



MINUTES OF THE NINETY-EIGHTH ANNUAL GENERAL MEETING HELD AT THE CLUBHOUSE AT 6PM, WEDNESDAY 27 MARCH 2024

Present

As per the attendance register.

Opening

The Chair, Lyndal Plant, declared the 98th General Meeting open at 6:03pm.

The Chair acknowledged the Turrbal and Jagera people, traditional custodians of the land on which we meet, and paid respect to their elders past and present. The respect was extended to Aboriginal and Torres Strait Islander People

The Chair invited the Company Secretary, Christian Gillott, to read the apologies.

Apologies

Margaret Berenyi
Jill Hobbs
Jeremy Maycock
Buff Maycock
Mike Hume
Joy Hume
Cathy Forth
Bruce Sackson
June O'Connell
Stephen Murray
Di Ross

Notice of Meeting

The Chair advised that the Notice of Meeting dated 5th March 2024 be taken as read.

Confirmation of Minutes

The Chair advised that the minutes of the 97th Annual General Meeting held on 29th March 2023 have been approved by the Board as a true and accurate record of proceedings.

The Chair proposed the acceptance of the minutes.

Proposed by Lyndal Plant
Seconded by Rob Balmer

The Chair asked for a show of hands in favour and not in favour. All responded in favour of the motion. The Chair declared the motion accepted.

Presentations (Click here to view the presentation)

The following presentations were made:

- a. CEO's Report Christian Gillott
- b. Treasurer's Report Paul Laxon
- c. Relevant Funds Malcolm Gillespie
- d. Captain's Report Craig Whip
- e. Membership Chair Don MacKay

On completion of the Board Presentations, the Chair called for questions from the floor regarding the Annual Report and presentations.

Question: Bruce Barrington

The most complicated report was delivered by Paul followed by our investment committee leader, which gives us food for thought. There are a few simple questions I would like to ask; The first is in relation to the 2030 income from the RV (which is obviously the future funds of the RV is very much occupying the Boards mind from the point of view of where we can spend the money and how much money we have to spend) so my question is in relation to the 2030 income – how confident we are on those figures?

And the second one, which is a simple one, is in relation to the QR codes – Over recent years we have maintained that we want to be a preeminent club, now whether you agree with that or not – that's the message that was being put out by the previous board. I fail to see how we can be regarded as a preeminent club if we are ordering through QR codes. For me it's just incongruence – what level are we taking this club down to? If we want to be preeminent surely we have to lift the level, I am quite comfortable in myself to go out and get myself a beer rather than wait on staff to serve me as a member – but to introduce another level of what I think is a reduction in quality of a club by ordering by a QR code is not the way we should be going.

The other thing in relation to the investment committee – which I thought was a very good presentation – the board now has in its mind to take more money out of the relevant funds – well they will be putting it to members because it requires a vote, which I acknowledge – I would just like to know the timing of that and in relation to that extra money that they want to take out of the RV funds – what's the proposed expenditure of that money? Because when we look around this club – we've got a lot of things to address from an expenditure point of view and we are quickly going to run out of money. So, when the board puts forward proposals to the members – I think the members should be totally aware of all the contingent expenditure that maybe required. So when we are asked to vote on whether we should spend \$9million on the green nine, we weren't told we had an issue on our water pipe line – now the board is saying we need to address that as a priority. It was a priority before we spent the money on the green nine. So, I would just like the board to be really clear with the members as to where they are going to spend the money and when it's going to spend the money.

Response: Paul Laxon

So there is a bunch of questions there which I probably wont remember all but maybe we start with the last one which is on the water infrastructure.

So the pipeline is a pipeline - it's a 40 year old infrastructure – we engaged Burchills to do a condition report, I don't think they ended up putting a camera down it because they thought it would compromise the pipe itself – the way that that's being managed at the moment is that they are controlling the pressure that they push the water through the pipeline as I understand it – so we are getting under our contract with QUU. We are entitled to a million litres a day in water, we are currently getting 600,000 litres, the reason for putting the tank over the other side, is to allow for us to get more volume over a 24 hour period to try and get it up to the million without forcing the pressure through and potentially compromising the pipeline. The pipeline is old. It does need to be replaced. There a strategy that's been worked on, for as long as I have been on the board, for 4 years – But there is a recognition that it will fail at some stage.

So Do you want me to tell you its tomorrow? In 5 years' time? We don't know. We are trying to manage the situation as best we can and we are trying to be transparent on everything. There was an implication in your question Bruce that we are not being transparent, I'm surprised at that because we are trying to put everything out there that we can and we will certainly do that to the extent that we seek to go to another SGM to access the 3-6million dollars that we mentioned here. These are things that we have flagged in a number of messages to members that we think will be the priorities. The board hasn't finally determined what we would put back to members and the timing of those things.

That list as an example. Interim clubhouse level one – we had a report from one contractor that said there was 3 million dollars (2.9million dollars) of rectification work that we have to do – to the roof, to the gutters, the tiling, repainting, resurfacing the roof. We aren't proposing to spend that – we are looking at ways we can do that more effectively and more efficiently without going and spending \$3million. So you have to accept this is a very capital intensive business. The amount of infrastructure we have, the replacement cost of this 36 holes golf course, club house, we are talking north of \$60mil. Very capital-intensive business that we need to continually reinvest in. We've been through a period until 3-4 years ago where we didn't spend a lot of money because we didn't have it. We didn't have the financial resources. We had at times over the last 10-15 years, we've had boards borrow to undertake work, like the red nine like the poinciana work – really good initiatives – but they had to borrow money to actually do that. And the big thing that I think happened historically is the 2011 floods, that really proved problematic for us. We are now in a much better position with these funds, and the future funds, which I will talk about, that we can more sensibly plan for the future and the capital investment that we need to continually upgrade the facilities that we have here.

You asked the question about the 2030 funds, this is what I mentioned the \$55million including \$1-2million from 2030, so where that number comes from – the major source of income we get from that is a rent payment – which is calculated with reference to a share of the deferred management fees that we get when there is resident churn at Aura. That will build up over time, so that's been estimated by our consultants at the time when the deal was done, based on average life expectancy of when residents churn. So that's where the figures come from. Interestingly they are closely aligned with Auras modelling as well.

Question: Adrian Levido

The \$55million that we talk of, that's future funds, what is that discounted back into in todays values?

Response: Paul Laxon

The long-term infrastructure plan includes a discounted factor in it. I don't have the number on me Adrian.

Question Extended Adrian: It would likely been todays numbers \$10-12mil?

Response extended Paul: Have you looked at the long-term infrastructure plan? It is all there.

Response Paul: QR Codes – and this comes to the sustainability of our business and choices that we need to make as members as owners of this club – all of us. So, there is a balance that needs to be had between the fees that are charged as the membership subscriptions and the level of service – we could stay in the model that

we currently have –full table service. The labour costs is what's really noticeable and what's really killing us. It certainly would be an option to keep all of that, to not go down the QR code route. The boards view is that the QR codes are a way that we can more efficiently provide a service to members. Now for some members that might be a challenging environment, for others it might be a really efficient way to get served. So, your view on what that means, I appreciate that some people might not like it, but there's a whole lot of people that do and that's just how establishments all around the city now operate. So that's a choice that the board are backing at the moment. We haven't got a working system at the moment but like I said, we are hopeful that that will be solved over the next month or so.

Question: Russ Shields.

Question I have is the operating businesses of this club are not doing very well. And especially the pro shop. If you look at the Golf operations – we are losing money or at best breaking even, at the Prop Shop. What are we going to do about that?

Response: Paul

The revenue sources in this club are effectively members subs, golf operations (which includes retail) and the F&B operations. We have some good benchmarking data which I have just received in the last week, on the golf operations itself including retail we actually budgeted last year for the drop which was contributable for less rounds here, less people though the shop, the disruption associated with the course and the clubhouse. The shop if you can recall was actually moved from there, so we actually budgeted for it to go down – we've set a fairly optimistic budget in our retail business this year for 1.2million in revenue. The dollar contribution of that business, from the retail business, has been constant for a long period of time, the percentage the gross margin, sunk down to 23/24% last year – 10 years ago was 33% but the dollar contribution is about the same. The bottom line and F&B- when we looked at all Clubs we are on par now with the benchmarks that we have around Australia – it's a slight negative contribution bottom line.

Question: Chris Oatley

Why don't we outsource the pro shop.

Response: Paul: Outsourcing is an option but its not one that the Board is considering at the moment. We have just invested in a new facility, its basically been operating for 4 months, we want to give them time to prove that it can work.

Question: Undisclosed

The earlier slide showed the money for the water infrastructure was coming out of the RV funds, I can recall that it was advised to us that it was a cost of running the business and it would come out of operations. Did something change or did I misunderstand?

Response: Paul

I think in the long-term infrastructure plan we had two sets of expenditure – one was Business As Usual expenditure and we had Strategic expenditure. The water was all in the BAU expenditure. Where it got funded from I'm not sure if we said it was definitely coming out of the operation funds or not.

Question: Undisclosed

If I could ask a question regarding the Poinciana Bar – it's obvious to everybody – it's a very difficult working environment for all of the kids that work there. Its multiple levels, it's very difficult to get service from it – could I ask that the board get reviewing that operation – I know it will be some years before we get upstairs refurbished but maybe look at re-establishing the members bar upstairs and make it more functional, particularly if we are going to be ordering our beers ourselves.

Its very difficult, there's little access to members to that area- particularly inside the area. It's a very difficult working environment

Response: Paul

Clubhouse working group is looking at the efficiency of the bar and the plans that we have around that certainly look at re-establishing the bar, not there. We are trying to work through possible solutions, the reality of when that work will commence, because of our financials and the modelling from our RV funds, that's a long way away. The refurb that I spoke about is about flooring and furnishings, repurposing the meeting rooms upstairs. It's not the major work that your question is referring to.

Question: Nick White

My question is in relation to the QR code.. I think as a younger member I'm in a good position to comment. I personally don't like QR codes but I think others will like to use the QR Codes and I believe the ideal option is to have the option there to select if they would like to use it. We had a 7.7% return result this year (Relevant Funds), why don't we simply put the money into the offset account and achieve a 7.05% result guaranteed so we can withdraw at any moment.

Response: Paul

Clause 25 prevents us from doing that.

Question: Errol Raiser

We keep talking about rounds and how many people are playing. An observation from me 20-30% of membership support this club that is over playing. We talk about community – how do we grab that 70%. People in Finance have spoken about membership - Be at the Shop, Restaurant.

Question: Danny Boyden

The maintenance costs of staff have decreased however the bar staff have increased. Is there away that we could transfer and find a balance.

We are all here to play golf – however the staff cost for running has decreased from a maintenance perspective.

Response: Paul:

The benchmarking data looks at the costs over 5 years and its been relatively stagnant – our course group – we are possibly underinvesting. Costs are above CPI which includes equipment, fuels etc.

There has also been a difficulty in finding the right candidates.

Question: James Cayley

We haven't seen a schedule for the next 12 months and I think you could do better with communications regarding the course maintenance.

Response Lyndal:

Noted that we need to get communications and schedule out.

The Chair put forward the following motion:

"I put the motion that the report of the Board of Directors and the Auditor, together with the financial reports for the year ended 31st December 2023, be received and approved."

The Chair proposed the motion and called for a seconder.

Proposed by Lyndal Plant
Seconded by Rob Balmer

The Chair asked for a show of hands in favour and not in favour of the motion. All responded in favour.

The Chair declared the motion accepted.

Special Resolution

The Chair asked members to consider and, if thought fit, pass the four special resolutions outlined within the notice of meeting.

Special Resolution 1

Amendment of Clause 4 of Club Constitution

That, pursuant to section 136(2) of the Corporations act 2001 (Cth), clause 4 of the existing Constitution is repealed and replaced by the clause annexed hereto and marked "A".

Special resolution Number 1: Adopted

The Chair proposed the resolution and called for a seconder.

Proposed by Lyndal Plant
Seconded by Paul Laxon

The Chair declared that 474 votes had been received either electronically or by hard copy in favour of the resolution, 47 against and 49 abstained.

Special Resolution 2

Amendment of Clause 12.2 and Clause 14.4 of Club Constitution

That, pursuant to section 136(2) of the Corporations act 2001 (Cth), clause 12.2 and clause 14.4 of the existing Constitution is repealed and replaced by the clauses annexed hereto and marked "B".

Special resolution Number 2: Adopted

The Chair proposed the resolution and called for a seconder.

Proposed by Lyndal Plant
Seconded by Russ Shields

The Chair declared that 475 votes had been received either electronically or by hard copy in favour of the resolution, 39 against and 50 abstained.

Special Resolution 3

Amendment of Clause 25 of Club Constitution and addition of a definition

That, pursuant to section 136(2) of the Corporations act 2001 (Cth), clause 25 of the existing Constitution is repealed and replaced by the clause annexed hereto and a definition added as set out in the annexure and marked "C".

Special resolution Number 3: Adopted

The Chair proposed the resolution and called for a seconder.

Proposed by Lyndal Plant
Seconded by Bruce Barrington

The Chair declared that 463 votes had been received either electronically or by hard copy in favour of the resolution, 48 against and 51 abstained.

Special Resolution 4

Amendment of Clause 16(a) and Clause 11 of Club Constitution

That, pursuant to section 136(2) of the Corporations act 2001 (Cth), clause 16(a) and clause 11 of the existing Constitution is repealed and replaced by the clauses annexed hereto and marked "D".

Special resolution Number 4: Adopted

The Chair proposed the resolution and called for a seconder.

Proposed by Lyndal Plant
Seconded by Paul Laxon

The Chair declared that 482 votes had been received either electronically or by hard copy in favour of the resolution, 26 against and 43 abstained.

Election of Directors

The Chair invited the CEO, Christian Gillott, to announce the election results.

CEO advised that nominations were called for the following positions:

- Treasurer
- 3 Directors

Nominations were called for, in accordance with the Constitution, and at the closing date the following nominations were received unopposed and deemed elected.

- Paul Laxon – Treasurer

4 nominations were received for the 3 vacant positions of Director. There was therefore an election required.

CEO advised that the Board appointed Richard May was appointed as the returning officer to oversee the Election of Directors. CEO noted that of the 1450 eligible members, 577 members voted, representing 40% of eligible members.

CEO advised that the Returning Officer had notified him of the result of the election.

CEO announced the Board of Directors of 2024:

Lyndal Plant	President
Rob Balmer	Vice President
Paul Laxon	Treasurer
Craig Whip	Captain
Greg O'Meara	Director
Malcolm Gillespie	Director
Pauline Sinclair	Director
Don Mackay	Director
David Abbott	Director

CEO called on the Chair Lyndal Plant, to put forward a motion to destroy the ballot papers. Seconded by Peter Eckett.

The CEO asked for a show of hands in favour and not in favour of the motion. All responses were in favour of the motion. The CEO declared the motion accepted. The Chair again thanked the office bearers and Directors

Other Business

There was no other business raised.

Meeting Closure

The Chair declared the meeting closed at 7:43 pm.

Signed as a true and correct record of the meeting.



Signed

24th April 2024

Dated