

Dear Members

The holiday season has come to an end and trade at both clubs was the best it has ever been. All staff are to be congratulated on their efforts over the holiday season as the majority of visitors had an enjoyable experience. We had several record trade days at both clubs over December and January.

Well that is the good news now for some not so good news. During this financial year our revenue is up on previous years but our expenses have gone up considerably more than revenue. The major items that have affected the expenses are listed below:

* Interest rate increases (Loan from previous building improvements at both clubs)
* Insurance Increases (Tripled over last 5 years, now over $200,000 per year)
* Electricity cost increases.
* Perishables and non-perishables increase.
* Staff costs (Superannuation increase and staff shortages)

The management team has been tasked to formulate a plan to reduce expenses and to increase revenue and will be reporting back to the Board at our March meeting, this may result in increasing the cost of food and beverages. This is the last option, not the first, as we are very proud that we have kept the costs to members low compared to other venues on the south coast.

The Board have decided to place all building works on hold including the new deck at Dalmeny until we have a clearer understanding of the Gaming Reforms which will not be known until after the state election in March. All political parties agree that reforms are required as does Clubs NSW and the Australian Hotels Association. The changes proposed by both the major parties includes the introduction of cashless gaming machines which is the biggest change to pokies since their introduction in the 1950’s. Our own research and advice from Clubs NSW could see our gaming net revenue being reduced by between 10 and 30 percent. A 10 percent decrease in our net revenue would be a reduction of over half a million dollars and would have a severe impact in our financial situation (let alone a 30% reduction). Instead of waiting to see what will happen we are working on solutions to minimise the impact when implemented. A little pain now will result in less pain later.