

Financial Considerations

COVID-19 and lockdown has created a difficult environment, particularly financially, for golf clubs and facilities. Being financially prudent and planning effectively can assist your club/facility in being positioned as best as possible to return to normal activity as we now move out of the lockdown period. Expert advisors have told us that rushed decisions are seldom good ones and that medium term and long term thinking are just as valuable as short term. Below are some considerations to work towards the best financial outcomes for your club and facility.

1. Understand your current position

Review year to date financials and budgets and clearly understand where you are in terms of your performance to date.

2. Remove any unnecessary expenditure

Identify what areas of the business are the least profitable and where possible remove all non-essential expenditure.

3. Where possible, delay expenditure which cannot be cut or eliminated

If required, have an honest discussion with the necessary people to delay what expenditure you can. Banks and other creditors should be supportive and lenient given the current climate. Ensure you are very clear on any penalties or fees for adjustment and consider this in your decision. Banks are offering zero fee, low interest support overdrafts to assist in covering cash shortfalls for entities.

4. Understand and utilise current government support packages

Wage Subsidy

Support for your business if you're impacted by COVID-19 and face laying off staff or reducing their hours because of COVID-19.

[Click here](#) for further details

Leave Payment

The COVID-19 Leave Payment will be available for 8 weeks from 17 March 2020. Employers will be able to apply for this more than once. It will be paid to employers who have eligible employees and they must pass the payment onto their employees in full.

[Click here](#) for further details

Business Tax Changes

To those golf clubs, facilities and business owners that are tax paying entities, several changes have been announced that may provide support to your business. To understand these changes in greater depth, please see the link below and consult with your accountant and/or financial advisor.

[Click here](#) for further details

5. Review workforce requirements

If you have staff at your golf club or facility, it may be one of your largest expenditure areas. In the scenario where you are faced with the task of having to reduce staff levels ensure you are doing so in a legally compliant way. For more information on workforce support please [click here](#) or visit <https://www.ema.co.nz/>

6. Review/renegotiate your contracts

With the change in circumstances, you may be entitled to lower rates on current contracts. As an example, APEX insurance is working to reduce golf clubs' insurance premiums due to changes. For more information contact APEX directly <https://apexinsurance.co.nz>

7. Retain your core income

Work hard to retain your members and your commercial partners/sponsors. Communicate with them and let them know what you are doing and what you are planning to do. If you need further guidance with this, please [click here](#) for specific resources.

8. Scenario plan

Develop plans for how your club/facility will operate at each alert level. communicate these plans to your members, workforce and commercial partners/sponsors. Be prepared to implement your plans as soon as the alert level drops. For more information on alert changes please visit <https://covid19.govt.nz> and for specific alert updates relating to golf [click here](#).

9. Forecast

Identify what income and expenditure may look like given; a likely, worst-case and best-case financial outcome at each alert level. Cash is tight around the economy during this difficult time and you may find that members and other creditors are slower to pay invoices. Identify what your response will be given each scenario to ensure your club/facility is prepared to limit the financial impact as much as possible.

10. Share with others

Share and discuss your scenario with other clubs who will all be facing similar challenges. This can help mutually broaden the pool of solutions and increase contact networks which can be useful if you need to seek financial support. We're all in this together.