

Whakatane Golf Club

Update from the Treasurer

May 2020

We have all faced a very challenging past 2 months.

I apologise for the lateness of this update, unfortunately I was slammed at work before and during the lockdown period (as an essential worker) and lost all of my golf committee focus time. The only upside was I made a decision early on to donate the profits from selling face masks to the golf club (unfortunately the face mask supply dried up world-wide too quickly)

For the management committee, not only have we had the actual Covid-19 crisis to contend with, we have also suffered other detrimental circumstances including the need for our President, Alan Steel to take some well-earned temporary time out, and the resignation of our dedicated grants application convenor.

The club was heading for a break even budget for the 2019-20 financial year, (after allowing for several small capital upgrade projects) but Covid-19 now has us heading for a significant loss, \$30,000+.

Despite higher spending due to club maintenance week in March, our current bank balance remains in credit, but we continue to operate for the next 3 months with no significant income until our next subscription renewal notices go out in September. We still have our \$100,000 term deposit invested. We are very fortunate to have our term deposit funds, but unless we make changes this investment will quickly dwindle away. We wanted to keep the term deposit funds available to the club for emergency repairs or purchases, rather than for operational expenses. And personally, I'd like to see some funds considered for investment into some form of new profit generating service.

During the lockdown our management team kept themselves updated on the changing situation and policies by attending numerous zoom meetings with NZ Golf & BOP Golf, the Golf Managers Association, and the NZ Golf Council.

Valuable advice and insights were shared.

I am proud to say our Whakatane management team is very dedicated and was very well represented during these zoom meetings, at one meeting of 34 participants we had 4 members of our management committee logged into the meeting, the zoom host was very impressed.

The Golf Managers Association launched a new buddy system - a peer-2-peer support programme. I enrolled early in this opportunity and have this week been allocated my golf buddy, Warren Collett, the general manager of Manawatu Golf Club. Warren has an impressive resume: previous President of the Golf Managers Association / previous GM of North Shore

golf club, and he has recently graduated from the USA PGA golf management university programme.

I am looking forward to meeting Warren via a zoom meeting this week. I hope he does not ask the golf managers association for a refund when he sees my credentials are not as impressive as his!

As our post covid-19 budget is now in the red, changes are needed to ensure we stay viable.

Key advice from our industry leaders includes:

Now is not the time to be sentimental.

Strip out all possible OPEX (operating expenses).

Clubs with good capital investment plans offer better member experiences, engagement and retention.

We had already started the process of reducing costs prior to lockdown, and have now had to cut several more expenses. We have not made cuts to our course OPEX budget, but we may need to consider changes to our course wages budget.

We have had to stay up to date with this rapidly changing golf industry situation and have invested time into researching other golfing trends both in New Zealand and overseas for prudent planning and opportunities post Covid-19. The finance committee has also been involved with working with the Golf Managers Association to complete a bench marking project to compare our performance and expenses to other similar golf clubs.

We received the initial 12-week government wage subsidy, which helps support our staff positions, but it does not fully cover our cost of wages/salaries. We need to thank our staff for their understanding and personal sacrifices of working at 80% of their pre-covid employment rates, and flexibility with annual leave arrangements.

We are also eligible for the additional 8 week wage subsidy, (due to 50% drop in revenue) Applications open on June 10th.

Other helpful new grants / sponsorships that have been made available.

\$1,000 Sport NZ community resilience fund.

\$1,000 new sponsorship arrangement with our neighbouring farmer to access our water supply for a couple of months.

We are also eligible for a \$15,000 interest free (12 months) government loan.

The first meeting of the management committee after L3 lockdown was a special meeting to discuss the consequences of the international Covid-19 emergency and as a result, would there be any required changes for our club.

We took a critical look at our current operational structure and discussed possible alternative options and identified possible roles that are missing from our operational structure.

We need a structure that allows us to operate more efficiently, with a team approach, and with the view to return a long term sustainable income to the club.

This meeting was the start of a restructure process, and an opportunity to discuss other ideas to generate income and interest e.g. driving range, foot golf, disc golf.

We invited our contractors (Pro Shop and Cafe) and staff (Tukai and Teresa) as we need a team approach between all departments. I believe our communication and teamwork between these entities needs improvement.

We recognise that significant change is challenging and can be an upsetting process for some involved, so we ask for your co-operation and support.

A restructure does not necessarily mean staff redundancies, but that might happen, but it might mean people's roles could change.

We are now in the process of financially modelling our restructure options, and then can use this information for formulating a restructure proposal.

If you have an interest in this process, or ideas to contribute, please phone or email me, or talk to one of our management committee.

I am happy to come and meet and discuss these ideas with your specific golfing group if you would like to engage in this process with us.

In the mean time we need the support of all club members to step up and offer a little bit of your time to help out around both the course and the club- house, to enable us to keep the cost savings in place and keep up our course appearance.

Teresa has been tasked with being our volunteer co-ordinator, so if you can volunteer some of your time, please let her know what you can help with. She will soon be putting out a complete list of 'chores' needing to be completed by members.

If everyone offers to undertake a small job it will make a big difference.

Please when you are considering what you might like to help with, make the commitment to continue this job for the long term – particularly any course work, as some tasks on the course require training to ensure the work is completed correctly and health and safety requirements are met.

Tukai requires a dedicated team who will be self-sufficient and commit for a lengthy period of time.

I'm excited about the future opportunities we have for our club, and this Covid crisis is just a good kick in the pants to get us moving.

We have a good culture in our golf club of being a *club* member, not a *customer* - so we are asking you to activate this culture and support your club by offering us some help; either your physical work or expertise in other ways.

I'm looking forward to talking to many of you, some more, about the above.

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Treasurer / Vice President

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