New Zealand Golf Inc.
Annual General Meeting

DRAFT meeting minutes of the 2015 Annual General Meeting of New Zealand Golf held at the Quality Hotel, Auckland on Wednesday 29 April 2015 commencing at 9.00am.

1. Welcome and Apologies

Welcome:
The meeting Chair (NZG President Philip Hassall) welcomed those present to the Annual General Meeting.

Life Members:
Patsy Hankins, Mike Alexander, Roger Brennand & Neil Woodbury.

District Associations:
Eric Scott & Brian Mulcahy (Northland), Sandie Jennins, Len Bilton & Robyn Pardy (North Harbour), Dorothy Wallace & Norm Aldridge (Auckland), Terry Booth & John Bridle (Waikato), Stephen Bridle & Roger Simmons (Wellington), Chris McAlpine & Doug McNab (Bay of Plenty), Ken Durrant & Nick Northam (Taranaki), Murray Marsh & Trevor Bryant (Tasman), Peter MacDonald & Grant Lewis (Canterbury), Doug Harradine & Judy Muir (Otago), Debbie Lovett & Gavin Smith (Aorangi South Canterbury), Hugh Glendinning & David Townend (Manawatu Wanganui), John Griffin (Southland), and Allen Forrest & Alan Chapman (Hawkes Bay Poverty Bay Women).

New Zealand Golf Board Directors:
Philip Hassall (President), Paul Fyfe, Adrienne Greenwood, Eileen Bateup, Murray Ward, Anna Shires, Max, Walker, Mike Howard and Michael Smith.

New Zealand Golf Staff:
Dean Murphy, Dave Mangan, Kenny Halliday, Mark Webb, Becky Hobson, Jan Rowsell, Joanne Watkins & Nick Rowland.

KPMG Partner:
Mark Crawford.

Apologies:
The meeting **resolved** that the following apologies be received:

Life Members:
Betty Cameron, Flora Catto, Frank Nobilo, Joan Puckey, Sue Bunt, Trevor Malloch, Noreen Hamilton, Peg Sargent, Tim Treacy, Jean Whitehead, Sir Bob Charles, Goldie Wardell, Robin Dailey, Alex Mercer, Alison Bojesen – Trepka, Peter Joyce & Rt Hon Sir Tom Gault.

District Associations:
Robyn Boniface (Southland), John Wyllie (Poverty Bay East Coast), Geoff Ross (Manawatu Wanganui), Glenise Robertson (Bay of Plenty), Peter Seager (Auckland) & Andrew Leventis (North Harbour)

New Zealand Golf Staff:
Liz McKinnon, Gregg Thorpe, Karen Collins, Melanie Evans, Carl Fenton & Phil Aickin.

Moved: Ken Durrant
Seconded: Adrienne Greenwood
Carried Unanimously.

DRAFT

2. Confirmation of Minutes of New Zealand Golf Incorporated Annual General Meeting 23 April 2014.

It was resolved that the minutes of the New Zealand Golf Incorporated Annual General Meeting held on 23 April 2014 be confirmed as a true and correct record.

Moved: Gavin Smith
Seconded: Alan Chapman
Carried Unanimously.

3. Matters Arising from New Zealand Golf Incorporated Annual General Meeting 23 April 2014.

The meeting Chair Philip Hassall addressed Neil Woodbury on the paper that he produced regarding NZG Board attendance at tournaments. The Chair thanked Mr Woodbury for his paper and confirmed that the matter had been addressed and actioned by the Board.

There were no other matters arising.

4. 2014 Annual Report

New Zealand Golf Chairman Paul Fyfe addressed the meeting and highlighted some of the key achievements of 2014. These included:

- Implementation of a comprehensive strategic plan with the twin priorities of growing and supporting the game.
- Establishment of a world-class Community Golf Plan that was acknowledged by the R&A as world leading. Their support of this project amounts to $450,000 over three years.
- Success of the LOVE Golf Campaign to improve the perception of golf nationwide.
- Lydia Ko goes pro announcement wins Sport and Rec Awards award for Innovative Excellence and places third in TVC of the Year.
- Launch of the Casual Golf Program to attract more casual golfers into the game.
- The world's most unique Open championship was held in Queenstown, over two courses and in a pro-am format which was a real success.
- Continued progress with the PGA of New Zealand to align our organisations in a closer manner in the future.
- Enhanced relationships and formal agreements with other key golfing organisations.
- Handicap system review process completed and changes implemented.
- The Way Forward - The Chairman went on to thank those on the Way Forward Subcommittee for their help and leadership, he explained that a critical part of these guiding principles is the need for a close working relationship between New Zealand Golf, our District Associations and our clubs and is an important focus moving forward.
- Community Golf and the employment of Club Capability Managers, in partnership with District Associations, these roles provide a direct service link to golf clubs and are charged with helping clubs improve their planning processes business management. The Chairman explained that we are extremely encouraged by the progress these appointments have made in over nine months in 2014.
- The biggest achievement this year was publishing the world class Community Golf plan; a document that articulates how we can join together as a golfing sector to grow golf in the grass roots communities around the country. The R&A have identified this piece of work as world leading.

The Chairman thanked the Board of New Zealand Golf for the time and expertise they provide to New Zealand Golf at Board and subcommittee level. He noted that each member of the Board is passionate about the game of golf and brings a great variety of knowledge and experience to the governance of our sport.

DRAFT

The Chairman, on behalf of the Board, extended appreciation and thanks to the New Zealand Golf staff. He noted the staff of New Zealand Golf is a relatively small team considering the scope of the work before them and we are very fortunate to have the services of such fine and dedicated people for which we are grateful.

In closing the Chairman stated that while New Zealand Golf has made good progress in 2014 there remains much work to do. The new strategic direction provides the road map forward however the Board are conscious a great deal of dedicated hard work will need to be undertaken in order to achieve the targets we have set ourselves. He explained that improving the health of our sport is vital to us all and there is much work we need to do in the future if we are to build on our success in this area.

5. 2014 Financial Report

New Zealand Golf Chief Executive Dean Murphy addressed the meeting to overview the 2014 financial result as published in the 2014 Annual Report. The following key points were recorded:

Overview.

- From a financial perspective, the organisation continued to struggle this year.
- The deficit for the year sits at $51,000 which is below our targeted profit for 2014 ($77,000). This achieves a 2 year surplus position of slightly better than par.
- Expenses were below budgeted levels however our targeted income fell short by almost $300,000.
- Securing appropriate levels of sustainable revenue remains the core challenge however this is set against a background of declining traditional membership levies, reducing charitable trust income and a very tough commercial sponsorship market.

Income Challenges.

- Commercial sponsorship and charitable trust funding continues to be behind our targets.
- To address this issue, we have restructured our commercial approach and have employed a new commercial manager.
- $200,000 of new sponsorship revenue has been secured in the first six months.
- Other income lines are all as expected. Stronger than budgeted performance from DotGolf helped our final result.

Affiliation Levies.

- The fact that our affiliation levies have remained at the same rate for nine years now is a matter we may well have to address in the coming year.
- Currently, 51% of our income is derived from affiliation levies leaving 49% to be raised by the business.
- As reported last year, the demand for delivery of services increases each year and we will need to find new ways to increase our revenue if we are to deliver on the ambitions set out in our strategic plan.

Looking Forward.

- Our processes were improved this year; great assisted by our change in audit partner and a more active audit and risk Board subcommittee.
- These processes will further improve in 2015 as we look to become more financially secure.
- The Board has set a conservative budget for 2015 with a targeted surplus of $60,000.
- Securing budgeted income will remain the core challenge.
- Key stakeholders to be updated after June month end on progress after 6 months.

Ken Durrant (Taranaki) addressed the meeting to outline his concerns on the 2014 financial result. Part of his concern was the profit and loss sheet provided from NZG and that he could not cross reference this with the balance sheet and explained that this form of reporting is not sufficient. Mr Durrant also suggested that the Board needs to produce a financial budget that has practical heading entries and that this is monitored by District Association on a two 2 monthly basis.

DRAFT

Mr Durrant advised the Taranaki region would not look to accept any Levy increases until there was evidence of cost reduction by NZG. He thanked the members for their time and patience in his address.

The Chairman of New Zealand Golf addressed some of Ken Durrant's comments, explaining that the NZG Board monitors the expenses very closely. Charitable trust funding has dropped from $900 to $200K in the last year, High Performance expenditure has been significantly cut and now accounts for just 26% of expenditure compared to nearly 40% two years ago. The main expenditure adjustment however has been in the health of our sport area where 37% of income is now expended in this area. The Chairman expressed his disappointment in the 2014 result and advised that expenditure was cut during the year by almost $300K to account for income shortfalls. The Chairman advise that a surplus of $60K is in the 2015 budget. He reassured the members that the financial performance of the organisation is one of the Boards key concerns and it is discussed and reviewed at every Board Meeting. The Audit and Risk Committee also works very closely in in order to manage the financial pressure on the organisation. A financial update for 2015 will be shared with District Associations in July 2015.

Ken Durrant asked if there was still a $200K commitment to the New Zealand Open. The CE confirmed that $200,000 is the current level of investment into the event from New Zealand Golf.

6. Adoption of New Zealand Golf Annual Report

Following the address from Paul Fyfe and Dean Murphy and the discussion that followed, it was resolved that the 2014 Annual Report and Financial Report be adopted.

Moved: Paul Fyfe
Seconded: Ken Durrant
Carried Unanimously.

7. Appointment of Auditor

It was resolved that the current auditors KPMG be retained for 2015.

Moved: Ken Durrant
Seconded: Sandie Jennins
Carried Unanimously.

8. Confirmation of Levies for 2015

It was resolved that the Affiliated Member levy rates would remain unchanged for the 2015 year.

Moved: Ken Durrant
Seconded: John Bridle
Carried Unanimously.

9. General Business

Dorothy Wallace (Auckland) addressed the meeting explaining that Titirangi Golf Club recently held the NZ Amateur which was a success but they were disappointed in the lack of advertising to encourage spectators to attend. The CE explained that management faces an ongoing challenge around the interest in amateur events and that the team have spent a lot of time and money on advertising in the past to little effect. The CE agreed that it would be great to see far more crowds at these events especially in Auckland and that he would talk to the NZG team internally about what can be done more to improve this.

DRAFT

Chris McAlpine (Bay of Plenty) asked for an update on the Media Role. The CE confirmed that an appointment has been made and they would be commencing employment 11 May.

The New Zealand Golf Chairman updated the meeting that the NZG Board had discussed the increase of levies at their Board Meeting and that this matter would be discussed at the upcoming District Cluster Meetings.

10. Meeting Close

Philip Hassall thanked Members, Clubs, District Associations and the New Zealand Golf Board and staff for their continued efforts in working together for the game of golf.

The meeting concluded at 9.45am.

Signed as a true and correct record

_____ _____

New Zealand Golf Chairman Date

_____ _____

New Zealand Golf President Date

DRAFT