



## **Dear Members**

I am writing to you on behalf of the Board of the Bathurst Golf Club to provide you with the latest information we can in regard to how we can all work together to preserve our amazing golf course and clubhouse facilities in these times of significant uncertainty and change.

I am sure you are all aware, last week the Board acted on advice from Golf Australia and Golf NSW and closed our course temporarily to allow time for the New South Wales Government to consider its response to the health risk management implications of the latest level of personal distancing restrictions, especially as they affected groups in outdoor areas.

We were quick to act then and quicker to act when the Government gave the all clear to continue playing golf, albeit under tougher restrictions. We reopened the course and competitions immediately we were approved to do so.

### **The Board will continue to ensure, while Government allows it, that golf will be played at our club.**

To help all members to know what we know, we have produced and attached a Frequently Asked Questions (FAQ) sheet that consolidates and looks to answer many of the questions we have already been asked, and some we think we will be asked eventually. The answers we have provided to these questions represent the current situation.

As you have heard more times than you may wish to, this situation is a constantly evolving situation. What is true to the best of our belief as this is written, may be totally incorrect tomorrow. At all times in the months ahead, you can be sure the Board will act in the best interests of our membership while balancing the commercial realities of survival of the business.

To that question of survival, we ask that you also do all you can to act in the best interests of the Club and your fellow members.

Come play golf, safely. Support Matt our professional. Enjoy yourself in the fresh outdoors.

We ask that you continue your membership as per your existing payment arrangements. We will be maintaining the course whether golf is able to be played or not. Your membership fees are critical to a good outcome for your club and the golf course.

It is a sad reality that there may well be a significant reduction in golf courses in the central west once the full effect of this pandemic is realised. Maintaining your membership will ensure our course is not one that is lost, and also gives you an amazing advantage over future members seeking to join our club when there is not one in their town.

For more detail on the current situation, please refer to the attached FAQ. We will update this from time to time and it will be published on our website.

We will be constantly reviewing how any changes affect you and the club, and we will adjust, as we need to. We respect your right to do the same. Your feedback will be a valuable source of information that will assist us in our planning and execution. Please keep it coming.

**Yours in Golf**

**Ray Stapley**

**President**

## FAQ

### 1. What is the financial impact on the Club of the Government restrictions on public gatherings?

Like all businesses in Australia, Bathurst Golf Club will be significantly affected. We can already see the impact with the loss of Bar and Restaurant income since the clubhouse had to be closed on the 23<sup>rd</sup> March.

The full extent of the financial impact is as yet unknown as it will depend on what further restrictions need to be imposed to protect our community, how long they will last and also the degree to which this whole event will affect the livelihood of our members.

Thankfully, the Club enters this time in a quite strong financial position when compared to many other golf clubs in the region.

The Club Treasurer has prepared a preliminary working budget assuming competition and social golf continues on the current basis, membership fees continue to be paid by all golfers, the course continues to be maintained, and the Clubhouse remains closed.

This budget makes it very clear that our expenses will outweigh our income and the Club will operate at a minimum loss of approximately \$13,500 each month. This is assuming that membership fees will continue to be paid at the current level. This monthly loss will wipe out last year's profit in about 4 months, reducing our reserves accordingly. Any Government support packages have not been taken into account as we are yet to have confirmed what we qualify for.

To survive and thrive into the future the Club will be reliant on its members to continue to support the Club in whatever capacity they can.

### 2. Why are expenses so high?

Whether the front doors are closed or not, there are a number of fixed costs that must be met each month. These include, but are not limited to, green keepers wages, leave entitlements for staff stood down temporarily, part time admin wages, rates, water, electricity, affiliation fees, insurance, course, plant and building maintenance expenses. The loss of expense subsidy from Bar and Restaurant income contributes significantly to this monthly loss.

Even if golf can't be played for a time, the course must continue to be maintained to protect the 126 years of development that has gone into it to this time.

### 3. Will my fees go up because the Clubhouse is closed?

As has long been the case, the Board is committed to delivering golf and other membership benefits at the lowest possible cost to members. Simply put, the more members who retain and pay their membership during this time, the less likely any extraordinary fee rises above CPI will occur.

In 9 of the past 11 years the Club has been able to keep fee increases to no more than CPI with one year seeing no increase and the other an equalization of fees on consolidation of membership categories.

The answer to this question is therefore largely on the shoulders of our members. If you can continue to pay your membership fees, please do so. Let's all unite in the best interests of the Club and each other. Please continue to pay your membership during the crisis.

#### **4. Will my green fees go up because less golf is being played?**

The Board is doing all it can to provide members and visitors with at least the same number of golf spots each week as prior to the crisis. Additional competitions will be added, and social golf, by members only, encouraged.

The bottom line with regard to green fees is that the Board has reluctantly made the decision to increase competition fees to \$20. The Club needs to continue to maintain the course in its championship condition by continuing to employ its greenstaff. The only source of income we will have to do this is the green fees. There will still be a shortfall, however the Board feels that a small increase of \$2.00 will be acceptable to all members.

Members will be encouraged to use the debit/credit card facility (tap'n'go) to minimize the use of cash. If it is necessary to pay by cash, only a \$20 note will be preferable.

Beyond that, the Board is committed to delivering golf and other membership benefits at the lowest possible cost to members.

#### **5. Will I still be required to pay membership fees if I can't play golf or use the clubhouse?**

You can still play golf, so yes.

The Club's membership year runs until 30 June and many members pay their membership in full, 12 months in advance, and the Club provides a pay by the month facility to members for their convenience. We will not be suspending this process and it will run as normal on the 30<sup>th</sup> of May and June.

Choosing to relinquish your membership at this time will not only be detrimental to the Club's future, it may well make rejoining the Club and/or enjoying the convenience of how you currently golf a more difficult proposition for a number of reasons.

We are concerned for the future of several of our neighbouring clubs. We are concerned that should any of these Clubs not be able to maintain their courses and/or fail to reopen, increased demand for access to our course may increase significantly.

We are committed to delivering golf and other member benefits to our members as our first priority. Maintaining your membership is likely to have significant, and as yet unknown benefits under our planned policy of priority for members. We acknowledge there may be changes to past conduct. Watch this space.

#### **6. How long can the club survive if people cancel their memberships?**

Our annual membership fees disclosed in the most recent financial statements (see our website) equate to the total reserves we hold in our Term deposits. The answer therefore, would be about 1 year. Add to that the monthly predicted loss and that time frame shortens. If you want a golf club at the end of this crisis, please continue to pay your membership fees.

#### **7. Doesn't the Club have huge reserves they could use to keep the club going while it is closed?**

The Board has been prudent in its management for the past decade or more, and yes, we have larger cash reserves when compared to most Golf Clubs. As shown above, these reserves will be reduced each and every month while the crisis continues. Ongoing loyalty and support from our members will slow this and will ensure that the Board is in a position to recognize and reward membership loyalty into the future, in ways yet to be decided.

We don't own our land like some others (we rent it from the Crown) so we have no borrowing capacity.

**8. Why does the Club have to keep paying all their costs if they have been closed by the Government?**

We are a business like all others with fixed costs and contractual costs that must be met.

**9. Why will the greenkeepers still be paid to work if there is no golf being played?**

Well, golf is being played.

If there comes a time when we are told to cease this activity again, the Course will keep growing and be in need of care and maintenance. A failure to continue the regular maintenance program would likely see the expenses to return the course to playing condition exceed our capacity to pay them. We are a golf club and we play golf on our most valuable and expensive asset, our golf course. We must maintain it whether golf is being played or not.

**10. What is the Board doing about getting Government support?**

Everything possible is the short answer. Registrations have all been completed and we are waiting now for confirmatory advices. We are also using the resources of Golf NSW in this process for lobbying and for information flow.

**11. What will be the penalty if I cancel my membership and want to rejoin later?**

We are considering the implications of cancelling membership and seeking to rejoin later in the light of many as yet unknown circumstances. Suffice to say that the Board is looking at ways that continuing membership loyalty will have its benefits after this crisis is over.

**12. Will there be a different joining process if I let my membership lapse?**

Quite likely is the short answer. Things will be very different in the future due to this crisis and its impact on our Society.