



29 October 2020

**Answers to Questions received in writing**

**Member: Adam Davies**

**Q1.** Understand that the food hut at the halfway point was closed down by the council. What are the plans for this, as surely it's location and the foot traffic both golfing and public make it a financial uplift for the club, as well as service to the members.

**Reply:**

The previous halfway hut arrangement was not compliant with Australian Food Standards Code and the Club started investigations to build an appropriate structure with a larger offering for Members, guests and foot traffic. The Club's boundary is through the middle of the current structure and the requirements Council put forward were unrealistic as there were requirements for plumbing, sewer, town planning costs and possibly a 9th tee redesign. There was substantial research and planning that went into the halfway hut but the cost was approximately \$70,000 (not including 9th tee) if the DA was to be approved in the first lodgement.

The analysis that was conducted on the profitability of the halfway hut also wasn't positive taking into account cost of goods, projected sales and staffing costs.

At the moment we are encouraging Members to phone the bar when coming down the 18th/8th which will skip the queue and food will be ready when they arrive. Staff are also aware that if a Member is halfway through their round and there is a queue at the café to offer them service via the bar tills.

Management have been looking at alternatives for the halfway hut such as a food trailer or coffee van.

The current BBQ facility will be decommissioned and the area will be tidied up in the coming weeks.

**Q2.** A while back the comp fees were increased to \$15 to 'pay for the course renovations'. These have been completed. Why are the fees still \$15? We are paying \$3000 a year now, so these fees make it potentially an extra \$1500 a year.

**Reply:**

The competition fee increased from \$12 to \$15 on the 1<sup>st</sup> January 2018 and the \$3 increase was contributed to the Development Levy and not specifically the Wetlands. The breakdown of the competition fee is now \$10 development levy, \$5 competition prizes. The Development Levy was a fund created for all major capital works the Club carries out to improve facilities for Members. The

Development Levy assisted to fund capital projects such as the Multi User Sports facility (pro shop), the maintenance depot and most recently the Wetlands. These three projects cost approximately \$4,000,000.

The Board is constantly planning to make improvements and there has been discussions regarding a possible bunker replacement program and a refurbishment of the aging Clubhouse.

**Member: David Costello**

**Q1.** I note that in the Annual Report, gaming revenue for the past financial year was \$38, 726 from 11 gaming machines, which was down \$15,901 on the previous year, this drop being caused in part by the closure of the club in April and May.

The profit per machine for the year was \$3,520, which pales into comparison with the industry average per machine of over \$40,000 per machine per annum.

I also note that in your "From the Boardroom" column in September you advised that the Board had approved the purchase of two (2) new machines and conversion of three (3) others, no doubt in an attempt to increase gaming revenue.

I estimate the cost of the two (2) new machines to be in the vicinity of \$60,000 if purchased outright and more if leased or rented.

In light of the poor performance of gaming at LRGC in recent years, have you and/or any Board members, Management or other persons had any formal or informal discussions about increasing the number of gaming machines at Long Reef?

If yes, could you please advise where these additional machines would be located, given the limitations on the existing space and do you intend to consult with the Membership should such a plan be part of your thinking?

**Reply:**

No there have not been discussions of increasing the number of gaming machines. The Club holds 11 gaming entitlements of which all are currently on the gaming floor.

Four existing machines will be replaced next week with two new machines and two refurbished machines plus one of our current machines will have a new game installed.