

KURRI GOLF CLUB

PLAN OF MANAGEMENT

INCORPORATING

BUSINESS PLAN 2023

KURRI GOLF CLUB BUSINESS PLAN ELEMENTS

1. MANAGEMENT FOCUS

1.1 Strategic Intent

Kurri Golf Club strategic intent is to:

- Secure the value of the current business
- Improve the quality of golf for its members
- Increase cash flow and revenue for the business period

The Business Plan targets a number of opportunities to fulfil this strategic intent.

1.2 Financial Elements

The financial elements that impact on the strategic intent are:

- Net Profit (before interest and tax)
- Net Profit (after interest and tax)
- Tax Planning
- Capital Expenditure
- Finance Management

2. KEY RESULT AREAS

The financial elements are influenced by the following Key Result Areas:

2.1 Golf

- Daily Competitions
- Major Golf Events
- Sponsorship
- Field Size
- Administration
- Course Condition

2.2 Course

- Capital Expenditure
- Operating Costs
- Equipment Maintenance
- Course Maintenance
- Improvements
- Labour

2.3 Clubhouse

- Operating Costs
- Capital Expenditure
- Equipment Maintenance
- Building Maintenance and Improvements
- Labour
- Stock
- Licences and Administration

2.4 Revenue

- Course
- Club
- Golf Events
- Membership
- Sponsorship
- Poker machines

3. MARKET AND CUSTOMER RELATIONS

The Business of Kurri Golf Club is dependent on maintaining the trust and respect of its:

- Workforce
- Members
- Visitors and Guests and
- The Local Community

The Club can only maintain its competitiveness through interaction with local residents, business and community groups by attracting their interests in using the Club's facilities and sponsoring Club activities.

There is an opportunity for the Club to maximise its potential to attract both local and visiting customers by developing and implementing a community liaison program designed to promote the Club's facilities.

4. RISK ASSESSMENT

Kurri Golf Club is sensitive to a number of issues that unless closely scrutinised and controlled threaten the viability of the Business.

These include:

- People Safety and Liability
- Insurance costs
- Business Threats
- Financial Capability
- Asset Management and Maintenance
- Sustainable Water Supply
- Golf Course Condition

5. SAFETY

Kurri Golf Club ranks safety as its first priority and is committed to provide a safe work place and golf environment and in particular protect the health and interests of its :

- Workforce
- Members
- Visitors and Guests
- Local Community

6. ENVIRONMENTAL MANAGEMENT

Kurri Golf Club is committed to operating its facilities in an efficient and environmentally sensitive manner to minimise the impact on :

- Flora
- Fauna
- Soil Erosion

And will through sound environmental management implement systems for :

- Water and Waste Management
- Noise and Dust Control
- Visual Impact

To maximise environmental and social benefits to the community.

MISSION STATEMENT

Kurri Golf Club is committed to presenting its golf course and amenities in an excellent condition to its Members and Guests.

This will be achieved through the creative involvement of all its Employees, Directors and Members, working together as a team, committed to positive action based on continuous improvement of its assets, and sound environmental management.

Through this mission, Kurri Golf Club will achieve a level of profit and growth that will at all times add value to its business ensure the ongoing viability of the high quality golf facilities its Members and Guests demand.

SAFETY POLICY

Making Golf Safe

We believe there should be no accidents on the golf course.

Kurri Golf Club ranks safety as its first priority and is committed to provide a safe work place and golf environment.

We will regularly audit the Safety Plan.

Board's Responsibility

The Board will prepare, communicate and implement safe plans and procedures including training.

It will consider safety as the prime factor when designing and implementing all work systems and modifying and extending the Company's facilities.

Employee's Responsibility

All employees are responsible for their own safety and well being.

Employees must take immediate action to minimise the danger from any unsafe condition or workplace situation that may impact on their well being and ensure that the Board is advised.

Members Responsibility

All members are responsible for their own safety.

All of us must take immediate action to minimise the danger from any unsafe condition and ensure that the Board is advised.

We must welcome and look after our visitors and guests and ensure they are made aware of any situation that may impact on their safety whilst at the Club.

Good golf is playing safe.

ENVIRONMENTAL MANAGEMENT POLICY

Kurri Golf Club is committed to the principles of sound environmental management and will undertake all aspects of its operations to maximise environmental and social benefits to the community.

This will be achieved by:

- Incorporating measures for the protection of the environment in any aspects of design, operation and maintenance of the land, equipment and facilities administered by the Club.
- Undertaking routine monitoring of its impact on the environment and auditing its practices.
- Preparing an Environmental Management Plan incorporating details of environmental controls and systems to ensure compliance with all environmental laws.
- Recycling all suitable waste disposal including maximising the use of available sewage effluent on the golf course.
- Implementing a Tree Preservation and Management Plan to sustain the numbers, density and distribution of treed areas continuing to provide a protective habitat for existing native fauna on its land.

This will be accomplished by operating our facilities in an efficient and environmentally sensitive manner and providing the necessary training and direction that our staff and members need to achieve these objectives.

KURRI GOLF CLUB

BUSINESS PLAN 2023

1. EXECUTIVE SUMMARY

1.1 Business Environment

The Business Plan for year 2023 has been structured to meet the known business environment for the year. The period of the plan aligns with the KGC financial reporting ie. the plan commences in October 2022 and ends September 2023.

Many challenges and opportunities face the Club in the following years. These include:

- The need to increase cash flow through the clubhouse to meet the increase in maintenance and expenditure on the Club's buildings, equipment and facilities.
- The encouragement of more people to participate in golf at competition level and show interest in administration of the Club.
- To place the Club in a position where it can undertake and manage its business in a professional manner.
- Replacement of key personnel.
- Filling all Board positions in particular the position of Treasurer.

The Club has a history of voluntary assistance and reliance on key individuals and personnel. While this has served the Club well in the past it is evident that the Club cannot continue in this mode and there needs to be change.

In the forthcoming business period the Board, in consultation with members and key personnel, will endeavour to develop an overall strategy that will provide positive direction in securing the Club's future. This will be extremely challenging and will require significant restructuring of existing functions of the Club and its staff and the Board. It is recognised by the Board, that without this restructuring, the current business of the Club is in jeopardy and significant positive changes will need to be implemented for the Club to stay in business.

The Club has a number of specific strategies and tasks intended to improve and secure its business and assets.

Strategies for continuous improvement, required for the Club to stay in business, are included in this Business Plan. This Plan assumes a continuance of operations without amalgamation.

The viability of the Club is vulnerable and it is critical for profitability and sustainability that the outcomes of this Plan are strictly managed and in the event of non-amalgamation that an immediate professional review is undertaken.

1.2 Outcome of Plan

Sensitive to:-

- Maintaining golfer and membership levels.
- Increased Clubhouse cash flow and revenue.
- Maintaining a sustainable level of debt.
- Uncertainty of water supply.
- Maintaining staff levels.
- Changes to the Course Plan.
- Gaming machine upgrades.

2. MANAGEMENT FOCUS

Safety

- Carry out safety audit of all Club's facilities and operations.
- Implement safety plan.
- Ensure adequate training and accreditation for staff is in place.

Clubhouse - Cash Flow

- Increase House members by 50%.
- Increase Clubhouse cash flow by 5%.
- Increase total Revenue by 5%.
- Increase Clubhouse hire frequency by 10%.

Clubhouse - General

- Develop general maintenance and upgrade plan.
- Develop a strategy for gaming machine replacement.
- Replace worn carpet areas.
- Develop a preliminary strategy for Clubhouse and surrounds upgrade.

Course

- Prepare the course to the highest possible standard given the available resources.
- Review current mowing practices and develop Course Mowing Plan.
- Remediate damaged surround areas and ensure adequate irrigation to these areas.
- Develop a Greens Management Plan for green repair, replacement and reclamation due to surround encroachment.
- Isolate areas from cart and course vehicle movements.
- Remove stumps and tree roots and remediate stone areas from within and directly adjacent to fairways.

Irrigation

- Replace aging steel fairway pipelines.
- Complete Stage 1 and commence Stage 2 Autowater.
- Install valve-in-head sprays to Greens 4, 6 and 7.
- Install new spray lines to Fairway 5.
- Continue to review irrigation requirements.

People

- Define core business and job descriptions.
- Review management structure and operating hours.
- Review staff training requirements.
- Maintain current labour subject to Business requirement.

Golf

- Maintain golfer membership levels.
- Review playing conditions to include local rules that reflect current ground conditions.
- Increase golfer participation in events by 10%.

Machinery

- Review and re-introduce machinery replacement policy.
- Acquire replacement greens mower.

Golf Carts

- Establish a Golf Cart Management Plan.
- Construct suitable cart paths.
- Limit cart movements to cart paths and nominated areas of the course.
- Re-introduce cart control lines to protect green surround areas.

Risk Sensitivity

- Water Supply.
- Failure to service debt.
- Member Participation.
- Urban encroachment.
- Decline in membership.
- Course condition.
- Uncontrolled cart and course vehicle movements.

3. FINANCIAL ELEMENTS

3.1 Profit

The year 2023 operating budget for the Club is based on increased Course and Clubhouse revenue. The continuing effect of COVID restrictions and diminishing government COVID support may continue to have a negative effect on potential profit. Focus will be increasing cash flow by:

- Automating and upgrading irrigation systems.
- Improving the condition of golf playing areas to attract more golfers.
- Improving the clubhouse entry and surrounds to attract more functions.
- Boosting clubhouse use.
- Upgrading poker machines and improving the gaming environment.
- Conserving electricity.

Historical and projected profit/loss details as indicated by the Club's standard financial reporting practices are shown as **Table 1**.

An operating net loss of \$16,582 is planned. This loss is achieved on revenue of \$1,557,720 with operating costs being \$1,574,302.

Plan Summary and Forecast for Key Result Areas is shown as **Table 2**.

3.2 Income

The main streams of income are member's subscriptions, green fees, competition excess, gaming profits, raffles and sponsorship. This income is allocated to Course and Clubhouse to cover their operational costs. The Club will continue to pursue project grants. An increase in income of approximately 10% is predicted.

3.2 Operating Costs

For the Year 2023 budget period operating costs will be negatively impacted by increased consumable costs, staff retirements, temporary freeze on golf fees and additional equipment leasing costs. An increase for operating costs of approximately 20% is predicted.

3.3 Capital Expenditure

Expenditure on capital equipment during year 2023 is projected to be \$107,500 made up as follows:

- \$5,000 for golf course maintenance equipment. Investment is directed towards replacement of existing equipment.
- \$50,000 for automatic watering and irrigation upgrades.
- \$10,000 for clubhouse equipment required to satisfy safety and health standards. In particular replacement of worn carpet areas.
- \$30,000 for poker machine upgrades.
- \$12,500 for clubhouse equipment for administration purposes.

Kurri Golf Club – Business Plan Elements

Some major items appearing in the CAPEX table have been excluded to maintain a generally positive 'end of year cash' balance. These items can only be included if additional funding or significant improvement in cash flow occurs.

A 5 year forward projection for capital expenditure (CAPEX) is shown as **Table 3**.

3.4 Finance Management

The Club relies primarily on Members prescribed fees to supplement shortfalls in operating costs and to provide revenue for capital expenditure.

The Club is in a sound financial position with no current loan repayment commitments. It is anticipated that available overdraft monies (up to \$50,000) will not be required to be drawn upon during Year 2023.

The Club is committed to its automatic watering project and all irrigation main pipeline upgrades have now been completed. Spray line upgrades remain to be addressed. The additional funding to complete other irrigation works is expected to be generated by operating profits over the next 5 year period. Grants will continue to be sought and if successful will minimise the need for additional borrowings to satisfy other Course improvement requirements.

Monitoring costs against the budget and retaining sufficient 'end of year cash' to launch into the following budget period is critical.

Table 4 shows available 'end of year cash' projections for the next 5 year period.

During Year 2022 substantial changes were made to green staff resulting in a decrease in greens wages. It is forecast that improved course and playing conditions will result in increased cash flow and profit.

While the business may appear to be asset rich with negative or marginal cash flow there has been reliance in recent years on non-trading income. Considerable course and club house improvement is required to avoid heading into financial vulnerability.

Without significant change in business direction KGC, as indicated by the outcomes of this plan, is headed for serious financial stress with limited opportunity for the significant capital injection required to grow its business to sustainability.

Golf activities were somewhat curtailed during Year 2022 due to COVID-19 and adverse weather conditions, however golf membership continued to grow and green fees revenue achieved budget expectations.

Amalgamation will bring stability to the business and the benefits of the administrative skills and workforce experiences of the amalgamated club (KKBC) will have positive effects for short term profitability and long term sustainability.

It is vital that finance is controlled strictly in accordance with this Plan to avoid unnecessary depletion of the cash funds. This Plan recommends that cash be controlled in three (3) separate main accounts to provide for:

- Out of budget expenses.
- Business sustainability.
- Provision for staff leave entitlements.

Table 5 is shows a typical scenario for cash management based on the outcomes of this Plan.

Kurri Golf Club – Business Plan Elements

Table 1. Profit Loss – History and Forecast

INCOME	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Actual	Actual	Budget	Proj.	Proj.	Proj.	Proj.
Gross Profit on Trading	150652	114748	53414	109049	127467	136696	133340	126055	136541	126566
Commission Received	2942	2776	2459	3468	3689	3000	3000	3000	3000	3000
Green fees	137790	134404	117709	176405	185511	215000	236500	260150	286165	314782
Subs	214800	241463	257598	282486	292419	321661	344177	368270	394048	421632
Keno Commission	16478	12355	9907	10938	11235	11000	12000	13000	14000	15000
Interest Received	0	63	1127	908	762	1500	1500	1500	18000	18000
Club Hire	455	291	695	439	564	1000	1000	1000	1000	1000
Sundry	17151	1124	2546	4485	858	2000	2000	2000	2000	2000
Sponsorship	13356	12695	18161	18807	15418	18000	18000	18000	18000	18001
Comp Revenue	303395	298515	327521	344232	319394	390000	409500	429975	451474	474047
Diesel Fuel Rebate	3014	2664	2016	3572	3841	2800	2800	2800	2800	2800
Raffle Income	36113	28639	26694	39086	35242	40000	42000	44100	46305	48620
Grant Income	30001	0	16311	9091	4500	0	5000	5000	5000	5000
Compensation	0	0	250000	0	0	0	0	0	0	0
Insurance Recovery	0	0	1682	80682	0	0	0	0	0	0
Profit from Disposal of Assets	0	0	0	0	0	10000	0	0	2500	2500
COVID Support	0	0	261142	49745	16970	0	0	0	0	0
Paterson Labour Payment	0	0	0	7707						
Wage Subsidy				7816						
Total Income	926147	849737	1348982	1148916	1017870	1152657	1210817	1274850	1380834	1452948
LESS EXPENSES										
Accountant	12150	14280	13975	16162	13550	15000	16500	18150	19965	21962
Affiliation	22473	25240	28719	29313	32475	34099	35804	37594	39474	41447
Bank Fees	1673	2416	1794	2133	2280	2394	2514	2639	2771	2910
Cleaning Wages	18849	18851	18179	20660	15651	22500	24750	27225	29948	32942
Clubhouse Maintenance	28657	22471	29863	29343	25089	40000	44000	48400	53240	58564
Course Maintenance	114142	80470	119586	122492	141921	150000	155000	160000	165000	170000

Kurri Golf Club – Business Plan Elements

EXPENSES (cont.)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Actual	Actual	Budget	Proj.	Proj.	Proj.	Proj.
Green Wages	182245	190385	231023	276018	257682	290000	304500	319725	335711	352497
Depreciation	52271	52450	52501	55332	54040	55000	55000	55000	55000	55000
Donations	2100	0	309	1225	1631	1000	1000	1000	1000	1000
Electricity	58171	61773	33207	32845	29024	36280	41722	47980	55177	63454
General	314	944	594	0	0	500	500	500	500	501
Insurance	38843	47425	39744	45853	49182	55000	70000	73500	77175	81034
Interest	4596	5031	3770	2148	3181	2000	5000	5000	5000	5000
Keno DMF	586	619	470	514	906	600	600	600	600	600
Legal Fees				945	4270	10000	1000	1000	1000	1000
Lease Rentals	0	1800	0	0	0	40000	45000	65000	85000	110000
Money Loss Misc.	4350	0	0	32	1429	0	0	0	0	0
Print, Postage, Stationary	6499	8131	7252	8211	8525	10000	8500	8500	8500	8500
Professional	75425	73167	74085	78429	81934	85000	89250	93713	98398	103318
Promotions	15261	5416	5660	15413	9179	15000	8000	8000	8000	8000
Provision - Employee Leave	18182	15251	9501	3223	13822	10000	10000	10000	10000	10000
Raffle Prizes	19880	18029	12770	16367	18484	20000	20000	20000	20000	20000
Rates and Taxes	9925	16627	15057	21039	17592	20231	23265	26755	30769	35384
Recycling Setup Costs	2761	0	0	0	0	0	0	0	0	0
Security	1059	1113	1628	2361	2338	2572	2829	3112	3423	3765
Staff Training and Welfare	0	1869	0	0	0	5000	2000	2000	2000	2000
Subscriptions	2447	1424	0	0	0	1500	1500	1500	1500	1500
Sundry Expenses	0	0	9663	-3775	5000	3000	3000	3000	3000	3000
Superannuation	40678	41879	40810	49052	50537	53064	55717	58503	61428	64499
Telephone	10292	6200	4412	1382	2296	2500	5000	5000	5000	5000
Trophies	81973	89147	70948	83931	78729	85000	89250	93713	98398	103318
Uniforms	1096	1271	978	1350	1864	2000	2250	2500	2750	3000
Admin Wages	79607	82927	84431	97971	99191	100000	105000	110250	115763	121551
Jobkeeper Topup			22743	0	0	0	0	0	0	0
Total Expenses	906505	886606	933672	1009969	1021802	1169239	1216201	1296996	1381984	1476565
OPERATING PROFIT/LOSS	19642	-36869	415310	138947	-3932	-16582	-17634	-35009	-14656	-37798

Kurri Golf Club – Business Plan Elements

Table 2. Plan Overview Summary and Forecast – Key Result Areas

Category		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
		Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
Income	Golf	443856	435458	448862	524398	507989	608600	649600	693725	741239	792429
	Course	244677	251661	607239	353984	322831	335978	363028	386609	411827	438796
	Club	596498	508054	597764	593774	543713	613142	641247	680319	757042	801619
	Total Income	1285031	1195173	1653866	1472157	1374532	1557720	1653876	1760653	1910108	2032844
Operating Costs	Golf	183121	191620	177378	195779	197401	209099	218554	229269	240520	252333
	Course	410620	386979	448330	500104	506476	588725	621702	668404	716712	771269
	Club	528215	496051	453293	489979	515764	599753	643875	701844	761752	830650
	Total Costs	1121955	1074650	1079001	1185861	1219641	1397577	1484131	1599517	1718984	1854253
EBIT		163076	120523	574865	286296	154891	160143	169745	161136	191124	178591
Outgoings	Prov. Employee Leave	18182	15251	9501	3223	13822	10000	10000	10000	10000	10000
	Staff Training	0	1869	0	0	0	5000	2000	2000	2000	2000
	Rates	9925	16627	15057	21039	17592	20231	23265	26755	30769	35384
	Insurance	38843	47425	39744	45853	49182	55000	70000	73500	77175	81034
	Depreciation	52271	52450	52501	55332	54040	55000	55000	55000	55000	55000
	Admin. Other	24213	23770	42752	21902	24187	31494	27114	28889	30836	32971
	Total Outgoings	143434	157392	159555	147349	158823	176725	187379	196145	205780	216389
Operating Profit/(Loss)		19642	-36869	415310	138947	-3932	-16582	-17634	-35009	-14656	-37798

Kurri Golf Club – Business Plan Elements

Table 3. 5 Year Estimate for Capital Expenditure

Allocation	Item	Cost	2023		2024	2025	2026	2027	Uncomm itted Items	
			Committed	Proposed						
Course	Improvements	Irrigation	90000	50000	50000	10000	10000	10000	10000	
		Cart Paths	200000							200000
		Practice Facility	250000							250000
		Greens	300000			0	0			300000
		Machinery Area Security	25000			25000				
		<i>Sub-total Improvements</i>	<i>865000</i>	<i>50000</i>	<i>50000</i>	<i>35000</i>	<i>10000</i>	<i>10000</i>	<i>10000</i>	<i>750000</i>
	Equip.	General Equipment	25000		5000	5000	5000	5000	5000	
		Course Vehicle/Mowers	0							
		<i>Sub-total Equipment</i>	<i>25000</i>	<i>0</i>	<i>5000</i>	<i>5000</i>	<i>5000</i>	<i>5000</i>	<i>5000</i>	<i>0</i>
<i>Total Course</i>		<i>890000</i>	<i>50000</i>	<i>55000</i>	<i>40000</i>	<i>15000</i>	<i>15000</i>	<i>15000</i>	<i>750000</i>	
Club	Improvements	Clubhouse Upgrades	50000		10000	10000	10000	10000	10000	
		Clubhouse Extensions	0						0	
		Cart Shed	0			0				
		Car Park Upgrade	0						0	
		<i>Sub-total Improvements</i>	<i>50000</i>	<i>0</i>	<i>10000</i>	<i>10000</i>	<i>10000</i>	<i>10000</i>	<i>10000</i>	<i>0</i>
	Equipment	Admin. and General	50000		10000	10000	10000	10000	10000	
		Gaming	70000	30000	30000	10000	10000	10000	10000	
		Kitchen	12500		2500	2500	2500	2500	2500	
		<i>Sub-total Equipment</i>	<i>132500</i>	<i>30000</i>	<i>42500</i>	<i>22500</i>	<i>22500</i>	<i>22500</i>	<i>22500</i>	<i>0</i>
<i>Total Club</i>		<i>182500</i>	<i>30000</i>	<i>52500</i>	<i>32500</i>	<i>32500</i>	<i>32500</i>	<i>32500</i>	<i>0</i>	
Totals		1072500	80000	107500	72500	47500	47500	47500	750000	

Notes: Major Capital Expenditure items may be dependent on additional borrowings and Govt. and other Grants

Table 4. 5 Year Estimate for Cash Flow

Item	Actual	Projected				
	2022	2023	2024	2025	2026	2027
Profit/Loss		-16582	-17634	-35009	-14656	-37798
Depreciation		55000	55000	55000	55000	55000
Provision Emp. Leave		10000	10000	10000	10000	10000
Loan Funds Introduced		0	0	0	0	0
Termination Payments		0	35000	25000	100000	50000
Loan Repayment Residual		0	0	0	0	0
CAPEX		107500	72500	47500	47500	47500
Cash Inc/Dec		-59082	-60134	-42509	-97156	-70298
End of Year Cash	349131	290049	229915	187406	90251	19953

Table 5. Cash Management

Item	Actual	Projected				
	2022	2023	2024	2025	2026	2027
Projected 'End of Year' Cash						
On Hand	249131	40049	9915	37406	40251	-5047
Bank Investment - Sustainability	0	100000	100000	100000	25000	0
Bank Investment - Emp. Leave	100000	150000	120000	50000	25000	25000
Total	349131	290049	229915	187406	90251	19953
Other Accessible Cash						
Overdraft	50000	50000	50000	50000	50000	50000
Total	50000	50000	50000	50000	50000	50000
Total Accessible Cash						
	399131	340049	279915	237406	140251	69953
Key Non-Trading Expenses- Borrowings/Lease/Rental						
Business Improvement Loan (\$250K-10yr)						
Course Equipment Rental	0	40000	45000	65000	85000	110000
Major Business Upgrade Loan (\$1M- 20yr)						
Other						
Total	0	40000	45000	65000	85000	110000

4. KEY RESULT AREAS

4.1 Golf

4.1.1 Market Strategy

COVID-19 restrictions and poor weather impacted on Year 2022 golf activities in particular competition revenue and green fees. Social green fees continued to be strong reaching budget expectations

It is planned to encourage members to participate in competition events more often and encourage visiting players to return by:

- Improving course condition by better irrigation controls and mowing practices.
- Establishing cart paths and better cart control.
- Providing local rules that best suit ground conditions.

It is recognised the golf course remains underutilised and there is potential for attracting more local residents as the community grows. **Table 6** shows golfer participation and projections. **Table 7** shows current golfing member diversification.

Table 6. Golfer Summary and Projections

Category		2019	2020	2021	2022	2023
		Actual	Actual	Actual	Actual	Budget
Players	Tuesday Comp.	3186	3807	3840	3183	4000
	Wednesday Ladies	797	970	960	678	1000
	Wednesday Comp.	1515	1817	1920	1616	1950
	Friday Comp	3224	3810	3840	3273	4000
	Saturday Comp.- Men	8061	8110	8640	7968	9300
	Saturday Comp.- Ladies	922	916	960	805	1000
	Sunday Comp.	199	973	1150	438	1000
	Sub-Total	17904	20403	21310	17961	22250
	Members Non-Comp.	3898	3931	4080	4487	5000
	Non-Member Social	4990	4842	5280	5769	7000
	Social Clubs	2634	1784	2880	2740	3000
	Thursday Cut Price	2615	2314	2640	2663	3000
	Sub-Total	14137	12871	14880	15659	18000
	Total	32041	33274	36190	33620	40250

Table 7. Member Diversification

Category	Male	Female	Total
Full	404	38	442
Pensioner	121	28	149
Youth	21	1	22
Junior	16	2	18
Sub-Junior	4	3	7
Totals	566	72	638

4.1.2 Golf Revenue - Summary and Forecast

It is expected that competition revenue will return to pre COVID-19 levels and a 5% increase is planned for Year 2023 green fees revenue.

It is forecast that Golf operations, before Capital Expenditure, will return a profit of \$399,501 for this Plan.

Table 8 shows a breakup of the key elements impacting golf revenue.

Table 8. Golf Revenue – Summary and Forecast

Category		2019	2020	2021	2022	2023
		Actual	Actual	Actual	Actual	Budget
Income	Green Fees - Members	20161	17656	26461	27827	32250
	Green Fees - Social	114243	100053	149944	157684	182750
	Mid-Week Comp.	149258	163761	172116	156503	191100
	Week-End Comp.	149258	163761	172116	162891	198900
	Sponsor Allocation	2539	3632	3761	3084	3600
	<i>Total</i>	435458	448862	524398	507989	608600
Costs	Mid-Week Comp.	44574	35474	41966	38577	41650
	Week-End Comp.	44574	35474	41966	40152	43350
	Professional	73167	74085	78429	81934	85000
	Printing and Stationery	4066	3626	4106	4263	5000
	Members Affiliation	25240	28719	29313	32475	34099
	<i>Total</i>	191620	177378	195779	197401	209099
Operating Profit/Loss		243839	271484	328620	310588	399501

4.2 Course

4.2.1 Market Strategy

It is forecast that Course operations for the Year 2023 period, before Capital Expenditure, will return a loss of \$252,748 for this Plan.

Irrigation upgrade (\$50,000) is the only major item allocated to Capital Expenditure that will impact on Course operating costs.

Major machinery replacement during this budget period is allocated as an operational cost under agreed leasing rental arrangements.

Other items that may impact on course operating costs are:

- Bunker refurbishment.
- Cart path upgrades.
- Equipment rental.

There is provision in the course maintenance allocation for these and other minor improvements such as purchase of trees, limited landscaping and general course equipment.

Table 9 shows a summary and forecast for Course revenue.

Kurri Golf Club – Business Plan Elements

Table 9. Course Revenue – Summary and Forecast

Category		2019	2020	2021	2022	2023
		Actual	Actual	Actual	Actual	Budget
Income	Course Fee Allocation	229390	244718	268362	277798	305578
	Sponsor Allocation	10156	14529	15046	12334	14400
	Raffle Income	9451	8809	12898	11630	13200
	Other	0	0	7707	0	0
	COVID Support	0	195857	37309	12728	0
	Diesel Fuel Rebate	2664	2016	3572	3841	2800
	Grants and Compensation	0	141311	9091	4500	0
	Total	251661	607239	353984	322831	335978
Costs	Course Maintenance	80470	119586	122492	141921	150000
	Greens Wages	190385	231023	276018	257682	290000
	Electricity Allocation	41388	22249	22006	19446	24308
	Administration Wages	41464	42216	48986	49596	50000
	Superannuation Expense	20940	20405	24526	25269	26532
	Raffle Prizes	5950	4214	5401	6100	6600
	Equipment Lease Rental	0	1620	0	0	36000
	Other	4764	8638	675	6464	5286
	Total	386979	448330	500104	506476	588725
Operating Profit/Loss		-115200	158910	-146119	-183645	-252748

4.3 Club

4.3.1 Market Strategy

COVID-19 restrictions had an adverse effect on Club operations in half one of the Year 2022. It is anticipated that COVID-19 will not have any significant impact on operations during the Year 2023 period.

Weather significantly impacted both Course and Club revenue for Year 2022. It is expected that these weather will continue into at least half one of Year 2023 and an allowance for this is reflected in this Plan.

It is forecast that Club operations, before Capital Expenditure, will return a profit of \$13,389 for this Plan.

There are no major Capital Expenditure items allocated that impact on Club operating costs in this Plan.

Items that may impact on Club operating costs are:

- Retiring long term employee - allowance \$30,000.
- Poker machine upgrades \$30,000 (CAPEX).
- Upgrades to golf and admin systems including POS (point of sale) trading.

There is provision in Club maintenance allocation for minor improvements such as painting, limited landscaping and purchase of small equipment items to the value of \$25,000. There is provision in lease/rental for the implementation of POS trading. Member based accounts with credits accumulated through club activities such as golf rewards have potential to significantly increase bar trading profits.

Table 10 shows a summary and forecast for Club revenue.

4.3.2 Amalgamation

This Plan is a short term business strategy with clear direction for the next 5 years. The Board has looked at the financial position and outlook of the Club. If the Club continues to perform at the current level it is apparent that the Club may experience, at some stage down the track at a time in the not too distant future, solvency issues. It is clear that the Club needs a significant cash injection and stepped change in its operation and administration to achieve long term sustainable operations and to this end must improve its business goals. Selling off its core assets, whether they be land, EGMs or other is not the preferred solution and will only have short term effect. These are valuable club assets that should be preserved for the members and community and only disposed of as a last resort.

The Club has no historical liability, however, if the Club wishes to move forward into sustained profitability it will need a significant cash injection (loan). As well there will need to be a significant increase in staff and administration to cater for extension of clubhouse operating hours and additional member and guest functionality.

Amalgamation with an established, well administered and financially strong local Club is considered to be the best way forward to ensure the Club's survival. If amalgamation does not proceed, however, the financial performance of low profits predicted from trading by this Plan may not in any way meet the expectations of long term sustainability.

4.4 Movements in Staff

KGC has three (3) long standing employees that may consider retirement in the short term. This Plan provides \$30,000 for the exit of at least one key personnel during the Year 2023 budget period. Similarly \$20,000 is allocated to the Year 2024 projection and \$150,000 for the Year 2025 projection as it is anticipated that a replacement Secretary Manager will be required. These provisions are included as bar and administration wages and will negatively impact available cash.

Kurri Golf Club – Business Plan Elements

Table 10. Club - Operating Summary and Forecast

Category		2019	2020	2021	2022	2023
		Actual	Actual	Actual	Actual	Budget
Income	Bar Sales	291202	234816	283222	288225	317048
	Poker Machine Takings	52642	21172	37952	83962	92358
	Poker Machine GST Rebate	3108	4657	3691	2869	6000
	Kitchen Sales	96705	80029	88206	89461	107353
	Commissions Received	2776	2459	3468	3689	3000
	Club Hire	291	695	439	564	1000
	Keno Commission	12355	9907	10938	11235	11000
	Interest	63	1127	908	762	1500
	Raffle Income	19188	17885	26188	23612	26800
	Disposal of Assets	0	0	0	0	10000
	Bar - Closing Stock	19805	15424	18219	18362	18000
	Kitchen - Closing Stock	1000	2200	1000	1250	1000
	Other	1124	4228	85167	858	2000
	Wage Subsidy	0	0	7816	4243	0
	COVID Support	0	65286	12436	0	0
	Grants and Compensation	0	125000	0	0	0
	Club Fee Allocation	12073	12880	14124	14621	16083
	Total	508054	597764	593774	543713	61342
	Costs	Bar Purchases	125319	100723	125177	126278
Bar Wages		79204	71964	76693	93660	107709
Bar - Opening Stock		15175	19805	15424	18219	18000
Sub-Total		219698	192492	217294	238157	264615
Poker Machine Maint.		14183	7415	8534	5919	8000
Poker Machine Wages		8800	7996	8521	10407	11448
Poker Machine Depreciation		6815	6797	7272	10483	13000
Poker Mach. Purchase		0	0	0	0	0
Poker Machine GST		4278	0	0	0	0
Sub-Total		34076	22208	24327	26809	32448
Bistro Purchases		64200	61265	49166	63788	70000
Bistro Wages		29307	26522	29748	25247	35000
Opening Kitchen Stock		850	1000	1000	1000	1000
Sub-Total		94357	88787	79914	90035	106000
Club Maintenance		22471	29863	29343	25089	40000
Admin Wages		41464	42216	48986	49596	50000
Cleaning Wages		18851	18179	20660	15651	22500
Electricity Allocation		20385	10958	10839	9578	11972
Promotions		5416	5660	15413	9179	15000
Raffle Prizes		16226	11493	14730	16636	18000
Freight		1583	1397	1706	1661	2000
Equipment Lease Rental		0	180	0	0	4000
Superannuation Expense		20940	20405	24526	25269	26532
Loan Repayments	0	0	0	0	0	
Other	8830	12573	6006	12357	11286	
Sub-Total	152198	149806	168444	160763	196690	
Total Costs	496051	453293	489979	515764	599753	
Operating Profit/Loss		12003	144471	103795	27948	13389

5. SUSTAINABILITY (SURVIVAL) STRATEGY

During the Year 2023 budget period members will vote on amalgamation. Non-amalgamation will necessitate an urgent review of this Plan and the following key issues will need to be addressed:

- Planning for a stepped change in business direction.
- Endorsing and strictly operating under the provisions of the 5 Year Plan.
- Procuring a replacement Secretary/ Manager.
- Review of the Club's rules (Constitution).
- Urgent gaming machine upgrade.
- Immediate need to have a functioning Executive Committee to advise the Board of financial strategy and key operational needs.
- Pursuing sustainable borrowings.
- Redesign of the Club layout.

5.1 Business Direction

For the Club to survive and sustain profitable operations it needs to grow with the community and for this to happen there needs to be a significant change in business focus and direction.

This Plan recommends that the Board, prior to engaging a replacement Secretary/Manager when the time arrives, address the challenges and risks of the Club's sustainability. This may require obtaining professional advice to develop the concepts and strategies required to ensure business survival. It is important that the Club has clear pre-determined and well documented direction to ensure that the most suitably qualified person is selected to fulfil this position.

5.2 Operating under the 5 Year Plan

Successful management of the next five (5) year period operations are critical to the survival of the Club.

Pending staff retirements will severely drain the available on hand cash limiting capital expenditure for business improvement. Major deviations from the Plan will threaten business viability and out of budget expenditure should be avoided. It is recommended that six (6) monthly periodic reviews be undertaken.

5.3 Replacement Secretary/Manager

It is assumed that during the Year 2025 period that Shane Lee will announce intention to retire. A strategy for a replacement Secretary/Manager is a major consideration and an agreed strategy, assuming no amalgamation, needs to be included as part of this Plan.

- Significant leave entitlements will be used before final departure.
- The Club will need to appoint a replacement at least 15 months prior to final departure.
- It is recommended that there be a minimum 2 month overlap on the job for business familiarisation.
- The Club will need to advertise for the replacement at the start of Year 2025 in expectation that final termination will be mid Year 2026 period.
- Provision has been made in the Year 2025 budget projection for additional administration costs as two (2) Secretary/Managers wages will be required for a period up to 18 months.

5.4 Constitution Review

It is nearly 25 years since the Club Constitution has had a major review.

The current Constitution requires updating to reflect the needs and actions of current business and golf activities.

The current Constitution (Articles) provides for amalgamation and methods of disposal of assets or core property in the event of insolvency, liquidation or dissolution of the business. It does not require amendment for amalgamation purposes.

A review of the Constitution should be undertaken in the Year 2023 budget period. An amount of \$5000 has been allocated in this Plan for legal advice to review the Constitution.

5.5 Gaming Machine Upgrades

The recent upgrade of three (3) poker machines resulted in an increase in net profit in the order of \$35,000 for Year 2022 and well above budget expectations. This Plan provides for the replacement of machines that are significantly currently underperforming with negligible returns.

This Plan recommends that machines be replaced as early possible in the Year 2023 budget period as the return on investment period is projected to be less than twelve (12) months. A CAPEX amount of \$30,000 has been allocated for the purchase of at least three (3) recycled machines.

Replacement of poker machines is critical to the performance of this Plan.

5.6 Executive Committee

It is evident that the Club Executive Committee has not effectively functioned in its true role as provided by the Constitution for some time. This Plan loses effect if not controlled and periodically reviewed and updated by the Executive Committee and its performance is reported to the Board.

Under the Constitution the Executive Committee comprises the President, Treasurer, Captain, Vice President and Secretary (Sec/Man). The Executive Committee is not considered a sub-committee and its main function is to make viable business recommendations for Board approval.

The Club has virtually functioned for the last five (5) years without a Treasurer. Along with the Secretary and President, the Treasurer may be seen to be the most important member of the Executive Committee and the main person controlling the Club finances.

Performance of the Executive Committee is critical to the sustainability of the Club. Every effort should be made to fill the vacant Treasurer position in order that scheduled and proper functionality of the Executive Committee can be achieved and to ease the workload of the Secretary Manager.

5.7 Sustainable Borrowings

The business is not in a financial position to accumulate the necessary funds to undertake the major Clubhouse and Course upgrades proposed by this Plan.

This Plan envisages that during the Year 2024 period there may be an opportunity to “piggy-back” on Council’s Clift St drainage project and upgrade two (2) aging greens at minimal cost (\$50,000). It is planned to establish a shed for member’s golf cart storage (\$150,000) and undertake minor clubhouse upgrades (\$50,000). To undertake these works it is intended to obtain a ten (10) year commercial loan for \$250,000 with annual repayments in the vicinity of \$40,000.

This Plan proposes that in Year 2027 the proposed loan will be refinanced to increase borrowings to a total of \$1,000,000 with annual repayments of approximately \$110,000 over twenty (20) year period. This will allow major Club renovations to be undertaken.

Establishing the member's cart shed provides an income stream to offset loan costs and initially cart space rental fees may account for about two (2) thirds of the annual loan repayments.

Obtaining sustainable borrowings is critical to the performance of this Plan and the sustainability of the Club business.

5.8 Clubhouse Upgrades

The business is not in a position to accumulate the necessary funds to undertake the major Clubhouse and Course upgrades proposed by this Plan.

6. CORE RISK MANAGEMENT

6.1 Water Supply

- Risk:* Pump failure due to lack of power or water.
- Management:* Ensure electricity supply is maintained.
Ensure regular pump maintenance is carried out.
Implement water supply and irrigation management plan.
- Risk:* Discontinuance of water supply.
- Management:* Maintain integrity of agreement with Hunter Water.
Ensure security and maintenance of water supply.

6.2 Failure to Service Debt

- Risk:* Under utilisation of Clubhouse.
- Management:* Advertise Club facilities.
Arrange in-house functions.
Increase member activities.
- Risk:* Course maintenance costs blow out.
- Management:* Increase the revenue from the Clubhouse
Increase annual membership fees.
Review user-pay system for member golf.
Limit course maintenance costs.
Review labour requirement.
Minimise electricity costs.

6.3 Golf Membership

- Risk:* Decline in membership.
- Management:* Advertise Club facilities.
Improve standard of Club facilities.
Arrange more Club functions.
- Risk:* Decline in participation in golf events.
- Management:* Review golf program.
Review golf facilities.
Restructure golf costs.
Re-establish Sunday competition.
Improve coaching and training facilities.
Review local rules to align with ground conditions.

Provide adequate sand to bunkers.

6.4 Course Environs

Risk: Deterioration of Ground and Course playing area.

Management: Ensure adequate irrigation.
Control golf cart and course vehicle movement.
Rehabilitate damaged areas.
Control drainage and run-off.
Increase mower heights to promote better grass growth.

Risk: Deterioration of clubhouse and surrounds.

Management: Develop clubhouse maintenance program.
Upgrade and re-seal car park.

6.5 Preservation of Staff Entitlements

Risk: Not having enough on hand cash to meet the specific obligations.

Management: Liaise with staff and develop a plan for staff replacement.
Preserve, in a term deposit, appropriate funds for staff movements.

6.6 Lack of Member Interest

Risk: Reliance on volunteer support and decreasing interest to participate resulting in additional business costs.

Management: Liaise with members, improve decision making and develop viable strategies and plans to encourage and maintain member interest.

7. MARKET AND CUSTOMER RELATIONS

Member and community awareness is an important aspect of the Club's operations. To promote golf and increase cash flow activities and events require advertising and results reporting.

This will be achieved by:

- Club house notices and announcements
- Media publication of golf results
- Media recognition of golf achievement
- Members bulletin
- Community Leaflets
- Social media

As well there may be areas of community concern and reported incidents that may require attention and determination by the Board.

8. SAFETY

Kurri Golf Club places the safety of its workforce, members, visitors and the surrounding community as its highest priority.

Kurri Golf Club is committed to implementing safe systems of work and designing and maintaining the facilities of the golf course and the clubhouse.

Allocation of appropriate capital expenditure to prevent the occurrence of accidents and property damage forms part of this Business Plan.

Funding for safety training totals \$2000 and is allocated in the Course and Clubhouse sections of this Business Plan.

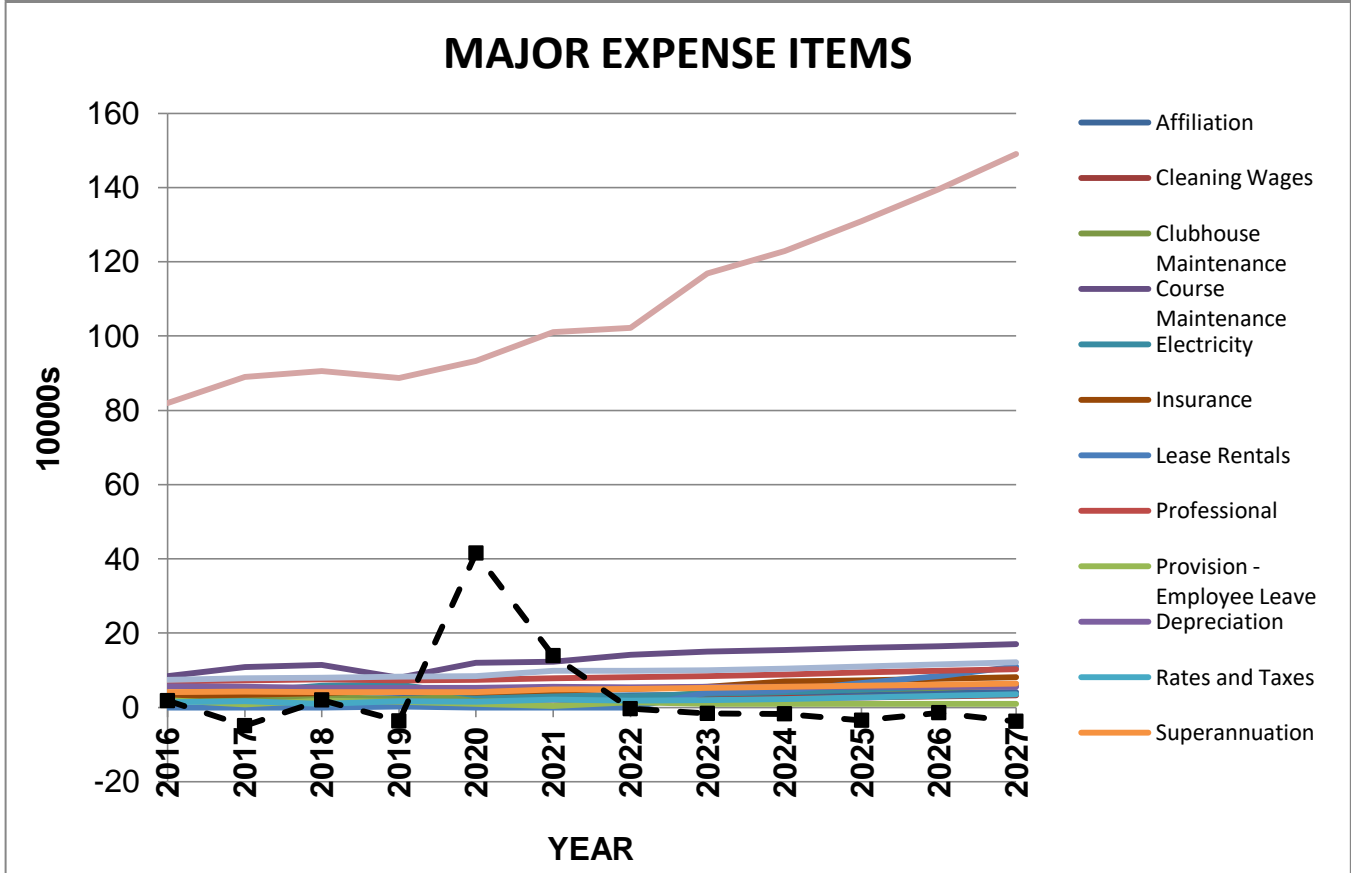
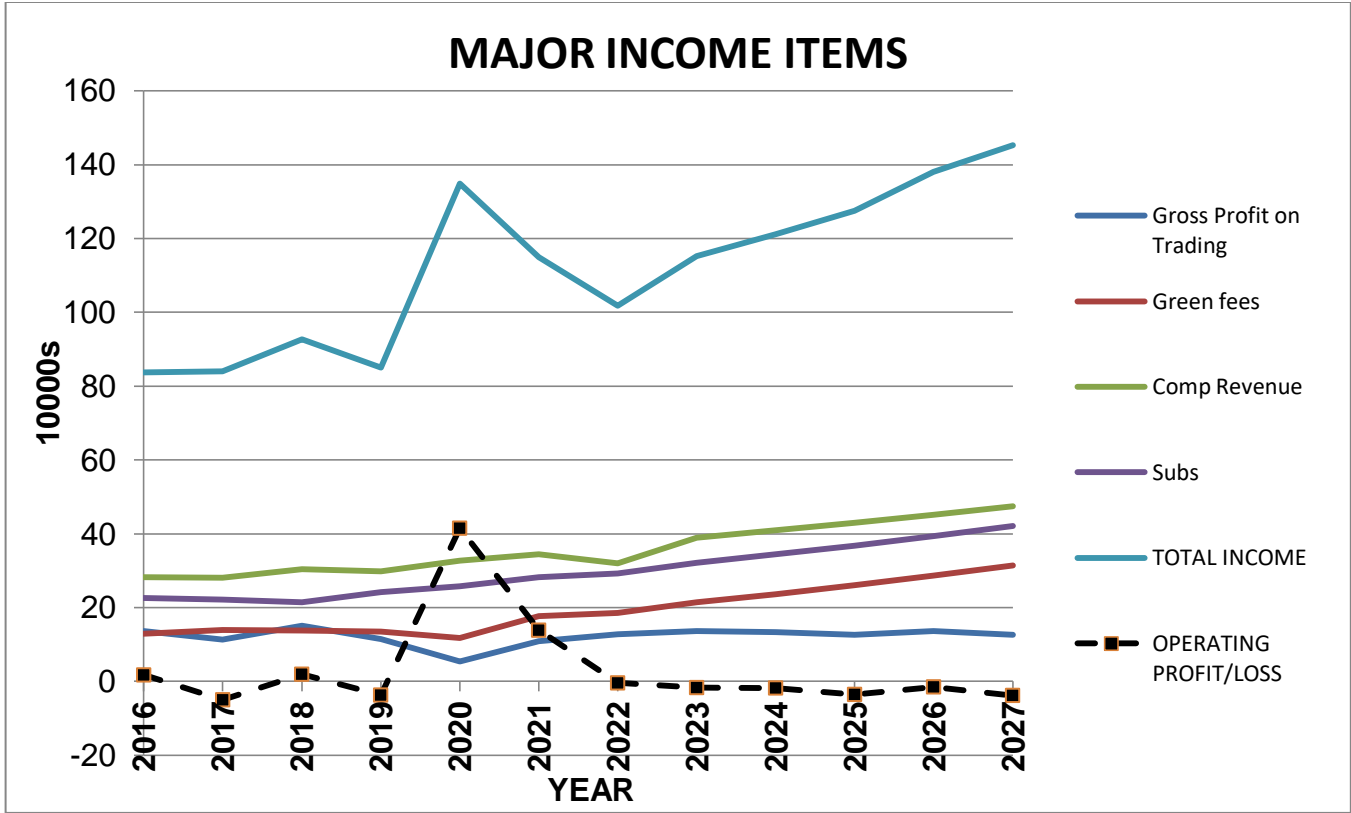
9. ENVIRONMENTAL MANAGEMENT

This Business Plan allocates the capital and operational expenditure for effective environmental management.

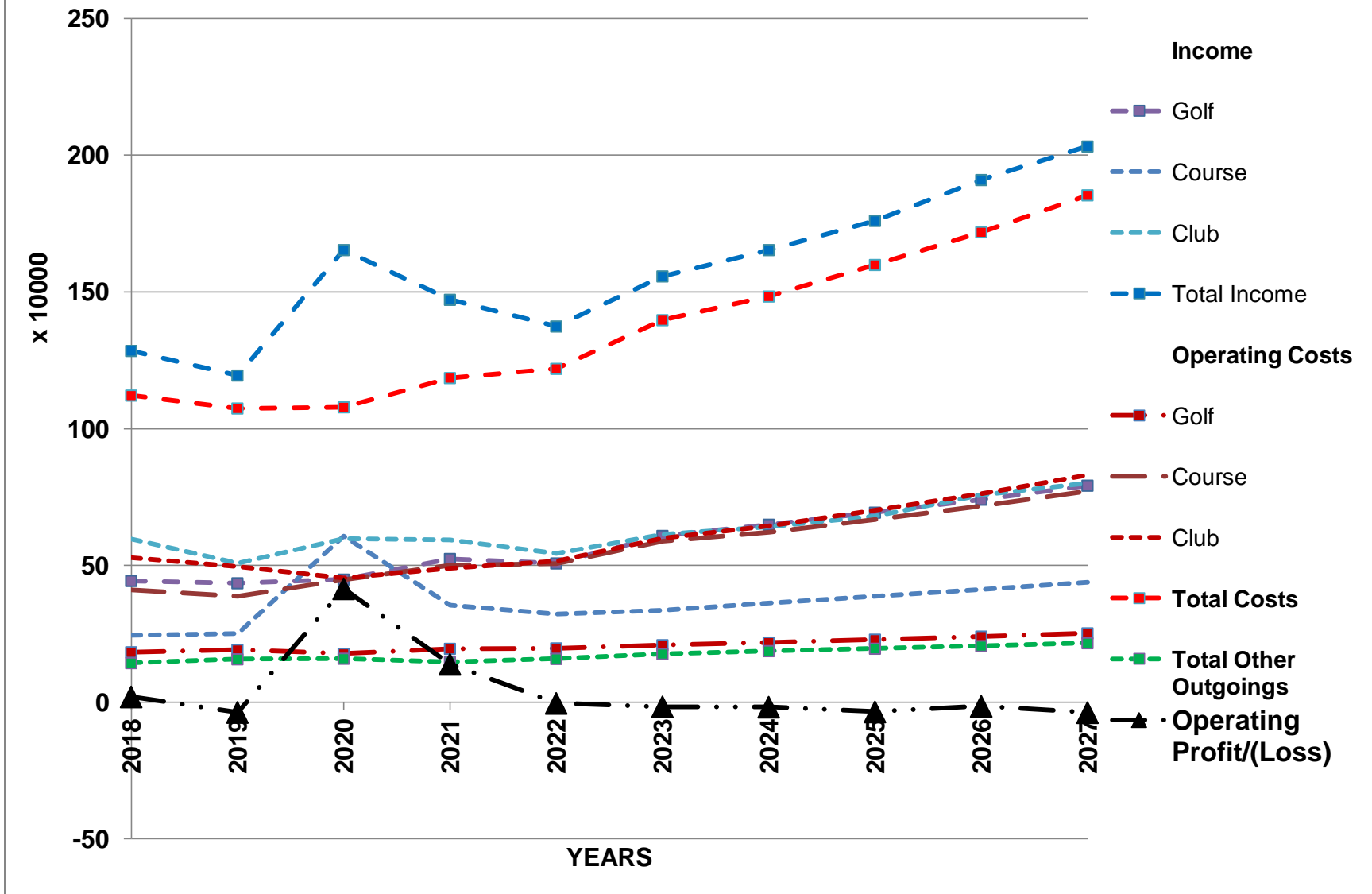
Kurri Golf Club efficiently uses sewage effluent to irrigate its land. Funding for this together with tree planting and erosion control is allocated in the Course section of this Business Plan.

Waste reject from the Clubhouse is also separated for recycling where practicable.

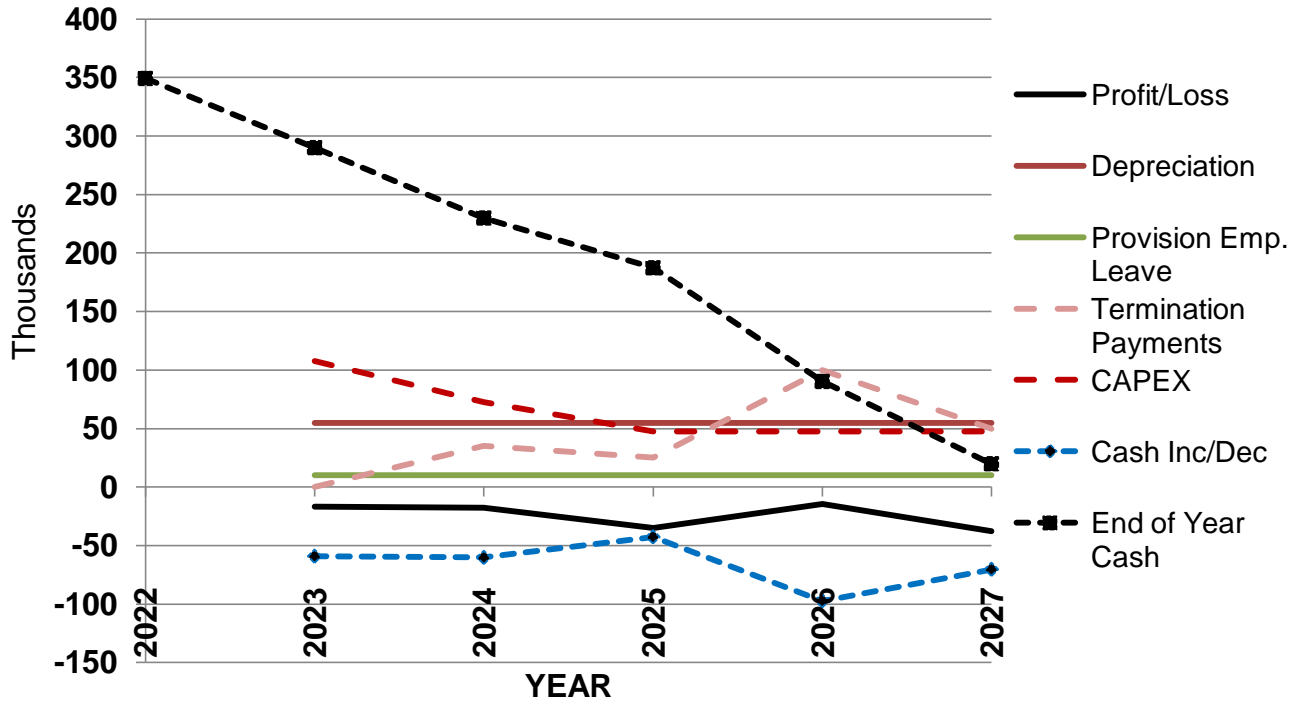
An Environs Management Plan will be developed setting the strategies and goals for sustainable environmental management for future budget periods.



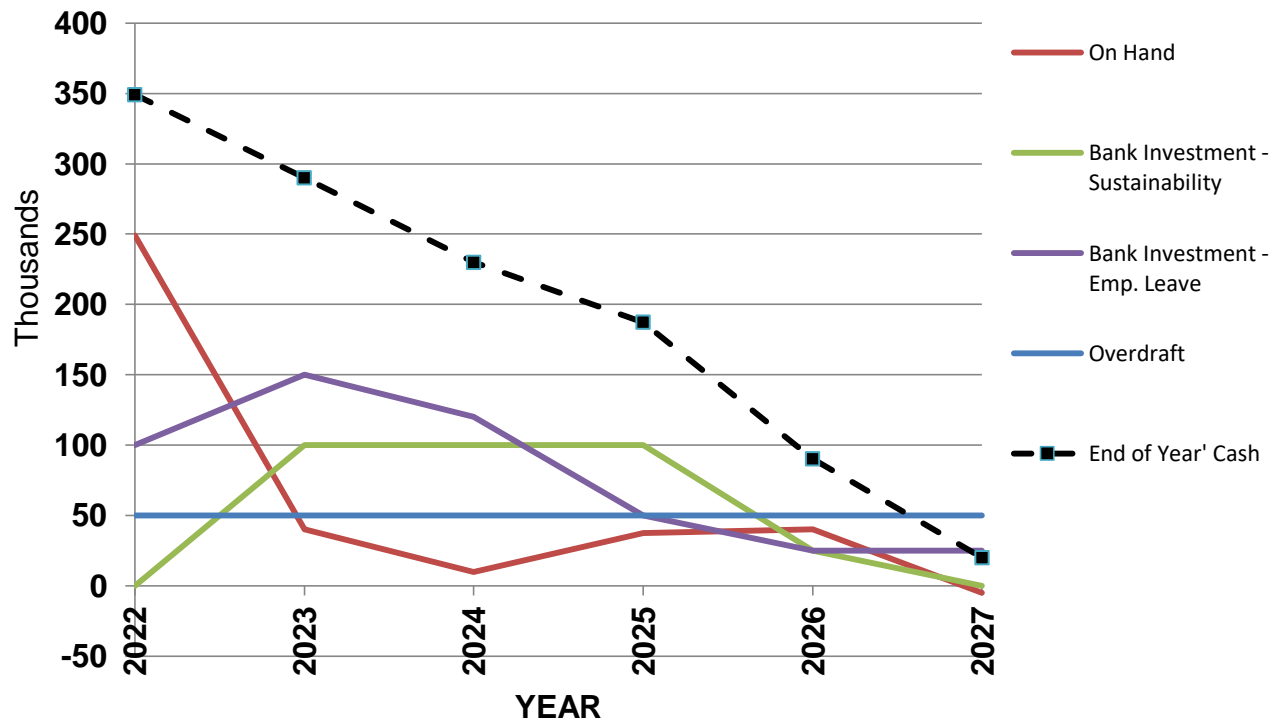
PLAN OVERVIEW - SUMMARY AND FORECAST

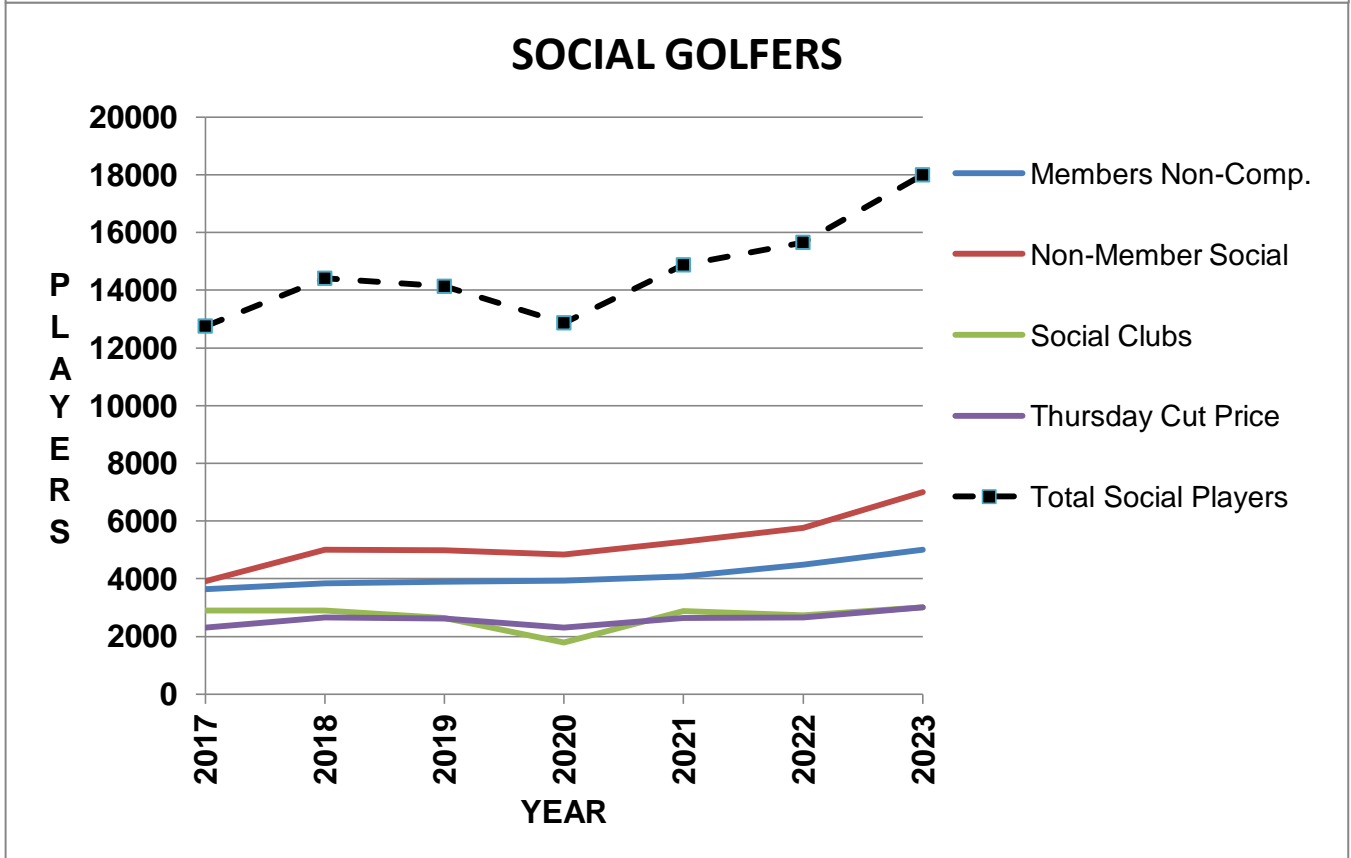
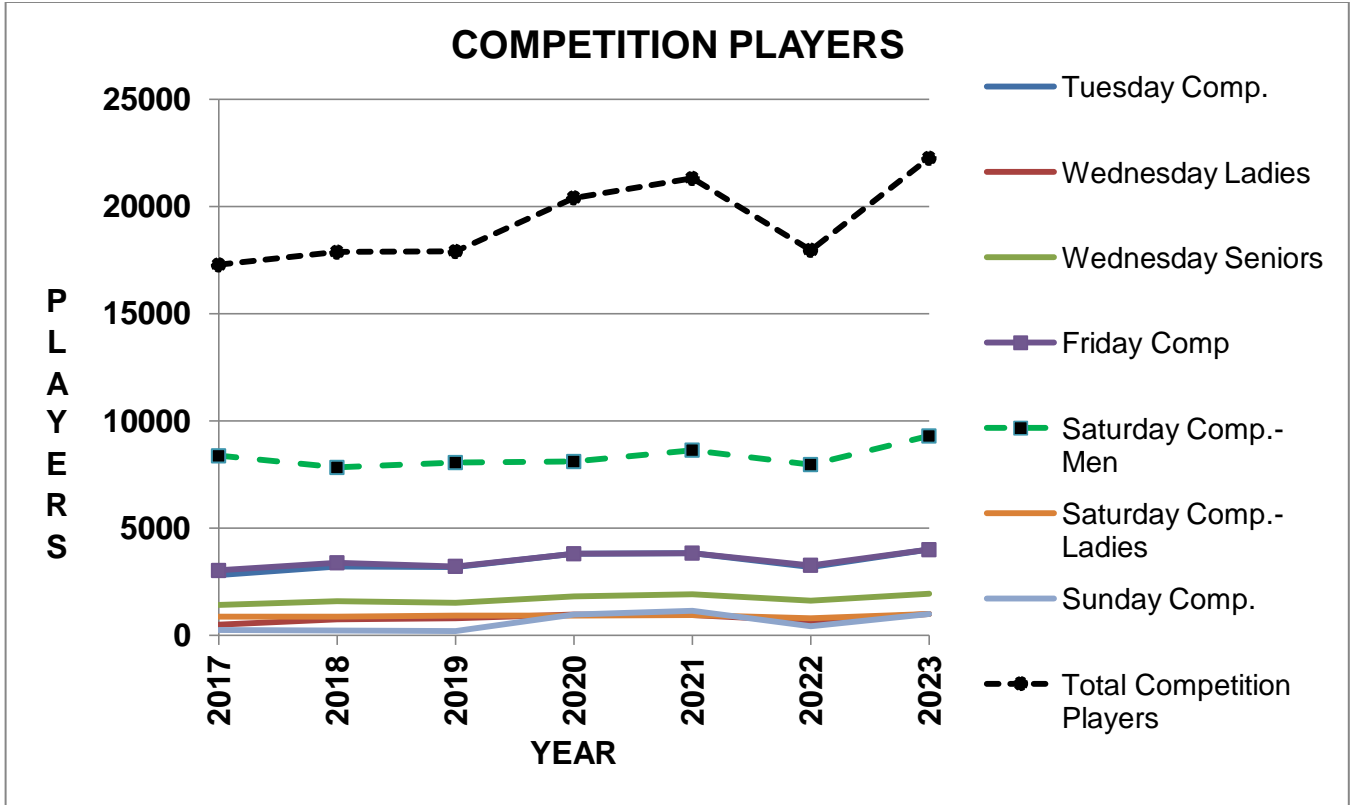


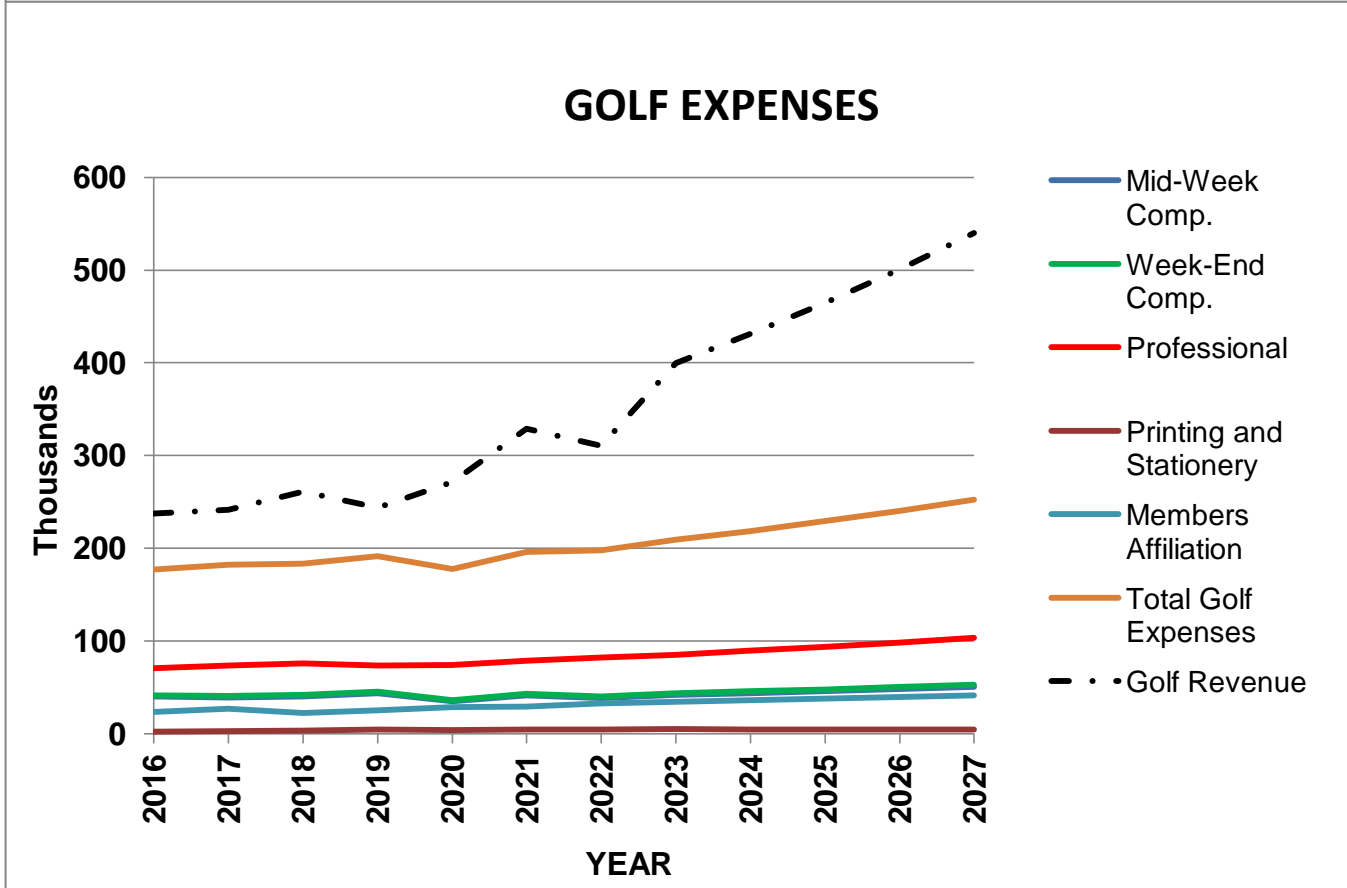
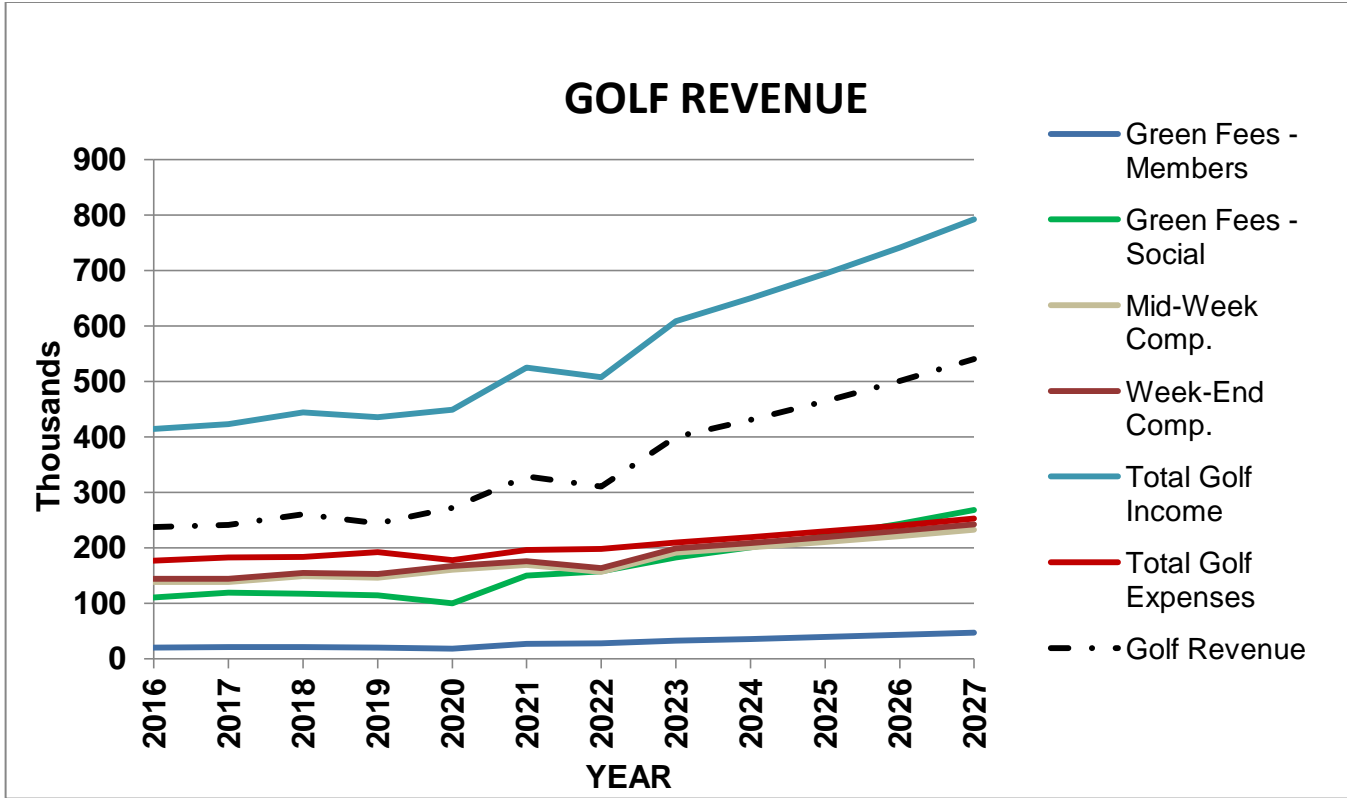
END OF YEAR CASH PROJECTION

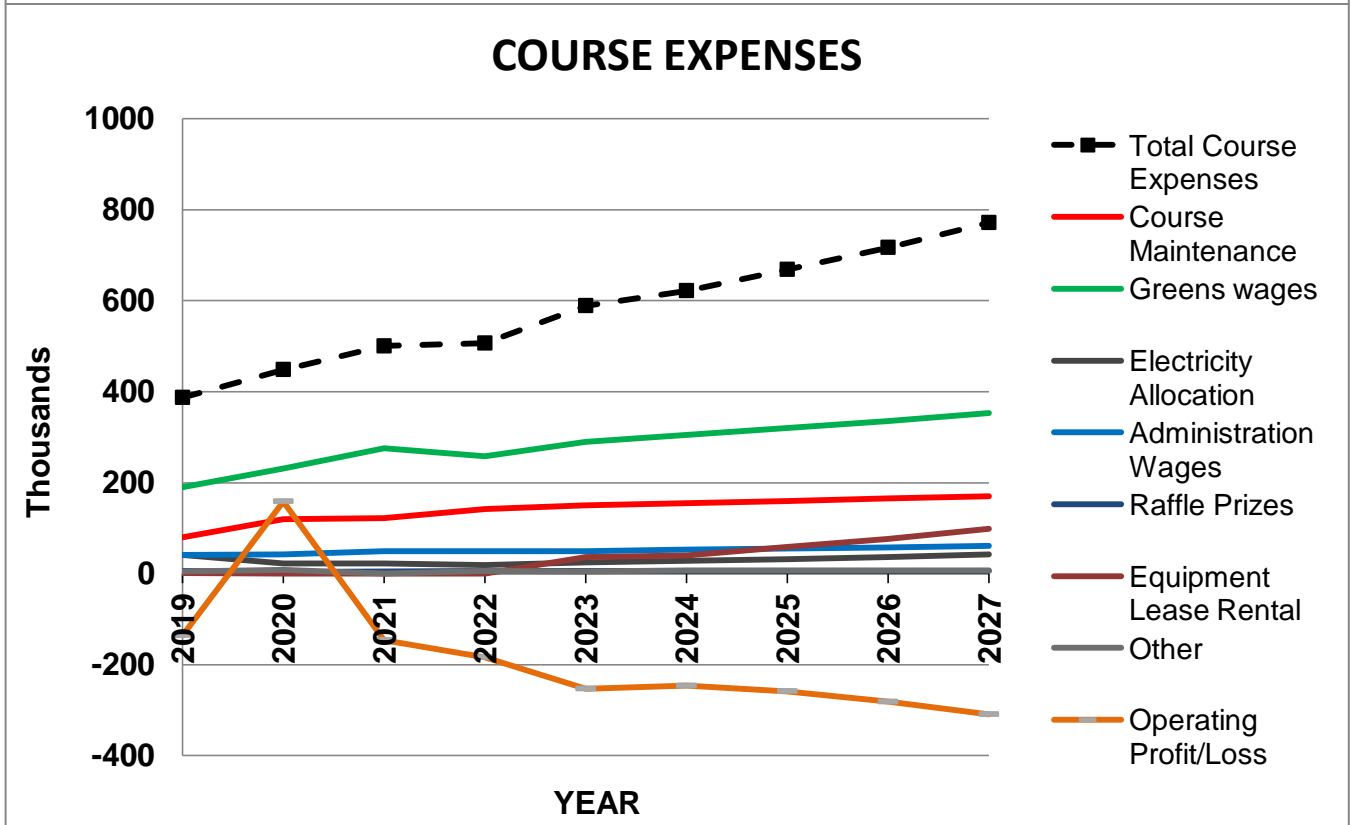
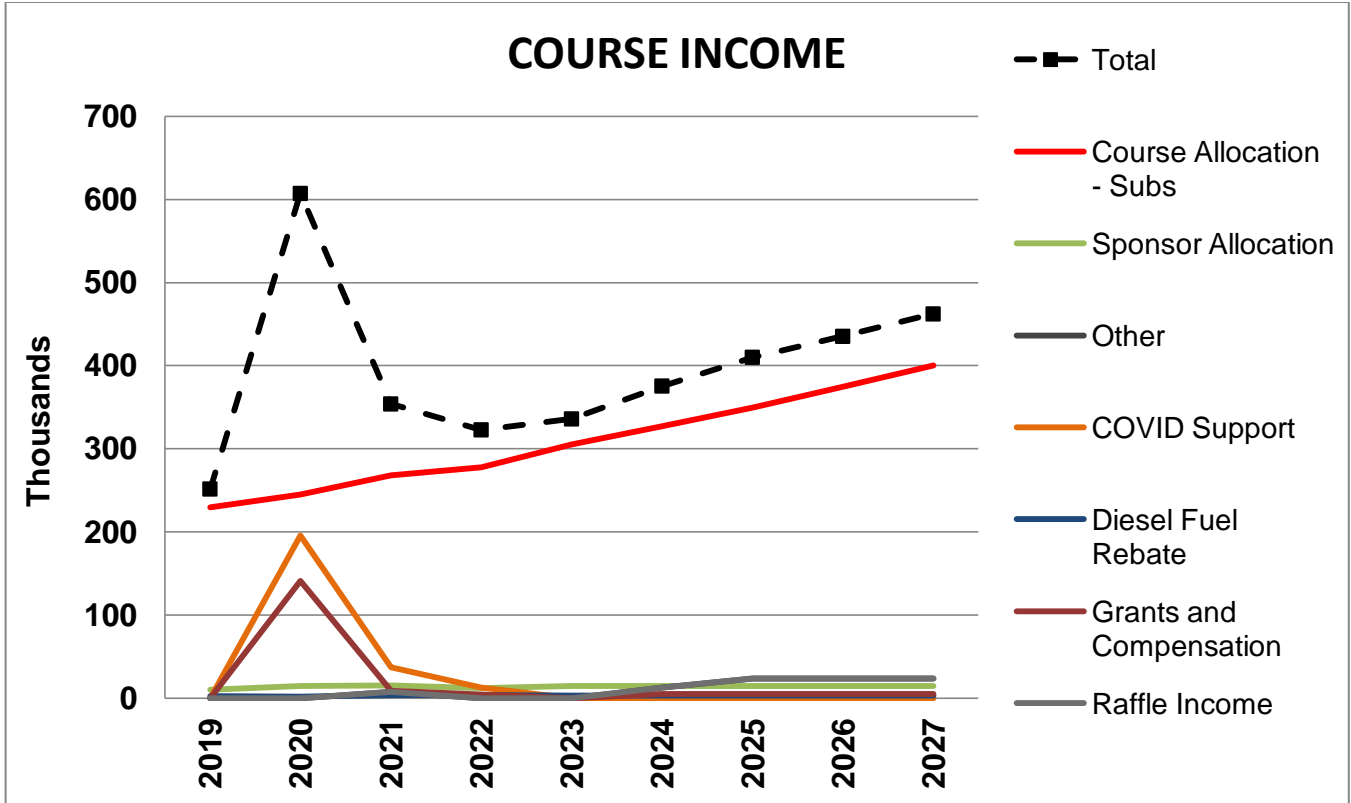


CASH ALLOCATION









Kurri Golf Club – Business Plan Elements

