



## SURFERS PARADISE — GOLF CLUB —

Dear Members

You will have received an email on Saturday from the club enclosing a Statement to Members from Trevor Sheppard and a small group of members in relation to the resolutions proposed for the upcoming AGM of the club.

The Board does not agree with the comments made in the statement and provides the following response to the same.

There are 3 main points being put forward:

- 7 day men should not be able to switch to 5 day and then switch back to 7 day to get the age length discount, their solution is to have a 5 day age length discount
- Not have the 'age length associate' category and instead allow the ladies a 5 day age length discount
- Delete the references to the 'associates committee', which we had rephrased as the 'ladies committee', in the constitution and deal with this by way of a by-law

### One

Trevor Sheppard gives the example of a 7 day member who joins in 2011 (so qualifies for age length) who now switches to 5 day and once the 20 years is up, switches back to 7 day to take up the age length discount.

Yes arguably this concession we are proposing could get abused by some, however it will be easy enough to submit a further amendment to the constitution next year to close any perceived loophole. It is hardly grounds for rejecting the whole proposal.

### Two

Trevor Sheppard has thrown around a number of different percentages and claimed that his figures would be revenue neutral (as in no loss of revenue). We don't accept that proposition as you firstly have to make a range of assumptions around how many members will take up age length, how long will they last etc. I don't believe any of us are in a position to accurately quantify those matters.

Putting aside the matter of how many might take up age length etc; we think a useful comparison is to just look at the difference in subscription amounts between the Board's proposal and what Trevor Sheppard is suggesting. We have ignored some of the intricacies in the actual calculations just to keep the comparison as simple as possible.

	BOARD		TREVOR	
7 day member		1925		1925
7 day age length	1395	(33.3% discount off 7 day rate)	1395	(33.3% discount of 7 day rate)
5 day member		1495		1495
Age length ladies	1139	(25% discount off 5 day rate)		n/a
5 day age length ladies		N/A	1195	(20% discount off 5 day rate)
5 day age length men		N/A	1195	(20% discount off 5 day rate)

If we look firstly at the figures in the “Board” column:

- The 7 day age length sub is \$100 less than the 5 day sub, it was structured that way on purpose so there was no financial incentive for an age length men/ladies member to switch to 5 day
- The age length associates sub was previously referenced to the normal associate sub, however as the associate sub would disappear with the constitution changes, we had to reference it to something, which was the 5 day sub
- The 25% discount off the normal 5 day sub amount that the age length ladies receive was purely the required percentage to make the maths work, so that the age length ladies sub did not increase too much
- Yes it is a different percentage to the age length mens discount, but it is also worked off a different base figure
- One of the key things we were trying to avoid from a finance perspective was to not create any more ‘age length discount’ categories
- If we have the age length discount for say both 7 day and 5 day members as Trevor is suggesting, then is it only a matter of time before members want a similar age length discount for early week membership or twilight membership?
- By keeping age length separate as we are proposing, we can genuinely say it is purely a legacy issue that only applies to some members and importantly any new categories like 5 day (and whatever else the Board comes up with in the future) do not have any age length discounts

If we now look at the figures in Trevor Sheppard's proposal:

- He enshrines age length discounts in 5 day membership, which we don't believe we want for the reasons we have said above
- The age length ladies pay a higher sub under Trevor Sheppard's proposal
- The door is now open for age length 7 day men or ladies members to switch to 5 day age length and save a further \$200 on their subs (\$1,395 - \$1,195)
- How you can say that is ‘revenue neutral’ defies logic when you have just created a further \$200 discount?
- The more that is given away on age length discounts, the higher the subs will be for the remaining full paying members.

We do acknowledge that creating the ‘age length ladies’ category is not ideal and looks a bit clumsy in the constitution, however it works in a practical sense, which is the main thing we were trying to achieve. Purists like Trevor Sheppard who are more interested in the theory than the practicability and workability of a proposal will never agree with something like the age length ladies category.

### **Three**

On Trevor Sheppard's last point in relation to the ladies committee and taking this out of the constitution and regulating it by by-law, that is actually the Boards idea in the first place. However we had decided with all the other changes that were being made to the constitution we would leave that change until later. We did not want to cause any unnecessary suspicion amongst the ladies about why we were removing it from the constitution plus we had not yet had chance to discuss this idea with the ladies committee.

Should you have any queries in relation to these matters please contact one of the Board members or our general manager Mick Ryan.

Phil Murphy  
President