

## **PRESIDENT'S REPORT 2008-2009**

On behalf of your Management Committee I have pleasure in presenting to you the Club's Annual Report for the year to 30 June 2009, along with additional information and Sub-Committee reports for the year since our last AGM on 27 November 2008.

### **\* Club Financial Performance Summary**

The Financial Year to 30 June 2009 is reported in detail on the following pages. The financial disciplines and accountability demanded of all our activities these past seven years are resulting in much improved financial results. After successive deficit years your Club has achieved three successive surplus operating results these past four years. These surpluses have been small, but represent a big improvement for the Club.

The over-riding goal for your Committee has been to achieve the delivery of all your essential golfing services within responsible management constraints, including keeping expenses under our revenues. This has meant we are living within our means and not creating headaches for future administrations, but maintaining Club assets and wherever possible taking initiatives to improve value-for-money for all Members and stakeholders.

### **\* Ten Critical Performance Measures since 2000 -2001 ( last 9 years )**

|                                | <b>Best Yr.</b> | <b>\$</b> | <b>Worst Yr.</b> | <b>\$</b> | <b>Average over 9 yrs.</b> |
|--------------------------------|-----------------|-----------|------------------|-----------|----------------------------|
| <b>1. Operating Result</b>     | 09              | 18,000 *  | 01               | (64,000)  | (\$20,250)                 |
| <b>2. Revenues</b>             | 05              | 353,000   | 04               | 213,000   | 256,000                    |
| <b>3. Expenses</b>             | 07              | 163,000   | 04               | 261,000   | 230,000                    |
| <b>4. Members</b>              | 01              | 287       | 08               | 175       | 200                        |
| <b>5. Member Subs.</b>         | 01              | 77,500    | 08               | 48,000    | 61,000                     |
| <b>6. Nett Bar Profit</b>      | 07              | 37,000    | 05               | 9,000     | 21,000                     |
| <b>7. Competition Fees</b>     | 06              | 20,000    | 05               | 15,000    | 17,000                     |
| <b>8. Green Fees</b>           | 05              | 69,000    | 07               | 52,000    | 63,000                     |
| <b>9. Course + Labour</b>      | 09              | 83,500    | 03               | 133,000   | 110,000                    |
| <b>10. Mortgage + Interest</b> | 09              | 13,000    | 04               | 18,000    | 16,750                     |

\* The 09 Profit+Loss shows a \$21,115 loss after deducting \$23,352 for depreciation - and so the operating result after allowing for \$16,000 paid off the Club Mortgage principal is a cash surplus of \$18,235 for the year.

**Note :** all \$ figures rounded. ( Brackets indicate losses.)

Comparisons over these past 9 years yield the following conclusions :

1. Our operating results have improved remarkably, with cash surpluses the last 4 years.
2. Revenues have grown, but not satisfactorily.
3. Expenses have been trimmed and cannot be reduced further without loss of services.
4. Member numbers had declined ( in line with industry trends ), but now improving.
5. Subscriptions have been kept as low as possible ( the industry's fees are too low ).
6. Bar profit has been reliable, but patronage remains at disappointing levels.
7. Competition fees have stabilized and cover trophies, but provide little or no surplus.
8. Green fees have stagnated after declining from satisfactory levels 5 years back.
9. Course maintenance and labour costs have been reduced, but cannot remain so low.
10. Mortgage and interest payments are slowly diminishing, but remain the single major item of avoidable ( discretionary ) expense.

### **My Conclusions :**

1. The financial viability of our Club is barely sustainable and very fragile.
2. Revenues from existing Members must be increased.
3. Greater Member numbers needed...by better marketing and a higher value offer.
4. Subscriptions need to rise at least with cost-of-living increases.
5. Increased Green fees / social group patronage and revenues must be pursued
6. Remove any cost wastage and avoidable expenses.

### **\* Challenges We Must Meet and Overcome**

1. Increase the utilization of all our facilities, but especially our golf course.
2. Improve communications between the Club and its Members and customers.
3. Improve the way we do things in our day to day operations at all levels.
4. Increase our water storage capacity on the course and use less water. \*
5. Remove / reduce our mortgage payment burden and free up revenue for value-adding initiatives or which generate new income.
6. Develop stronger ties with local and other Bendigo District Clubs and reciprocal Clubs.
7. Improve access to the Club for a wider set of users or communities.
8. Develop new revenue streams from new products / services.
9. Establish an alternative water supply to enable couched fairways for all-year golf. \*
10. Develop a Club culture in which most Members see themselves as contributors to their Club rather than as consumers of a specific service ( playing golf ) for a minimum cost.

\* Two projects-- for improved water collection, and for use of re-cycled water, are currently being scoped out by your Committee for costs and benefits and grants funding.

Since the last AGM, the Club successfully completed three major projects :

- (1) - to harvest over 450,000 litres of water which otherwise ran off the Clubhouse roof and was wasted ; and
- (2) - to upgrade our water reticulation and sprinkler system around the course, with

new mains and computer-controlled watering.

Particular thanks are extended to the group of Members who volunteered their time and hard work to ensure the success of these projects. A special thanks to our Superintendent Paul Robinson who helped ensure our success on both projects.

(3) - the other project now completed was the establishment of a new Club website with a host of user-friendly features to enable Members and the public to access information, make bookings, and in effect market our Club to a huge potential new audience. Member features include competition results, programme information, special items of interest and access to interactive features. Our Secretary, Arthur Pope ensured the delivery of the project and has taken on the maintenance of this service in addition to his on-going other duties.

Two new projects are being costed and investigated and these have huge potential to benefit the Club.

\* The smaller water project aims to capture the run-off which escapes across the south-eastern half of the course ( possibly 20 ML ) and divert/pump into the 14<sup>th</sup>.dam. This project we aim to carry out as an in-house activity, in stages, and possibly with Vic.Gov't. grant support.

\* The more significant project is being developed with the support of Coliban Water and envisages the piping of recycled water to the course for storage on the Granite Hill Lane site in a single new large dam, decommission the two existing dams on that land, upgrade the Club's fairway irrigation system ( new pipes and sprinklers, etc.) and enable the new system to complement our existing one. This approx \$2M project is at the initial scoping and feasibility stage with an application for Federal funding submitted. The Club will likely be required to make a decision on the costs and benefits of the proposal in the next twelve months and the matter will be the subject of extensive consultation with Members. For the project to proceed the matter would require the support of Members at a General Meeting, preceded by Federal Gov't approval and Coliban Water endorsement.

In response to an issue raised at the last AGM, a project team was established to examine the feasibility and costs of establishing a bore on the course. The team confirmed the verbal report I provided to the AGM and as minuted at earlier Management Committee meetings that a bore was not financially viable and unlikely to supply water of a quality and volume needed to significantly contribute to our water supply needs.

It has often been observed that while we have been very successful as a Club in managing to survive the industry-wide changes and declining social participation in golf over the past decade, we especially need to find a transforming opportunity to enhance the Club and ensure its long-term growth. Being vigilant and accountable with respect our finances have meant big improvements and should not be under-estimated -- as without such prudent emphasis on

managing revenues and matching our expenses to our means we would surely have gone under two or three years ago.

However, the Club may have very few opportunities to transform itself ( the opportunity lost that gaming provided a decade ago was an example, though by no means one we all now regret ). The prospect of a reliable source of water with which to irrigate the fairways via a new fairways irrigation infrastructure provides the opportunity for the Club to have green playing conditions on couch fairways for the first time. Such an opportunity may well never be repeated. The chance to transform the Club into one with best-practice golfing amenities should be very carefully considered in the context of the opportunity to grow the Membership base, encourage greater community use, and greatly increase green fees and social group participation. In short, to offer a much higher value proposition to Members and all our present and future stakeholders.

None of this can come without some risks and costs. These need to be very carefully considered also.

Assessing these opportunities and risk factors and estimating costs ( including the cost of doing nothing ) will represent the greatest challenge to the strategic planning and problem solving resources of your new Committee, and of the Club as a whole. Participation in the process by all Members will be needed to ensure the best possible outcome.

This coming year therefore looms large for the future of the Club. It becomes more than usually important that Members put themselves forward to assist the Club by joining the Committee or serving on sub-committees and or on specific project groups. The wider the cross-section of Members involved and the greater the level of participation by all Members in the determination of these issues, the stronger the Club will be.

#### **\* Club Administration and Governance**

Club administration is in the hands of a Management Committee which is responsible for all the activities of the Club and determines policy and which delegates day to day operational matters to the sub-committees which are accountable for their actions and decisions to the Management Committee.

On behalf of all our Members, I thank all Committee members and sub-committee participants for giving of their time over the past year, and for attending the scheduled and the often extra meetings which arise in response to unexpected needs.

I especially wish to thank all our Office Bearers who carry an additional load and who so readily give so much more than what is expected of their positions.

This AGM sees the retirement of myself after seven years, and the retirement from the Vice-President position by Ed. Hoctor to take up the Treasurer role which he so capably filled in an acting capacity this past year. Ed has overseen the implementation of a much improved

financial reporting system which will enable a closer and more timely scrutiny of our cash flows, accounts payable and revenues than has been possible in the past. This more accurate and professional finance function addresses a long-standing need, but will also require skilled maintenance and regular data input. The anticipated costs will be far outweighed by the benefits achieved for the financial management and reporting of the Club.

Aside from the relentless demands of the Treasurer position, that of Captain is also one where the pressure is constant and the demands many. My thanks go to Ed Kennedy who has carried out this role with energy and much success. He has been assisted this year by Ross Martin as Vice-Captain and by Adrian Hanks who had the “thankless” task of handicapper. Thank you all for the improved performance of the Club in this area of its operations.

Particular recognition should be extended to Ed Hoctor who has taken most of the load in running the bar, rostering volunteers, and sourcing product as specials arise. Also, I would like to specially thank David Stark who has time and again given up his meagre leisure hours to be behind the bar on so many Saturdays. John Dawson has been a valuable support to Ed. in helping with sourcing product and in running the bar. The success of our bar is crucial to the financial success of the Club.

We should not under-estimate the contribution to our over-all financial and social success that our Bowling group make to our Club. They have a positive revenue impact after costs and augment our bar sales on a per head basis far in advance of our golfer patronage.

To our Superintendent we all owe an enormous gratitude for the almost magical results he is able to conjure with very limited financial resources and virtually no paid support.

Finally, on behalf of all Members, I would like to thank our numerous volunteers for their sterling work contributed over the year. The lady Members who do such a splendid job of ensuring Bowl and Plate days succeed, the ladies and men who play Pennant for the Club, those who collect rubbish from the course, and those who do the many smaller and bigger jobs around the Clubhouse and course to keep them in good order and which make playing and socialising here such a pleasure.

I wish to particularly thank Graham Hackett and his Wednesday player group who have throughout the year helped ensure the growth and improvement of the Wednesday golf competition and the social camaraderie that has developed with it. The fund-raising via raffles has been a notable success and tangible benefits may be noted in new ball washers and the new flat screen TV in the Clubhouse. Thanks go also to Barry Murphy for providing ex-wine barrels for sand receptacles at tees.

My special thanks also go to John Dawson who has regularly helped with clearing fallen trees and made use of the timber as prizes in our wood raffles. He was assisted from time to time by others including Neil Ford, Col Cooney, Gus Tomazin, and Frank Evans. My thanks go to all our various volunteers.

In this regard I want to single out one person who has again made an almost super-human contribution as a volunteer, and without whom I doubt we could have had a satisfactory playing experience at all. Bill Dodd has worked tirelessly at least two days most weeks of the year in surrounds mowing, cleaning up the rough, greens mowing and generally helping make Paul Robinson's job possible. Thank you from us all Bill.

It was with much regret that we learned of the passing of two Members during this year. Tim Hubber and Terry Cook both passed away suddenly and are missed by us all. Our condolences are extended to their families and many friends inside and outside the Club.

At the last AGM, nominees for only six of the twelve Management Committee positions were duly elected.

Ed Kennedy was appointed Captain for the January meeting, and Ross Martin appointed Vice-Captain at that same Committee meeting.

At the April meeting Peter Walsh was appointed to a vacant Committee position.

Three other Committee positions remained vacant throughout the year.

The following table shows the attendance record for our Management Committee members.

| <b>Name</b>     | <b>No. of Meetings Scheduled/Attended</b> | <b>Apologies Tendered</b> | <b>Absences</b> |
|-----------------|---|---------------------------|-----------------|
| Brian Simpson   | 11/11                                     | -                         | -               |
| Ed Hoctor       | 11/10                                     | -                         | 1               |
| Arthur Pope     | 11/11                                     | -                         | -               |
| Ed Kennedy      | 10/8                                      | 2                         | -               |
| Ross Martin     | 10/5                                      | 5                         | -               |
| Grace Parkinson | 11/10                                     | 1                         | -               |
| Lynda Pope      | 11/10                                     | 1                         | -               |
| David Stark     | 11/8                                      | 1                         | 2               |
| Peter Walsh     | 8/6                                       | 1                         | 1               |

In addition----

Ed Hoctor convened the Club Services sub-committee, assisted by Grace Parkinson

Ed Hoctor convened the Finance sub-committee.

Brian Simpson convened the Greens sub-committee, assisted by Grace Parkinson.

Ed Kennedy convened the Match sub-committee, assisted by Ross Martin.

Grace Parkinson was also Secretary to the Ladies Committee.

**Brian Simpson**