



Welcome to the April edition of the North South yachting newsletter.

In this month's edition you have news of the last chance to secure the **Bavaria Economy Boost Discounts** and we remind you of the government's proposed **30% Investment Allowance** tax break which can be applied to certain charter yacht business models.

NSY is teaming up with SailCorp and Finlease to have an **open evening and seminar in Sydney Harbour** on charter ownership, syndication and yacht ownership in general. With qualified advice on hand, it's a great time to learn how to get on the water in the Harbour.

Sanctuary Cove Boat Show is coming up and NSY will be there with two Bavaria models this year. We will also have a full brokerage display so, if you were thinking of selling, it's a great time to **get your yacht listed** to ensure maximum market exposure.

And we finish this month with our **Brokerage Update**.

We hope you enjoy the newsletter.

The NSY Team.



Bavaria Economy Boost Discounts – Last chance!

The Bavaria Economy Boost Discounts are available until Bavaria has filled production orders through to the end of July. With production now into week 29 (mid July), there is now only a very limited time to take advantage of these spectacular specials. For genuine cash savings of between \$18,000 and \$60,000* get in touch now to put a deposit down and secure your order in time for the new summer season.

*Special offer excludes Bavaria 55.



Bavaria Charter Yacht Ownership and the 30% Investment Allowance Tax Break

The Federal Government announced recently an increase in the 10% "Temporary Investment Allowance" to 30% as further stimulus to encourage businesses to invest in Capital Equipment and Vehicles. The 30% Investment Allowance applies to Charter business investment. Bavaria Yachts Australia and Finlease have worked together to create working models for new Bavaria Yachts being placed into charter programmes.

Subject to acceptance by the Senate the following will apply: The allowance gives businesses a “one off tax deduction” equal to 30% of the capital cost of eligible new equipment and motor vehicles. This is in addition to the standard depreciation claimed for such assets. For example, on a \$100,000 machine this equates to an extra \$30,000 as a “one off” tax deduction.

The main points:-

- For new assets only
- Must have a cost price in excess of \$10,000 (\$1,000 if company turnover is less than \$2mil p/a)
- Eligible capital equipment (including charter yachts on a full-blown business plan)
- Acquired or ordered between 13th December 2008 and 30th June 2009
- Installed & ready for use by 30th June 2010

What does this mean for charter ownership?

In as layman terms as possible, putting a yacht in charter as a “business” results in a yacht which earns excellent charter revenue which is sufficient to cover all of the operational and holding costs of the boat and provide a surplus “net income” to the owner before interest and depreciation costs.

Provided the boat is operated as a “business”, tax losses generated through the one-off Investment Allowance (30%), depreciation and interest claims which exceed the “net income” can be offset against your other taxable income (including salary). *Note:* there is no clawback on the 30% Investment Allowance when the boat is ultimately sold at some later point in time.

Additional benefits that reduce the real cost in year one.

For example: If a new charter yacht purchase was \$270,000 (after GST rebate) then your taxable income would be reduced by the 30% investment allowance (\$81,000) plus depreciation (which is typically claimed under the STS provisions at 15% WDV depreciation in year one (\$40,500) and 30% WDV depreciation in each subsequent year). In summary, the total depreciation and investment allowance in year one is \$121,500, i.e. 45% of the cost value of the yacht. If your marginal tax rate was 45% then the boat cost has been reduced by \$54,675 tax savings before taking into consideration the net charter revenue from the boat.

Total Yacht incl. QLD Survey		\$300,000.00
Total ex 10% GST		\$270,000.00
Investment Allowance		\$81,000.00
Tax rebate effect at marginal tax	45%	\$36,450.00
Tax rebate effect at marginal tax	40%	\$32,400.00
Tax rebate effect at marginal tax	30%	\$24,300.00

Year 1 depreciation 15%		\$40,500.00
Tax depn effect at marginal tax	45%	\$18,225.00
Tax depn effect at marginal tax	40%	\$16,200.00
Tax depn effect at marginal tax	30%	\$12,150.00

Act now to secure maximum benefits and ensure a space in a charter fleet. Charter companies only have a finite number of spaces in their fleets so it's important to get organised, choose the right boat and confirm your intent with both the charter company and Bavaria Yachts to ensure you can take full advantage of these incredible, once-in-a-lifetime tax breaks.

Bavaria Yachts has excellent relationships with many charter companies across Australia and would be happy to discuss your requirements further.

Contact Jamie Millar of Bavaria Yachts Australia to learn about the requirements to put a new yacht into charter – 02 9998 9600 | jamie@bavariayachts.com.au

To find out more about the finer details of charter boat finance, contact Mark O'Donoghue at Finlease - 1800 358 658 (quote reference code BAV0409).

NB: North South Yachting and Finlease strongly urge you to seek qualified tax and accounting advice on these matters to understand how they can be of specific benefit.

North South Yachting, SailCorp and Finlease – Yacht ownership open evening and seminar, 15 May 2009.

North South Yachting, SailCorp Yacht Charters and Finlease are teaming up to host an open evening and seminar on the many options for yacht ownership at the SailCorp charter base in Lavender Bay, Sydney Harbour on 15 May 2009.



If you are interested in learning more about owning a charter yacht, syndication/shared ownership, new and used yacht sales and boat finance, this comprehensive event is designed to answer your questions, give you the opportunity to see two current Bavaria models and set you on the path to yacht ownership.

Alongside Bob Mulkearns and Jamie Millar from North South Yachting will be Fraser Vickers (SailCorp) and Mark O'Donoghue (Finlease):

Fraser Vickers (SailCorp). Fraser owns and operates SailCorp, Sydney's premier charter company. With recent additions to his fleet of two new Bavaria

40 Cruiser's, SailCorp is looking to add a couple of 34/35' Bavaria's. Fraser can answer all questions related to charter ownership in the Harbour.

Mark O'Donoghue (Finlease). Mark owns and runs Finlease and is the undisputed industry expert on all things finance and charter yacht ownership as a business. With a variety of tax benefits and potential savings available through charter yacht ownership, Mark can offer guidance on how to gain these benefits as well as provide finance assessment, qualification and rates.

The base will be open for yacht viewings from around mid afternoon and the seminar will be held from 6.30pm. Drinks will be available.

Please register your interest in this event with Mel on 02 9998 9600 | melanie@northsouthyachting.com.au.



Bavaria Yachts at the 2009 Sanctuary Cove International Boat Show 21-24 May.

It's boat show season again and North South Yachting will be displaying two Bavaria's at the 2009 Sanctuary Cove International Boat Show. Showcasing the new [Bavaria 43](#) for the first time in Queensland alongside the hugely popular [Bavaria 34](#), we will be right in the heart of the show on arm D/E 1, right in front of Georges Seafood Restaurant.

As well as two Bavaria's we will also have a full brokerage display of used yachts, information on charter yacht ownership and syndication opportunities.

After the recent cold spell over here in NSW, we're certainly excited to get up to the warmth of the Gold Coast and we're looking forward to showing off what we believe to be the best production yachts on the market.

If you want to let us know you'll be visiting the stand, please contact Mel at our office: 02 9998 9600 | melanie@northsouthyachting.com.au.



Brokerage sales at Australia's biggest boat show. List your yacht with North South Yachting for the best exposure on the market.

The clocks have moved back, there's a chill in the night air and the Easter holidays have provided the seasonal yachting enthusiast with a last foray onto their local cruising ground prior to wrapping their yacht up for the Winter. For us brokers, it is a notoriously quiet month – Vendors and buyers are settling into the change in seasons prior to planning their next move as the year develops.

So there is nothing quite like an International boat show to initiate a change in gear – step forward Sanctuary Cove 2009! Despite the global slowdown, the show is still set to show case a superb display of modern production yachts, with the inevitable show pricing set to more than reflect the market and offer exceptional deals for the 2009/2010 season.

It's generally accepted that, of the 1000's of visitors that flock to the show each year, a large percentage are not new boat buyers. Maybe they are looking for that near new vessel that offers a further saving over new? Or simply an older production vessel in a completely different price bracket. For this reason, NSY feel they can offer a Vendor service that is at the top of the class.....

A dedicated brokerage display area at the show will allow all NSY listed yachts exceptional exposure to a massive number of predominantly pre-qualified potential purchasers. Customers will be able to peruse at their leisure the specification of YOUR yacht, with our knowledgeable sales team on hand to discuss the yacht further. There really is nothing like an International boat-show to focus a buyer within a natural sales environment and provide invaluable leads in the on-going marketing of your yacht.

If you are considering a change from your current vessel - either an upgrade, downsize or simply a move away from the whole scene - NSY are best placed to initiate a successful sale on your behalf. Full brokerage displays at the major shows are just the beginning – our National network of agents, huge customer database, incentives for exclusive listings and pro-active approach is what sets us apart from the competition.

Please contact our National Brokerage Manager Tom Edgington on 02 9998 9600 or 0422 239 641 to discuss your requirements further – deadline for listings at the show is Wednesday 13th May 2009.

Brokerage news and updates

With solid sales in the brokerage market, North South Yachting is looking for more listings. Through an effective combination of a defined marketing strategy, a massive and qualified database, a national brokerage network and dedicated professional follow-up, NSY has established credible leads and a high conversion rate. Contact National Brokerage Manager Tom Edgington to find out why you should list your yacht with North South Yachting. 02 9998 9600 | tom@northsouthyachting.com.au.

Price reductions:

1980 [Maxi 95](#) – Reduced to \$59,000
2000 [Catalina 310](#) – Now reduced to \$129,500
2003 [Bavaria 49](#) – Reduced to \$395,000

Upcoming listings:

2001 Bavaria 34 – With new upholstery, canvas, fresh anti-foul and servicing all done in early 2009, this yacht is pristine and ready to go. A motivated seller, she'll be listing at \$160,000 ono.

Brokerage boats sold this month:

2004 Bavaria 35 Match
2004 Bavaria 42 Match
2005 Bavaria 46 Cruiser
2006 Sea Ray 240 Sundeck