

Owner's COLUMN

As more and more owners read *The Yacht Report*, this section intends to address serious issues that affect them and their yachts. This is the first owner interview for this section and if any others would like to contribute with their views on specific areas of the industry for the benefit of all, please get in touch with our editorial department.



The Greg Norman Interview

After his maiden voyage and family cruise in French Polynesia, we caught up with the owner of *Aussie Rules* to discuss his experiences with yachts both past a present.

TYR: Why yachting...what is your fascination with large yachts?

GN: After growing up on the Great Barrier Reef in Australia, it is pretty impossible not to get into boats. My father used to take me out to the reef fishing in a small 18hp dinghy and from those early days I became addicted. When you become successful in business you obviously want to move forward with your hobby and passion and get to the dream level. In this case, *Aussie Rules* - not that this is my ultimate dream, there may be more yachts to come.

TYR: Based on the original announcements about the Norman Expedition yachts, do you see *Aussie Rules* as a business venture or a private toy, and if a business venture, what plans are on the horizon?

GN: The construction and ownership of *Aussie Rules* has always been treated as a business venture and will continue to be so. When making an investment of this magnitude, you have to treat it seriously with a formal business structure, keeping control of costs, revenues and operations. In the same way that planes can't just sit on the tarmac, yachts shouldn't just lie dormant in a marina, they have to be

used to get your return on the investment. The more use they get, the more exposure they receive and the more interest they generate. In fact, since leaving the yard and after the report was published in the last issue of *The Yacht Report*, people have seriously inquired about the yacht and her availability, not only for charter but also for sale. Even in these uncertain times, with war and economic turmoil on the horizon, there are several serious people out there who are interested in big yachts. If I get to use the yacht for ten weeks of the year, I am happy, but in addition to that I would like to see her chartered for a

substantial portion of the months remaining, not only to generate revenue, but also to keep her and the crew active.

TYR: Over the past few years, since *Aussie Rules* was commissioned, what have your experiences of the yacht industry comprised and have they been positive or negative?

GN: To be honest, the emotion of building and owning a yacht constantly swings from positive to negative. There are times when you enjoy the process and there are times that you would rather not talk about. In the case of *Aussie Rules*, there were the frustrations of building a yacht 11,000 miles from home, with a 12 hour time difference. You have to deal with suppliers, tradesmen, managers and your own team, and sometimes during a midnight phone call, it can be difficult to get across your message. Also, during an extended build time you feel helpless and unable to speed up the process. Ideally you would like to be on site every two months for the last 14 months of the build to check, approve and amend the build. With the huge distances between my US base and Fremantle, I was unable to achieve this. However, it is important to know that when I did actually get to spend some time in the yard with the team, it felt great and the mood was invariably positive.

TYR: How highly do you rate the yachting industry in terms of professionalism and service, especially when you consider not only your personal business acumen, but also your dealings with other luxury industries, e.g. the private jet sector?

GN: When you come across the professionals, they are very professional, but obviously everyone knows that there are people at the other end of the scale. Due to the amounts of money involved in yacht ownership, it is unfortunate but a reality, that you have to be very guarded and very aware of the pitfalls and risks. The process of yacht ownership requires very precise financial management - my recommendation is to treat it like your own business. Over the past couple of decades, some white boat owners have given away too much control and fallen foul of financial problems, the end result of which has damaged the reputation and image of certain sectors in yachting. In my case, when you have committed to a project of this magnitude, there is a lot of money going out so it is vital to let everyone know that you are in control and scrutinising the cash flow. I relate to a golf course or residential project, setting a budget of US\$8 million and after

completion without financial control the figure soars to US\$10million, you immediately realise that US\$2million comes straight off the bottom line in your financials. If you get this part right, the rest should fall into place. One of the key factors in ensuring that *Aussie Rules* met all my requirements and the people involved knew where they stood, was the detailed control of our specification and knowing precisely what was going into the yacht and what it should have cost. This ensured that everyone involved retained their professionalism.

TYR: In yachting industry terms, which sector has been the most useful in your dealings during the evolution of *Aussie Rules* and why?

GN: State of the art technology has helped the yachting industry improve dramatically and more specifically for me, the introduction of 3D images. This helped me visualise and conceptualise everything for *Aussie Rules*. I could see the yacht before any metal was cut, both from a profile perspective but also in terms of layout and equipment location. In my opinion, this made the yacht perfect in terms of ergonomics and operation.

TYR: As a yacht owner, what aspects of the yachting industry would you like to see changed or improved and can you expand to say what and why?

GN: As far as I'm concerned, no body in the industry should rest on their laurels. This is an expanding market and requires servicing. In addition to continuous hardwork, I would suggest that the MCA Code has made a huge contribution to our industry. It has made everyone smarten up their act - industry, crew and owners. It has also, and will continue to, make our lives safer when on board. The vagabond crew without qualifications that job hunted along the dock and in the bars are becoming history. Ensuring that people need to meet standards of training and hold professional qualifications makes me personally feel better when on board. This is one thing that has been needed for some time.

TYR: What selection process did you go through to choose Oceanfast?

GN: From my personal point of view, although I spoke to all the leading yards and asked them to bid on the project, I decided that if I was going to spend such a large amount of money on a project, I wanted the revenue to contribute to my home country and their gross domestic product. We did huge amounts of research into all the major yards

around the world, but at the end of the day I had set my mind on all-aluminium. It is recognised that the main European yards are not aluminium specialists and although good aluminium welders can invariably weld in steel, it is more difficult for the reverse. During my tour of Austal, the Oceanfast parent, I viewed a few of their fast ferry projects at various stages of construction. My team and I inspected the weld quality and felt confident that the yard could deliver the best possible structure for this project. It was then important to ensure that I would also get a yacht quality finish that would typically come from the North European yards, something that the Oceanfast of old were not renowned for.

TYR: During the build process of *Aussie Rules*, were the Oceanfast yard and their team good to work with and would you build there again?

GN: If I am honest, and if the yard are honest with themselves, *Aussie Rules* represented a huge learning curve for the whole Oceanfast team. When you look at the yard's management they have experienced their most challenging project for some time and although they may still need to look at their yacht building division from within, it is fair to say that they have achieved their first example of true 'yacht quality'. If the management team recognise that there are still improvements to be made to their systems and divisions and that they can always improve to meet the needs of the market they are now serving, they will be a better company. I mean this as constructive criticism. If I ever built another yacht, which is likely, I would go through the same selection process and if Oceanfast met all my requirements for a new project and had made the necessary steps forward, I would build there again.

TYR: Since taking delivery of *Aussie Rules*, what is your immediate response to the finished project since the maiden voyage? Has she met your expectations as a stable cruising platform for global exploration?

GN: I can happily and proudly say that *Aussie Rules* is the quietest and smoothest yacht that I have ever cruised on and I have chartered and owned several yachts including some of those from the reputed best yacht builders. When anchored in various atolls in the Pacific she sat perfectly in the water, in both heavy and light ship conditions. Her stability is incredible and when sitting in my cabin with the engines at almost full load she is dead quiet. So all in all, I am very pleased with the end product.

TYR: One of the key aspects of the project is the piggy-backing arrangement for the large sport fish tender. Can you give some background to this arrangement and some explanation for the launching system?

GN: Over the last three weeks in French Polynesia, I have used the 42' game fishing boat nearly everyday. When cruising we opted to tow the boat behind *Aussie Rules* as lifting facilities were few and far between in this region. At the beginning of the project we looked at lifting systems for the large boats on the aft deck and decided that it would require a monster system that would ultimately ruin the profile of the yacht and require huge power and below deck space. Therefore, the decision was made to put the big boat on the deck and lift her in commercial docks when needed. Unfortunately, it is a 'roll of the dice' when you contract independent lifting companies in the various local ports - some are good and some are bad and don't understand the word 'careful'. In future we will probably opt to tow the big boat behind with a couple of 150m lines, as we have done over the past few weeks. With such a good hull shape, the sportfish boat sits happily within the wake of *Aussie Rules* and with a crew member observing, she can comfortably reach 11 knots. On reflection, perhaps we should have extended the hull slightly to accommodate an on board lifting system, and integrated the crane within the superstructure line.

TYR: *Aussie Rules* is obviously built for charter purposes as well as for private use. Were you exposed to the MCA Code and as an owner what are your views of such a Code and what was your experience of working with the Code?

GN: My exposure to the Code was positive and, as I said earlier, I am pleased that it has improved our industry and ultimately I have a much safer yacht for me and my family. One specific instance that affected *Aussie Rules* with a cost penalty was the increased door dimensions required for safety doors throughout the vessel, adding several inches to the door depths in order to accommodate the emergency mechanisms. This extra dimension ultimately required the addition of an extra frame length to the yacht to accommodate this space without sacrificing any space elsewhere. As such a hands on client, I see these extra spaces and the gaps associated with the doors and to be honest it slightly offends, but at the end of the day, other guests will probably just walk on by without noticing.

TYR: Going back to the subject of building yachts as a business venture and the Norman Expedition series, do you envisage that there

is growth in the charter sector and if so, will you build more yachts with this in mind?

GN: One of my first yachts was a 150' Feadship, at the time quite a significant yacht, but today the fleet of charter yachts in the 200' plus sector has grown substantially. When looking at your recent orderbook, it is clear that this is still expanding and the fleet will be even greater in the coming years. With charter fees ranging from US\$200,000 up to US\$500,000 per week, this is no longer a small business and it is clear with the potential revenues from 6 to 10 weeks charter that the market will change. As I said before, there are some very professional people in this market and my charter brokers, Nigel Burgess Ltd, fall into this category. It is their responsibility to identify and understand the clientele that will ultimately charter my yacht, but in the current economic climate and what would appear to be a significant market correction, I hope they are able to identify new people in the future.

From my perspective, I think the Mediterranean will slow down, possibly due to the proximity with the Arab states and in some cases, the typical locations are becoming boring and congested. To be honest, during my past three weeks cruising in French Polynesia I didn't meet another yacht, yet I experienced some of the finest cruising I have ever enjoyed and dived in the most incredible waters. My family were able to fly directly into Papeete from LA and we could escape. I cannot understand why people do not want to explore more, there are so many remote locations that are unspoilt, safe and provide the necessary provisioning. In reality, I suppose it is the responsibility of the charter industry to market new locations and not the same old circuit.

TYR: As a yacht owner, do you enjoy yacht ownership or do you find that there are more headaches than you need?

GN: If you're gonna do it, you've got to accept the emotional ride. Yes there are headaches but there are with every commercial project. As I said before, you have to be so hands on that you feel comfortable that everything is correct, even down to checking specific invoices, satcom bills, fuel dockets etc. That is not to say that I don't trust my people, it is just a matter of cost control, otherwise your yacht becomes a black hole for money. If you're willing to manage your yacht properly, then obviously you'll get the associated headaches, but that's business. In terms of enjoyment, when you can escape it is fantastic, but as yet I have found it very difficult to escape and just be alone with the yacht. It is a small world and when you are such a high profile individual and when people discover that

you're associated with the *Aussie Rules*, you are rarely left alone. In fact, even in French Polynesia I was greeted by the local dignitaries, welcoming me to their islands - very charming, but sometimes I wish I could just be alone on my yacht with my family.

TYR: In terms of *Aussie Rules*, are you happy with the end result and would you go through the process again or what would you do differently?

GN: Overall I am really happy with the end result, and after four years of planning, development and building, my wife and I are proud of our achievements, especially the layout of the interior. To be honest, we built the yacht with resale in mind, so it would have maximum appeal to other people, both in terms of operation and on board living. We lifted everything off the main deck to create a private space - nobody can see you from the dock, either in the pool, having lunch or sunbathing. In terms of the building process I would like things to change in the industry. More specifically, although I enjoyed the overall process I would like to see more accurate delivery dates being quoted by all builders. It is crazy constantly to be quoted 24 month build times for any significant project, only to be told closer to the contracted date that she is going to be delivered 4 months later. This is one of the biggest frustrations amongst owners and I have friends who are building at some of the leading Dutch yards and even they cannot get it right. For a golf course or residential project that my company may be developing, we work to very important deadlines and the cost penalties are huge for these commercially driven projects. I think the industry should take a serious look at their delivery dates and rather than break their necks on a 24 month project, why not all work together, quoting a 30 month build time and delivering the owner their project on time or even ahead of time and more importantly, on budget.

When quizzed about the *Aussie Rules* deal, although figures were not disclosed, he was pleased with the deal he secured. As with any business deal, he does his homework and due diligence to get the best possible deal. He also believes that Oceanfast got a great deal in terms of a flagship project and a yacht that meets the demands of the current market.

When asked if he would sell the yacht tomorrow, he laughed and said he didn't have any materialistic feelings towards his possessions and if the offer was sensible he would have to say yes. "I am always thinking ahead and if the right deal came along, it would allow me to make the next plan happen. Whatever that may be?"