

Half-yearly Treasurer's Report to HMBGC Members – March 2021

Fellow members,

We are all aware that our club has had to modify how it has operated since COVID 19 came to "play".

I thought you the membership might appreciate an update on how we are operating.

As of 31 December 2020 we were no longer eligible for the JobKeeper support as our cash flow dropped within the 30% threshold.....not by much but it was a hard cut-off. This has sharpened our cash management focus. The club is generating sufficient revenue to meet normal operating costs and wages although how it has traditionally done this is subtly changing. Because we have generated a small profit in the first 6 months of this year our cash position has improved and we can currently operate without accessing our overdraft facility. This is a significant saving in interest.

COVID 19 has changed our habits and although improving, our bar trade has been down significantly. However the Golf Shop is now trading more profitably.

A noticeable increase can be seen in the number of golf rounds now being played (March 2021 saw the highest rounds figures for March ever). Conventional wisdom has always been that in order to increase numbers on the course, golf clubs would need to squeeze in more tee-off times and/or tee-off from both the 1st and 10th tees. COVID regulations required that we lengthen our tee-off times to 10 minutes and perverse as this may seem it has allowed for faster play and members are responding by playing more rounds per month. We see this in improvements to the revenue generated through competition golf and cart hire. Social golf did slow right down and has since been improving slowly but steadily. We believe a full bounce back will depend on our local economic recovery and we will need to balance that with the increased demand for timeslots from the membership.

Although it is seasonal, on average it costs between \$130,000 to \$150,000 per month to operate and maintain the Club to its current high standard. The Club supplements this with grants from wherever we can source them. These grants along with any profits are invested into the course. Until very recently the grant application process has been voluntarily led by member Liz Harmon. Her expertise has led to significant success. **Thank you Liz on behalf of us all.** If you have expertise in this area and have the capacity to contribute please see Greg in the office.

Members will have seen recent examples of projects funded (in full or partially) through grants take shape in the form of the revamped practice area and green's nursery (Cost = \$20,000, Grant = \$18,000), the extension to the cart shed (Cost = \$70,000, Grant = \$30,000) which provides another rental income stream and a benefit to members who wish to house their carts securely on the course. Thanks to those members who pre-purchased the rental on their bay for several years ahead. This gave us the cash to finish the project. Our bar and clubhouse are also receiving some much needed TLC, much of which is donated.

A "behind the scenes" project you may not have noticed is a new machinery refuelling facility (Cost = \$40,000, Grant = \$10,000) which was an urgent priority for safety reasons. The grant covered the cost of the new tanks and the club paid for associated works. Another "behind the scenes" project which will require a significant investment is the irrigation pump and pump shed. The pump is nearing the end of its life and is a critical piece of infrastructure. We are exploring our options to finance this.

Annual membership fees provide just under 25% of the above funds. It costs almost the same to operate the course for 400 members as 600 members. Therefore signing up and retaining members is very important as it improves the discretionary spend through rounds played, the shop and the bar. It also increases the pool of funds available for projects. Thank-you for all you do to ensure we retain our reputation as the friendliest golf club in the north. Your acceptance and support of new members is appreciated. Don't forget to let the office know if you introduce a full annual fee paying member it is

worth \$100 to your house account. We used to do this under the old voucher system and have decided to keep it going.

The Committee has ratified that \$5,000 be allocated to levelling some tee boxes. This is now being assessed. A costlier project which is also being assessed (it may be dependent on our obtaining a grant to support it) is the bitumen sealing of the path from the car park across the front of the 10th and through the practice area. This will eliminate the wet season "puddle dance" and stop the encroachment of the dirt roadway into the practice area. Hopefully these will progress soon.

Within a couple of months...it takes that long for all the approvals needed...an agreement has been reached with new caterer to commence operations from the commercial kitchen. I understand early morning golfers might be able to get a quality coffee to go. I am sure you will give this venture your enthusiastic support

We are optimistic that the next 12 months will see some more small gains financially. Our focus will be on improving your golfing experience. It won't be without challenges but the club is the sum of its collective membership and we believe your strong support will continue.

Good golfing to you all.

John Howarth

Honorary Treasurer, HMBGC