

From: XXX Golf Club <admin@XXX.com.au>

Date: 3 April 2020 10:39:43 am AEDT

To:

Subject: CORONAVIRUS UPDATE #8

Dear [REDACTED]

CORONAVIRUS UPDATE #8

URGENT

Please read this document. It is vital you understand the critical situation XXX is experiencing.

The XXX Board met via video conference on Tuesday 31st March 2020 to discuss the ramifications of COVID-19 and the adverse impact this pandemic is having and will continue to have for the foreseeable future, on our Club and many other businesses around the globe. Golf Clubs, in particular, are being heavily impacted, as the lockdown of the facilities affects Members, staff and various third parties.

The primary matters the Board discussed were:

- ~ Our expenses
- ~ Our income
- ~ Government assistance
- ~ We need your help

In line with continuing to provide our Members with regular and concise communications whilst maintaining complete transparency, the information below will help you better understand the dire position our Club is now in.

From the outset, we would sincerely like to thank those Members who have paid their membership subscriptions, your support of the Club in these very trying and uncertain times is very much appreciated.

OUR EXPENSES

All staff have been significantly affected as a result of being either stood down or through having had their hours dramatically reduced. Although this has dropped our usual weekly wage expense by close to 75%, we may need to reduce staff numbers even more. Even with their earnings being significantly reduced, we must thank our staff for their amazing spirit and acceptance of what has happened. It is a true testament of their commitment to XXX and the club culture we are creating. Our goal, however, is that in the not too distant future when permitted, we will be able to ask them to return.

In addition to the above and to further reduce costs, we have postponed or frozen as is practicable, many services that are provided to the Club. We are grateful the majority of suppliers and contractors have been prepared to help us in this endeavour.

We should point out that there are still significant expenses associated with keeping the Club running, even with the gates locked. These include the already reduced wages, power, water, insurances, fuel, superannuation, finance repayments, IT and phone contracts - just to name a few of the larger items.

OUR INCOME

Obviously with the Clubhouse shut we have lost **all** our Gaming and Bar revenue. To put that into perspective:

- ~ Bar > generally makes a net profit each year of circa \$XXX;
- ~ Gaming > generally makes a net profit of \$XXX;

The above income represents a substantial amount of our overall revenue streams and confirms how much Gaming subsidises Membership subscriptions.

OUR MAJOR INCOME STREAM

It is imperative members are aware; however, our major income stream is our Membership subscription renewals. This year the billing run totalled \$XXX (which includes GST, subscriptions, entrance fee instalments owing, Club storage etc). If these fees are not paid, XXX will not exist.

As at mid-February when the renewals were issued, the Club had:

- ~ 763 Members in the 5, 6 & 7 Day categories
- ~ 177 Members in other categories.

At the time of this email, the amount outstanding is **\$XXX**. That clearly shows that a lot of Members have not yet renewed.

In short, when you take into consideration the:

- ~ loss of Bar and Gaming profit;
- ~ loss of Competition and Green Fees;
- ~ loss of Golf Shop income; and
- ~ the impact of many Members not yet renewing their Membership,

you can understand the dire financial position our Club is in.

GOVERNMENT ASSISTANCE

You will all be aware both the Federal and State Governments have announced a variety of assistance packages that will assist our Club moving forward. We believe the Club should be entitled to:

- ~ Up to \$XXX of Federal Government assistance, based on the level of PAYG Withholding Tax paid
and a deferral of GST owing for 3 months;
- ~ The refund of Payroll Tax paid for the last nine months and relief from paying the June quarter's tax;
- ~ Liquor License Fees being waived.

There is also the Job Keeper package of \$750 per staff Member each week. This does not help the Club financially, but it is a great initiative to help our staff meet their personal obligations and helps us to retain experienced staff for when we re-open.

In addition, through the XXX Bank, we have been able to negotiate interest and principal repayments on loans to be deferred for 3-6 months.

It is likely there will be other subsidies that the Club will be entitled to, but it is a bit too early to comment on those as details are still very sketchy.

WE NEED YOUR HELP!

As you will read below, the Board's goal is to find a way to encourage each and every Member to renew their Membership, so that when we come out of the COVID-19 pandemic, the Club will still have its core Membership base.

The Club also relies on New Member entrance fees and subscriptions to offset those that leave; however, it is fair to assume that our New Member intake will be negatively impacted by COVID-19 for several months.

We greatly appreciate many members have already paid their Membership Fees. However, we cannot rely on just those individuals. We need **all** Members to pay their fees to ensure the viability of our Club. There is no use sugar-coating the position the Club finds itself in.

If you are suffering from a significant hardship because of COVID-19, please reach out to our General Manager XXX at the Club on XXX, or email generalmanager@XXX.com.au. He is very happy to discuss with you a short-term solution. We would much prefer you to have a conversation with XXX, rather than resign.

In closing, **once again** we ask those Members who have not paid their fees, to do so by any of the payment options available, including monthly direct debit. We continue to have a skeleton staff working in our Office to assist you, who are available Monday to Friday - 9am to 4pm.

XXX is no different to any other sports-related Club, so we do implore your cooperation and ask that you pay your fees as soon as possible.

Sadly, not being able to play golf is a by-product of this awful virus, but it's also the loss of camaraderie, banter and friendships that we all dearly miss. Our Club is a place where we can all come together - regardless of your ability level, whether you are younger or older, male or female - our Club is a great place made up of great people.

We wish we could give you an idea of how long the course will be closed for, but sadly we can't as it's a day to day - week to week proposition at the moment, and we all seem to be glued to daily updates. Let's hope things take a turn for the better sooner rather than later.

And to paraphrase one prominent football club president; "our members are the lifeblood of our Club, and we need them to stick tight. Without our Member's cooperation we may not have a Club".

We are all in this together, so a collective approach will ensure XXX remains our Club and the premier golfing destination in the west for many years to come.

XXX Golf Club

www.XXX.com.au

XXX, XXX

XXX XXX

T: XXX

E: admin@XXXgolf.com.au