MINUTES OF THE BALLARAT GOLF CLUB INC

129th ANNUAL GENERAL MEETING HELD AT THE CLUBHOUSE

ON MONDAY 25th March 2024

Present:
President and Chairman Leigh Mitchell and 51 members as per the register of attendance.

Meeting Opened:
President Leigh Mitchell welcomed all to the 129th AGM and declared the meeting open at 7:00
He then asked General Manager Hannah Mead to read the notice for the meeting.
GM Hannah Mead then read the notice.
The President again welcomed all to the meeting and acknowledged the traditional owners of the land on which we meet pay respects to their leaders past present and emerging

The President then acknowledge the significant Club heritage present within our own ranks through our Life Members present with Heather Brauman, Pauline Murphy, and Phil Trevenen who are in attendance tonight

Apologies:
Alan Burns Sandra Burns, Trish Twaits, Wes McKnight, Barclay Dowling, Luke Murray, Fay Butcher, Gary Butcher, Noel Perry, Cameron Bryce, Jeff Powell, Bob Widdison, Angela Widdison, Henry Berry, Sue Howie, Bruce Sidebottom and Sue Sidebottom, Jenny Lawrence, Mick Wilson Michael Dunne, Jill Dunne, Keith Wagner Isabel Szapiel, Vicki Waldron

Moved Gill Fryatt **Seconded** Mark Bibby that apologies be accepted. **Carried**

Previous Minutes:
The President acknowledged and thanked all for coming out tonight and asked for confirmation of the minutes of the previous AGM of 27 March 2023.

Moved Greg Bennett. Seconded Michael Erbacher. Carried

The Presidents Report:
The President referred to his report in the Annual Report and noted in particular the areas he believed the Board to be most effective with major achievements through the completion of the 3 major items.

- The Strategic Plan which reiterates the Clubs commitment to the game of golf, the development of our great course, and supporting the various hospitality services offered in the clubhouse. It is the document that led to the complete review of the course and drives future budgets. The document should be viewed by members as the way the Club will move forward and how club facilities will be improved in the future.
- The Code of Conduct – noting that the proposed changes to the Rules as read by Hannah, are to ensure the alignment with various statutory requirements. This was not done to detract from the quality of people we have in the Club but rather to ensure a continuing welcoming, safe and inclusive environment where everyone can come knowing they will be respected.
- Governance - with the Board able to review contracts for those they are responsible for – being the General Managers, the Club's professional and with Andrew Cartledge and his junior golf development program. The process gone through ensure clear guidelines for the

operation of these parties, provides clear lines of accountability and performance reviews to ensure the club can continue to manage and achieve it vision and mission.

He noted the need to recognize there a record number of rounds played on the course and the clubhouse achievements during the year noting the Clubhouse providing over $1m of revenue during the year, necessary to provide the course facilities we have.
He thanked the managers and staff, and Jeff Powell and his course team for their outstanding results achieved in the past year.
He also thanked the existing Board members for their work throughout the year, noting Barclay Dowling for his considerable contribution to the Board.
He then noted and thanked in particular Paul Foley who was finishing up on the Board noting Paul had been a member since march 87, serving on the Board from 88 till 2000, and again from 2000 to now. Paul had served as President in 1998 and 1999 and Vice President in 1997, and as Treasurer / Finance Director for a total of 23 years from 1990 to 1996 and from 2004 to 2019. Paul also had significant involvement in the transition from the old course to the new. Acknowledging all of his contributions the President asked those present to applaud Paul's contribution the result of which was a lengthy standing ovation from all present.
The President stated there were very few people who had contributed so much of their time to the Club not only through his Club roles but also through his own professional capabilities and that the Club is in such good financial stead through his considerable efforts.

Leigh asked for any questions on the report. None were forthcoming, and a round of applause was noted

<u>The Captain's Report:</u>
Leigh asked the Captain – Justin Howlett - to present his report.

The Captain referred to his report in the AGM and noted that his report and indeed the work undertaken through the year was based on challenge and change – challenging the old ways to seek better outcomes for the Club and its members.
He thanked the golf subcommittee for their work, and thanked the Board for supporting the recommendations of the subcommittee. He acknowledged that the changes made were not an exact science but that all actions taken were taken for the benefit of the course and ultimately its members, the course review being the major item.
He acknowledged the Boards courage and support in engaging two world class experts in review the course and all associated practices and Jeff and his team to take the outcomes on board and make the changes required. While only in the early stages, improvements can already be seen, and while winter will not be perfect it will be better, and the same is true of next year, but that in 5 to 10 years' time we will be able to sit back and acknowledge that the course is outstanding because of the 2023 review and associated works undertaken.
He noted that there were thanks that needed to again be acknowledge – those being Tatt Golf, who had worked through the challenges of setting up a new business and were continuing to improve their input and services to the Club and its members and guests, the golf sub-committee – all of whom were in for the right reason noting that it was a diverse group to ensure a broad range of input to the process and subsequent outcomes and that all members had a role to play and all pulled in that same direction to make this place the best it can possibly be.

Justin asked for any questions on the report. None were forthcoming, and a round of applause was noted

Leigh thanks Justin and called on Finance Director John Noone to present the Finance report.

The Finance Report:
The Finance Director referred to his report in the Annual Report for full details.

He was pleased to announce that the 2023 Financial Reports of the Club show an overall Accounting Surplus of $309k which is in-line with result from 2022 of $332k, and a cash surplus of around $700k after removing non-cash expense items such as depreciation.

The last two years have been free from Covid lockdowns, and our facilities have had increasing utilisation in most areas. Total revenue for 2023 grew to $7.422M, up from $7.014M in 2022. Total expenses increased by $431k (6.45%) to $7.113M.

The report shows that we are not immune from the consequences of inflation that is running at 5%. For the past two years, base wage rates have risen over 5%, as determined by Fair Work Australia. Our wages expense increased by 14% in 2023 from $2.3M to $2.6M.

The Club remains in a strong position with its Cash Resources increasing by $100k to $3.254M as at the EOY.

Gross capital additions for the year were $980k, with a number of aging course machinery items replaced during the year, noting that we would continue to replace equipment as required as funds became available, providing for increased productivity and lower maintenance costs.

Capital repayments of $470k had been made during the year, with $210k being for Plant and Equipment purchases, that were for all areas of the organisation and $259k being associated with Gaming Loans. The gaming repayments will continue at this level for the next four years.

Our clubhouse building is approaching 15 years of age, and thus in the near future the Board will need to make a decision regarding the need for refurbishment and capital expenditure in the clubhouse area, especially with regard to replacement of all plumbing and other operational items that wear out in normal public buildings after that timeframe.

During 2023, following the ram raid, the Club took the opportunity to reduce our costs of a full gaming room upgrade by undertaking additional works to complement the approved insurance works that were required to be completed. This had provided for savings for the club on those essential overall upgrading works.

It is important to note that the 'House' operations contributed a nominal surplus of over $1M to the Club. This continuing contribution to the Club's overall profit ultimately provides income that would otherwise have to be raised from increased Golf Membership subscriptions or a reduced expenditure on course maintenance and improvements.

The Finance Director thanked the management staff for their support and control during the year, for taking on new processes and for the timely production of reports. He thanked Director Paul Foley for his continued support, his work on the Annual report and his assistance and guidance on all financial and compliance matters affecting the club.

The Finance Manager referred all present to his report for further details and called for any questions.

<u>Questions:</u>
Phil Trevenen firstly congratulated the Finance Director on the solid financial performance of the Club in the previous year, and asked why the reports didn't clearly identify separately the payments made to the Club professional for the service fee and the green fees commission which appeared to be down significantly.

The Finance Director informed Phil that during the year with the change of contractor to Tatt golf, a new contract had been agreed which increased the service fee, but reduced the green fee commission to the professional. The two expenditure lines needed to be added to give a clearer picture.

Mr. Trevenen asked if the new arrangement was attempting to hide details of the agreement.

The President noted that this change in the contract for the club professional had been made to provide a uniform cash flow for the professional, noting that the overall payment level had increased. The green fees portion of the payment to Tatt golf was now 15% of any green fees achieved above $157K for the year.

As Tatt golf had only been operating for part of the year, this portion of the fee had been calculated on a pro rata basis.   This portion of the fee was only calculated after the end of the year, hence only the underlying fee was expensed.   The Finance Director noted that when a full year was reported under the new arrangements, the new outcomes as agreed in the contract, would be clearer in future reports.

The President asked for any further questions. None were forthcoming, and a round of applause was noted.

Receive and Adopt the Annual Report:
The President asked that members receive and adopt that Annual Report, Revenue Statement and Balance Sheet as provided and audited for the year ended 31 December 2023.
Moved Ross Jones, **Seconded** Geoff Waldron. **Carried**.

Special Business:
The President noted the special business that was to be addressed tonight and that He noted that only eligible members could vote on these items. It was noted that all items had been approved through the Board process for presentation to the members tonight.

He asked if was accepted that the changes be noted as read when the Notice of Meeting was read, rather than read again and those in attendance agreed to this via a show of hands.

The President noted the first item had come about after some concerns were raised on the appointment process of the current managers. He stated that this was undertaken in part to reduce the full-time equivalents in the general operations of the Club, and was for a period of 2 ½ years from 1 January 2024. The rule changes requires any future appointment be opened to a wider range of people.

Leigh asked for any speakers on the first item.
Ross Jones spoke noting his experience within many organisations over many years, and that when appropriate internal candidates were available, they could be appointed. He stated that this that that this change would force the Club to expend money in a recruitment process when it may not be necessary and, that there was no need to have a such a clause in the Rules.
The President responded that that the change did not commit the Club to anything other than an external notice of the vacancy.
Phil Trevenen supported the response from Ross, stating that that the Board was elected to appoint to this position, and at best the change was vague and provided no detail on how this external process may be implemented and as worded could range from a notice in a milk bar to a full external recruitment process, and it did not elaborate on any implications for the current arrangement in place.
Ben Puvanendran spoke supporting the motion noting that it ensured transparency in the process while retaining the final decision is the process with the Board.

The President called for a vote on the motion and this was **carried** with a vote of 24 to 15.

Phil Trevenen asked if a majority percentage was required – G Fry checked the Rules and on such motions it was a majority, with only those raised through Special General Meetings requiring a percentage of support to be carried.

The President the spoke on the remaining proposed changes to the Rules which were simply aligning them to the legislated requirements.

The President called for speakers for and against.
Ben Puvanendran asked for clarification on when hearings required 2 members of the Board to be included. The President explained the proposed Rules and the difference between the initial hearing and the appeals process. Ben Puvanendran than asked why wait for the appeals process to include non-Board members. The President responded that part of this was to ensure an appeals process was in place and differed from the original hearing, and that full confidentiality was in place particularly in the first hearing process.

There being no other speakers or questions the President called for a vote and this was **carried** unanimously.

The President then noted that at this time the Club would like to acknowledge those members who had reached 50 and 30 years membership of the Club. There were no 50-year memberships reached during the year. 30-year membership were then acknowledged and presented to Heather Brauman, Rob Brauman and Richard Lawrence who were in attendance and each were warmly applauded. Noel Perry and Luke Murray were also acknowledged and applauded for 30 years of membership but had been unable to attend and their medallions would be provided to them.

The President asked if there were any other questions from the floor. There were none forthcoming.

Election Of Officers:
The President then spoke of the election of the new directors and that no election had been required with 3 nominations and 4 vacancies, with the 3 directors not sanding being himself, Paul Foley and Barclay Dowling with Peter Fell having resigned earlier

The President then introduced the 3 new directors – Tristan Menhennet, Andrew Rowan and Geoff Waldron.

Each stood and was warmly applauded. The President congratulated them on their appointment and noted that the 4th position would be filled as per Section 15.5 of the Club Rules advising that some expressing interest had been received.

The President thanked all those who attended and invited those present to join in for a drink and some nibbles, and thank all those present for providing him the honour of serving the Club on the Board and as President.

The President then declared the meeting closed at 7:55pm