



22nd August 2007

To: Australian Golf Clubs

Dear Office Bearers and General Managers,

Re: National Industry-wide Insurance Program

We are writing to update the industry on the matter of insurance coverage for club golfers which continues to be a key risk management issue for the golfing industry.

Golf Australia has commenced a review which will lead to the introduction of a national industry-wide insurance program that has the potential to deliver improved coverage at a lower sustainable cost to Member States, Clubs and ultimately Club Members.

A national scheme will also provide the opportunity to cover all golfers participating in the game on all venues around the country and for all the risks that are relevant to our industry.

The project we are currently conducting is following due process and covers:

1. Creation of a working group, including representation from our Member States and Clubs;
2. Review of insurance programs within other sports in Australia;
3. Collection of insurance information via a national survey of clubs to understand current coverage, costs and issues;
4. Consultation with the industry on the results of this survey;
5. If appropriate conduct a transparent tender process between suitable insurance providers to identify the most effective, low cost and sustainable scheme and it's method of delivery to the industry;
6. Evaluation of implementation methods to deliver a nationally supported program for players. This may include increasing affiliation fees or the GOLF Link fee – it has not been proposed that it be linked to sponsorship or database marketing. In particular we will include evaluation of the playing status (i.e. frequency) of club members to ensure we are only paying for the coverage needed (i.e. no more, no less).

This process will be completed by mid 2008.

If the experience in other sports can be replicated in golf under a national scheme, all club members nationally will be able to secure the most appropriate insurance coverage at a lower sustainable cost – a direct benefit to clubs.

We trust that you will all contribute to the review process and assist us with the evaluation and delivery of such a program. We trust we can continue to work together to improve all elements of the Australian golf industry.

Yours sincerely

A handwritten signature in blue ink that reads "Tony Hallam".

Tony Hallam
CEO