

AGM GDTA Treasurers Report – 28th September 2015

Good Evening Fellow Members,

I am pleased to read to you the treasurer's report for the financial year ended 30 June 2015, and to present audited financial accounts in accordance with item 3.5.3 (iv) of our constitution.

Firstly there are several people I would like to thank for their support and encouragement in what I can only describe as another challenging but highly productive year.

Thank you to our committee, a small band of volunteers, who have a passion to promote tennis at our club and across the Central Coast, and who have gone that extra mile to deal with some very complex and strategic issues facing the GDTA, which as outlined by the President are a work in progress. Thank you also to fellow GDTA centre operators and committee who have attended several meetings this year and have started to work collaboratively in promoting the participation of tennis within the Gosford LGA.

I would also wish to thank Greg and his staff at ITS, as the new operators of the centre, with their first 12 months of trading just passing. Thank you to IFS for ensuring on time payments of both the license and administration fees as well as the full payment of our loan originally used to assist with the payout to the previous operators, Rod & Jenny.

Now to the business at hand with 30 June 2015 financial accounts highlighting:

- A profit of \$111934 after depreciation of \$17022, and one off costs associated with the change in operators – legal costs \$11,726, and Stamp Duty \$2,541.
- Revenues at \$184781 up 59% on the year before although there are several one off costs with income up 3.7% when taking into account costs associated with transition of business licensee, and the tennis rebate of \$70999.
- Special mention goes to Hadrian, Sharon, Bonny and Fiona who organized the March 2015 Veteran's Tournament that made a tidy profit of \$1764.

On the expense side:

- Consultant's fees of \$1800 relate to engaging a grant writer to undertake an unsuccessful Clubs NSW regional grant in 2014, and a QS report for the costing relating to the master plan.
- Repairs & Maintenance of \$15712 covers the write off of items (floor polishing) for this expenditure whilst the majority of improvements have been capitalized in the depreciation schedule set out in the report.

On the balance sheet side, the GDTA has deposits of \$216572 and as of week ending 25/9/14 we sit at \$221,103.85

Now to the challenging aspects of my report and in particular with funding the growth of the game within the GDTA

Facilities & Services for Members

As we all know members want good quality facilities and services for tennis on the coast. Whilst 2-6 court Centre's can be maintained over a 10-year life cycle period through court hire, coaching, membership and social player revenues, Centre's such as Gosford Tennis Centre pose more challenges given the size of the facility and their Regional/National standing. For many of you who may have been on past committee's this is no surprise. To make my point further if you split the lower and upper complexes we would still have 2 of the largest tennis Centre's within GDTA.

As both the current and previous operators understand the lower complex is very much under utilized outside tournaments and this is where we see future expenditure urgently needed. The master plan that will be presented to you tonight will require a total spend of approx. \$9.7M, with 80% of this cost allocated to the lower complex.

Coupled with an expiring lease agreement the ongoing debate within committee to spend or not to spend continues, which I want to add further comments later in this report. This is particularly relevant to the urgent upgrade of courts 10 & 11, as also mentioned in my report of last year.

The decision to go with synthetic grass and hard court surfaces will continue to be a major challenge to the incoming committee, as NSW TA have indicated that there will be major competition for high level tournaments as Blacktown and Penrith Centre's come onboard with large hard court complexes. I believe that the centre must continue to be the largest hard-court venue in NSW so that we can not only attract tournaments but also help with us in having GCC support our tender bid.

In saying this I am also sympathetic to member calls to have more synthetic grass courts and to target more of the senior competitions and tournaments. I will be interested to hear your feedback on this issue tonight.

Expiration of Lease

You have heard from our president's report and previous communications of the issues that confront us in terms of the lease. This for me is more of a priority of the committee, and once we have this then our focus can switch to improving facilities. Given the unknown I would be recommending to members tonight that we hold off on any major facility improvements and continue to hold our funds in reserve to cover potential legal and tender costs.

Future funding

Assuming that we are successful with our lease tender, our priority is to focus on our master plan presenting us with the challenge of how we can gain funding. To give members some insights into how this is done there are 4 ways this can be done:

- **Dollar for dollar funding.** Given the current license agreement, we expect that our bank deposits will be in the vicinity of \$300,000 plus by 31/12/2016, should we not spend by this date. This would then give us the ability to seek up to \$600,000 in total potential funding.
- **Loans from Tennis Australia** including court rebates up to \$200,000 annually plus smaller loans of up to \$80,000 per annum for facility funding.
- **Government and Club grants** of between \$200,000-\$1M annually. We have placed an EOI for a clubs NSW regional grant of \$1M and successful tenderers will be confirmed at the end of this year.
- **Donations and Sponsorship**

On the positive side Tennis Australia have recognized GDTA as a top 6-priority region allowing us to access funding requests much more easily than in previous years. As an example of this they are footing the cost of the master plans and providing resources to support the committee in executing the plan.

Transitioning from a GTC to a GDTA focused committee

The GTC in itself is a multi hundred thousand dollar revenue business, and requires day-to-day operators to manage this. Future GDTA committee's need to work collaboratively with other centre's within the Gosford LGA, given that there are 17 centre's/clubs and 71 tennis courts that make up the GDTA. By having a GDTA committee that holistically focuses on promoting and managing tennis is an integral part of where TNSW and GCC wish for us to head and eventually leading to a Tennis CC association. This means that the sport as it grows on the coast will become a multi million-dollar revenue operation that needs to transition into a formal business model led by a full time paid CEO. Volunteer committees are still an integral part of this model however to undertake the day-to-day work of promoting the sport, volunteer's time and efforts are stretched. I would be recommending to members and the incoming committee that the work already done should continue and get to this goal. Again this will require a new funding model in consultation with other centre committees and operators to make this happen.

Summary

In summary, we have many challenges ahead that will cost money – the priority to gain an extension of the lease for at least 10 years, funding of facilities at GTC and other GDTA centre's, and the transitioning to a business model where we can hire a permanent full time CEO and staff.

This will continue to take up enormous energy and efforts of a volunteer committee and we therefore ask you as members to:

- Be patient ensuring that we make the right decisions and not waste money.
- Support this great game of ours and become a strong voice for the continuation of the GDTA as we know it today
- Help promote the game and assist in increasing membership – tell your families and friends to be involved.
- And understand the changing political and financial nature of sport generally as viewed by local government. Governments are looking for a return on their assets, resulting in main bodies such as the GDTA to work collectively with other committee's to improve and promote their specific sport within the local region.

Lastly, for the incoming committee I would recommend honorariums increase for the President and Treasurer and adopt a new honorarium for the Secretary role, with each receiving \$650, an increase from \$500. The justification of this is the cost on current workloads by these roles in working with many of stakeholders on the various challenges outlined in my report.

I now ask that the treasurer's report be adopted and if nominated for the role again I look forward to contributing towards the improvement of the game across the Central Coast and within our Association.

Tony Haworth
Treasurer
GDTA
28/9/15