

VHPA Policy for the Administration of the “Capital Works, Capital Equipment and Site Protection Fund”

Background

The “Capital Works, Capital Equipment and Site Protection Fund” was created by a vote of members at the VHPA Annual General Meeting held on Tuesday 18 October, 2022.

Further information about the proposal put to members and the formal motions that were approved at the meeting can be found in the related document

“A_new_Capital_Works_Capital_Equipment_and_Site_Protection_Fund_.03 as Approved by the 2022 VHPA AGM.pdf”

A copy of the proposal put to members can be found in the Attachment to the present document

For brevity, the “Capital Works, Capital Equipment and Site Protection Fund” will be referred to as the “Capital Fund” in the remainder of this document.

Policies for the Administration of the Capital Fund

Initial Funding

The entire balance of the existing “Site Acquisition and Retention Fund” (SARF) as at 18 October 2022 is transferred to the capital Fund.

Ongoing Funding

- No part of any future State Levies shall be attributed to the “Site Acquisition and Retention Fund”
- All future State Levies collected by SAFA on behalf of the VHPA shall be committed initially to general revenue. (\$44.00 per member per year in 2022).
- At the end of each financial year any remaining operational funds that are in excess of what the VHPA Committee estimates are required to safely cover the next year’s projected operational costs, are to be allocated to the Capital Fund.

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Capital Fund Permitted Investment Areas

The Capital Fund is permitted to invest in the following areas.

- **Capital Works**
- **Capital Equipment**
- **Property**
- **Property Leasing Costs**
- **Legal Services**

Examples

The following examples of Capital Fund investments are provided for the purpose of illustration only. They are not intended to be exhaustive or to restrict the scope of investments that the VHPA committee may decide to fund.

Capital Works

- Installation or refurbishment of “Site Assets”
- Establishment and maintenance of access tracks and roads
- Ground Treatments
- Clearing and Tree removal.

Capital Equipment

- Weather stations
- Towing assets.
- Landscaping or earthworks equipment

Property

- Purchase or Construction of Launches, landing areas, tow paddocks, and buildings that provide amenities to members

Property Leasing Costs

- Lease establishment costs.
- First year's leasing costs (subsequent years leasing costs should be paid from the VHPA operational budget.)

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Legal Services

- Legal action necessary to protect VHPA sites, site access and assets
- Other legal services required in management of the sports or events

**VHPA Policy for the Administration of the
“Capital Works, Capital Equipment and Site Protection Fund”**

Attachment 1

A new “Capital Works, Capital Equipment and Site Protection Fund”

A proposal to be put to members for approval at the 2022 VHPA AGM

Overview

The purpose of this proposal is to have a vote of members on several motions at the forthcoming AGM. If agreed, these will overcome substantial limitations of the existing “Site Acquisition and Retention Fund” by

- creating a new “Capital Works, Capital Equipment and Site Protection Fund” empowered to invest in a broad range of opportunities, as outlined below,
- rolling the cash assets of the existing “Site Acquisition and Retention Fund” into the new “Capital Works, Capital Equipment and Site Protection Fund”, and
- introducing a flexible mechanism by which the future State Levies of members are accumulated into the new “Capital Works, Capital Equipment and Site Protection Fund”

This proposal for a “Capital Works, Capital Equipment and Site Protection Fund” has been endorsed by a unanimous vote of the VHPA committee, and is recommended to VHPA members.

Background

The VHPA has accumulated a substantial pool of members' funds, in excess of \$270,000, earmarked for the particular purposes of purchasing or retaining flying sites. This money resides in a special “Site Acquisition and Retention Fund” (“SARF”) kept separate from all other VHPA monies.

Since the establishment of this fund nearly twenty years ago it has brought minimal benefit to members, due to practical difficulties. There now appears to be little chance that the fund in its present form can fulfil its purpose. Yet, by necessity, it continues to accumulate half of all state levies paid by members, year on year.

At the same time, very significant opportunities have been identified by the VHPA to make substantial investments for the benefit of members. These include opening up sites on public land, making major improvements, or establishing an enduring physical presence at key locations to assure long term site retention. However the “Site Acquisition and Retention Fund” may not be used for any of these purposes under the rules agreed at its establishment by a vote of members at an AGM.

To make the new “Capital Works, Capital Equipment and Site Protection Fund” a reality requires that the following four motions be agreed by members at the 2022 AGM.

Motions to Members

Motion 1.

That a “Capital Works, Capital Equipment and Site Protection Fund” be established. This fund is permitted to invest in the following areas.

Capital Works, such as

- ★ Installation or refurbishment of “Site Assets”
- ★ Establishment and maintenance of access tracks and roads
- ★ Ground Treatments
- ★ Clearing and Tree removal.

Capital Equipment such as

- ★ Weather stations
- ★ Towing assets.

Property, such as

- ★ Launches, landing areas, tow paddocks, buildings that provide amenities to members

Property Leasing Costs, such as

- ★ Lease establishment costs.
- ★ The first year's lease can be paid from the new Capital Fund, to “protect” the site but all subsequent years are to be paid from the VHPA operational budget.

Legal Services, such as

- ★ Legal action necessary to protect VHPA sites, site access and assets.

For the purpose of this motion the standard accounting definitions for capital works and capital equipment will apply.

“Creation of a new VHPA Capital Fund”
VHPA 2022 Annual General Meeting:- Information for Members:

Motion 2.

That the existing balance of the Site Acquisition and Retention Fund be transferred to the Capital Fund.

Motion 3.

That all future State Levies collected by SAFA on behalf of the VHPA be committed to general revenue. (Currently \$44.00/year)

Motion 4.

That at the end of each financial year remaining operational funds, that are in excess of what the VHPA Committee estimates are required to safely cover the next year's projected operational costs, are to be allocated to the Capital Fund.