each in respect of the 2021 Flying Fifteen World and Australian Championships (“the Events”) sponsorship budget then the members of the Association hereby resolve to also underwrite up to $10,000 in respect of the Events sponsorship budget. Such underwriting is made on the basis that the Association be entitled to one third of any surplus arising from the Events.*

As the foregoing motion affects the funds of the Association pursuant to Clause 11.9 of the Constitution the Committee of the Association has unanimously approved the motion and Committee Members confirmed their intention of voting in favour of the motion.

### DATED this 31st day of October 2017

### David Yu

### President