

Ten Year Financial Plan 2001–2010

ANU SCUBA DIVING CLUB



2. *Executive Summary*

- **The Club will request an average of \$7,200 per annum category B grant for maintenance and replacement of its boats and SCUBA gear over the next ten years.**
- **The Club will request less than this average in the first years and more in later years when major replacements are required.**
- **The Club suggests that the SRA keeps the difference between average grant and requested grant in a trust for use in years with large planned grant requests.**
- **The requested grant will not exceed half of our expenses in any year.**



3. Club Background

Diving Activities

The ANU SCUBA Club has been operating since 1968 making it one of the oldest affiliated clubs in the Sports Union.

The SCUBA Club seeks to promote diving as a safe and enjoyable sport for members at all levels of experience. We give our members the opportunity to do some world class diving at very affordable prices.

The Club owns two boats for which we charge modest fees per usage. These fees are the Clubs major source of income. The Club also owns twelve sets of SCUBA equipment. These are loaned out very cheaply (free to student members on Club trips) and significantly reduce the cost of diving for our members.

Club activities revolve around short trips away at the coast during week-ends and vacation periods. The Club provides an infrastructure that gives its student members the opportunity to dive very cheaply and to go to places which are otherwise unreachable without access to a diving boat. The Club also attempts to run a trip each year to Lady Musgrave Island. A fully booked trip allows 25 divers to explore the fringing coral reefs for two weeks. This trip is an invaluable training ground for new divers who get to dive more than twenty dives and learn a great variety of skills from the many very experienced members who actively share knowledge of dive-sites, boat handling, equipment maintenance, and safe diving procedures for the benefit of all members.

The membership has been stable at more than a hundred for the last six years at least and dive trips are normally run twice a month in summer and usually provides around 50 dives per trip.

Financial Planning

The Club has a tradition for long term economic planning to maintain and renew its vital equipment in order to ensure good and safe diving for its members.

In 1998 a three year plan was made (and approved by the SRA) in order to purchase a new boat (5.3 m Naiad) for a cost of \$29,000. The club asked for a \$14,000 grant in 1998 to meet less than half of that cost. In return the club committed to reduced grants in the subsequent two years so that the average annual grant over the three year period remained at about \$7,000 per annum. In addition, the three year plan requested a loan of \$2,500 from the SRA which was never taken due to us managing a better financial situation than budgeted. A small surplus was put aside towards a boat replacement fund which presently contains about \$8,000. Now that the three year plan has expired the Club wishes to replace it with a new long term plan in order to make sure that the current standard and safety of the club equipment can be maintained in subsequent years. This time, however, we do not ask for more than the average grant up front. On the contrary, we will ask for somewhat less in the first few years, but in years where our main assets need replacement we will require more than the average annual grant.

This ten year plan describes how we intend to manage our financial position from now until year 2010. It can be regarded as two consecutive five-year cycles where the club saves up to a major replacement at the end of each cycle. Savings consist of funds put aside both by the Club in its bank account and by the SRA in a trust of unused grants rolled over to subsequent years.



4. Projected Income



Income 2001–2010

Based on past performance, the Club expects to see income approximating the following

Income	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 yr total
Member fees	700	700	700	700	700	700	700	700	700	700	7000
Gear hire	750	750	750	750	750	750	750	750	750	750	7500
Boat fees	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000
Musgrave trip	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	22,000
Equipment sale	240	260		2,500	5,000	200	50		7,320	2,740	18,310
Interest	50	50	50	50	50	50	50	50	50	50	500
Income Total	6,440	6,460	6,200	8,700	11,200	6,400	6,250	6,200	13,520	8,940	80,310



Comments

A fully booked trip to Lady Musgrave island can generate as much as \$4,000 in a good year. Unfortunately due to the sheer size of the trip and the logistics involved there is no way for the Club to guarantee that a trip will run in any given year, much less return a surplus. The \$2,200 figure is an estimate of the average return of the Musgrave trip over the years. A surplus on this figure indicates a busy trip with heavy gear usage. Thus surplus amounts will be put towards the equipment replacement fund.



5. Projected Maintenance Expenses



Maintenance 2001–2010

Based on historical figures, the Club budgets the following maintenance costs for the next ten years. We expect our maintenance figures to remain fairly stable over the ten year period due to the regular maintenance and replacement schedule.

Maintenance	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 yr total
Boats											
Motor servicing	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
Other boat repairs	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	12,000
Oils/fluids/cleaners	200	200	200	200	200	200	200	200	200	200	2,000
Trailer repairs	250	250	250	250	250	250	250	250	250	250	2,500
Boat registrations	126	126	126	126	126	150	150	150	150	150	1,380
Trailer registrations	104	104	104	104	104	130	130	130	130	130	1,170
SCUBA gear											
Hydrostatic testing	630	630	630	630	630	680	680	680	680	680	6,550
Tank maintenance	200	200	200	200	200	220	220	220	220	220	2,100
Reg/BC service	650	650	650	650	650	700	700	700	700	700	6,750
Compressor service	250	250	250	250	250	275	275	275	275	275	2,625
Shed maintenance	100	100	100	100	100	100	100	100	100	100	1,000
Miscellaneous	500	500	500	500	500	500	500	500	500	500	5,000
Maintenance total	5,210	5,210	5,210	5,210	5,210	5,405	5,405	5,405	5,405	5,405	53,075



6. Assets



Club boats

The Club currently has two rigid inflatable NAIADs with Yamaha outboard engines which are essential to our diving activities.

Asset	Year acquired	Original value	Replacement year	Estimated sales value	Estimated replacement cost
4.3 m NAIAD	1995	12,583	2005	3,000	19,000
50 HP Yamaha	2000	6,314	2005	2,000	7,000
5.3 m NAIAD	1999	19,148	2009	4,000	24,000
90 HP Yamaha	1999	7,000	2004	2,500	9,000

These boats have proven to be very reliable and have served the Club well for our diving activities so the Club wishes to maintain the current configuration in the future. To our best knowledge, for safe and reliable operation, *boat hulls, pontoons and fittings need replacement after ten years* while *motors should be replaced every five years*. We estimate that an old 50HP motor can sell for \$2,000 in 2005 and \$2500 in 2010 next time it is up for replacement. An old 90 HP should sell for \$2500 in 2004 an \$3000 in 2009. Likewise, new motors are expected to be more expensive in 2009/2010 than at present.



SCUBA equipment

The Club's other major capital equipment item is SCUBA gear. We currently have twelve complete sets of SCUBA gear (Buoyancy Compensator Device (BCD), Regulator, Depth gauge/Dive Computer, Air gauge, Air tank) plus six additional tanks. Much of this gear is more than 10 years old and some of the tanks will be 40 years old in 2010. This gear sees very heavy use and the fact that the gear is still serviceable is credit to the amount of maintenance performed by Club members.

In the future, the Club will try to *replace BCDs every eight years* and *regulators every ten years* in order to minimise risk of equipment failure. Based on our experience old regs can sell at an average price of \$80 per set while decommissioned BCDs are virtually impossible to sell because they are considered unsafe once they start to fail. Tanks must be replaced once they fail the annual hydrostatic test or when they become too expensive to maintain. Decommissioned but serviceable tanks can sell for about \$50.



7. Equipment Replacement Schedule

Year	Item	Income	Expense	Comment
2001	O2 Kit		1,100	
	3 new BCs		2,100	Repl. 2 Boss from 1993, 1 Scubatec in bad shape from 1996
	3 new regs		3,300	Repl. 2 Dacor from 1981, 1 Mares from 1990
	Sale of old regs	240		
2002	2 new BCs		1,400	Repl. 1 Boss from 1996, 1 Scubatec in poor shape from 1996
	2 new regs		2,200	Repl. 2 Mares from 1991
	Sale of old regs	160		
	2 new tanks		1,000	Repl. 2 green 72 cft Ron Harding from ca 1972
2004	Sale of old tanks	100		
	New 90 HP motor		9,000	
2005	Sale of old motor	2,500		
	New 4.3/4.8m Naiad		19,000	May upgrade to a 4.8m version
	Sale of old 4.3m	3,000		
	New 50HP/70HP motor		7,000	May upgrade to a 70HP motor
	Sale of old motor	2,000		
2006	2 new BCs		1,400	Repl. 2 Sequest from 1997
	4 new tanks		2,000	Repl. 4 72 cft Ron Harding from ca 1976
	Sale of old tanks	200		
2007	1 new tank		500	Repl. 1 68 cft swan neck from ca 1977
	Sale of old tank	50		
	5 new BCs		3,500	Repl. 5 Sequest from 1999
2009	New 5.3m Naiad		24,000	
	Sale of old 5.3m	4,000		
	New 90HP motor		10,000	Expect increased price
	Sale of old motor	3,000		
	3 new BCs		2,100	Repl. 3 BCs from 2001
	4 new regs		4,400	Repl. 4 Titan regs from 1999
2010	Sale of old regs	320		
	New 50/70HP motor		7,500	Expect increased price
	Sale of old motor	2,500		
	2 new BCs		1,400	Repl. 2 BCs from 2002
	3 new regs		3,300	Repl. 3 Titan regs from 2000
	Sale of old regs	240		



8. Capital Equipment and Total Expenses

Equipment Purchases 2001–2010

Based on figures from the replacement schedule on page 7, we plan the following purchases.

Equipment	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 yr total
Boats/Motors				9,000	26,000				34,000	7,500	76,500
SCUBA Gear	5,400	4,600			1,400	2,000	4,000		6,500	4,700	28,600
Total	6,500	4,600		9,000	27,400	2,000	4,000		40,500	12,200	106,200

Total Expenses 2001–2010

Taking total maintenance expenses from page 5 and equipment expenses from above the total projected expenses over the ten years are

Expenses	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 yr total
Maintenance	5,210	5,210	5,210	5,210	5,210	5,405	5,405	5,405	5,405	5,405	53,075
Equipment	6,500	4,600		9,000	27,400	2,000	4,000		40,500	12,200	106,200
Total	11,710	9,810	5,210	14,210	32,610	7,405	9,405	5,405	45,905	17,605	159,275



9. Grant Requests

Category B funding

- The SCUBA Club requests a total of \$72,000 over the ten year period with smaller requests in early years and larger requests in later years.
- The Club will seek category B grants from the SRA for no more than half of the combined costs of maintenance and capital equipment given on page 8.
- The annual deviation in the table below shows the difference between average annual grant and the requested grant. The club suggests that the SRA hold this unused part in a trust for use in later years as outlined in the table.

Funding from other categories

The club will request some funding from category C to cover an oxygen first aid kit acquired in year 2001. Administration of 100% oxygen as quickly as possible is generally accepted as the best first aid for almost all dive accidents and dive instructors and dive masters in the diving industry are required to provide enough oxygen for an injured diver to be treated until help arrives. The club has decided to follow this policy. The club will also request category D and E non-cash fundings as in previous years. Finally, the Club anticipates seeking subsidies for a number of 1st aid courses each year.

Grant request 2001–2010

SRA Funding	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 yr total
SRA cat B funding	5,000	4,000	2,500	7,000	15,000	3,500	4,500	2,500	21,000	7,000	72,000
SRA cat C funding	500	600									1,100
SRA funding total	5,500	4,600	2,500	7,000	15,000	3,500	4,500	2,500	21,000	7,000	73,100
Annual deviation (B)	2,200	3,200	4,700	200	-7,800	3,700	2,700	4,700	-13,800	200	
Trust (end of year)	2,200	5,400	10,100	10,300	2,500	6,200	8,900	13,600	-200	0	



10. Financial Summary

Planned financial position over the next ten years

- The Club requests SRA funding for no more than half of its maintenance and replacement expenses.
- The requested grants will average \$7,200 per annum with larger requests made towards the end of the ten year period.
- The Club maintains positive cash reserves throughout the ten year period.
- The SRA is asked to hold average grant less requested grant in a specific trust to meet large requests later on.

Financial summary

Net Result	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 yr total
Income	6,440	6,460	6,200	8,700	11,200	6,400	6,250	6,200	13,520	8,940	80,310
SRA grants	5,500	4,600	2,500	7,000	15,000	3,500	4,500	2,500	21,000	7,000	73,100
Total expenses	-11,710	-9,810	-5,210	-14,210	-32,610	-7,405	-9,405	-5,405	-45,905	-17,605	-159,275
Net result	230	1,250	3,490	1,490	-6,410	2,495	1,345	3,295	-11,385	-1,665	-5,865

Reserves	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Club Reserves	8,230	9,480	12,970	14,460	8,050	10,545	11,890	15,185	3,800	2,135
SRA Trust	2,200	5,400	10,100	10,300	2,500	6,200	8,900	13,600	-200	0

