

Firstly, I would like to welcome all our new members who have made THBC their club of choice. Our team will continue to ensure that all our members and guests enjoy their club and all it has to offer.

Welcome, also to our new staff who have joined our team and a special thank you to ***Our People*** for your ongoing commitment to ensuring our customers are happy and comfortable at THBC.

Projects which have been completed or are in-progress include:

- 325kw solar system (completed)
- Installation of an external disabled toilet near green 3 (in-progress)
- Blue Room upgrade (in-progress)
- Installation of wheelchair lift from the bowler's lounge to the Indoor Green (in-progress)
- Planning Application to increase our "permissible uses" so we can use our internal and external real estate for revenue diversification opportunities (in-progress)
- Independent Liquor and Gaming Authority (ILGA) application to un-restrict the 1921 Lounge to allow families, including minors to utilise this space (in-progress and the poker machines will be removed once the approval is obtained)
- New TAB electronic wall sheets and an additional EBT will be installed (in-progress)
- New Carlton United Breweries agreement (completed)
- Upgrade and renovation of the 1921 lounge, TAB and bowler's lounge areas (early stages and in-progress)
- New escalators or elevators at front reception (early stages and in-progress)
- Gaming Lounge upgrade (early stages and in-progress)
- Upgrade to Level One ladies' toilets, near the Blue Room (early stages and in-progress)

Regarding the above projects specifically, I would like to acknowledge the fantastic effort from our staff as they work diligently to ensure that these projects and services are managed and introduced professionally and in a timely manner. Thank you to the Board who have continued to support these projects and other important initiatives.

In my last update, it was explained why the boom gates were installed in our new car park. Since then we have seen an increase in our car parks being used by non bona fide members and guests of the club who are not using the facilities. We have now decided to leave the chain up until 9am daily so members and guests using the club can have access to the back-car park before many car parks are taken by others. We will continue to monitor the overall use of all car parks to ensure they are being used by members or guests using the club facilities.



A reminder that we have a courtesy bus service which operates Wednesday to Sunday and is now a pickup and drop off service instead of a set route service.

Please visit our website www.thbc.com.au or speak with any of our friendly staff to understand how our new courtesy bus service operates.

Now that we have completed the installation of the 325kw solar system, I am pleased to inform members that the preliminary analysis is showing that the system is producing more power than was originally predicted. We did forecast a completion date of December 2018; however, the project was delayed due to council approvals, arrival of essential electrical boards and software configuration.

Our financial modelling and performance guarantee were based on the new system producing an additional 16% of our daily power requirements, which when added to our current 7% from our 100kw equated to 23%.

We are confident that our Internal Rate of Return (IRR) will be closer to 30% instead of the 23% which is a very positive return on our capital investment.

In the last edition, I spoke about the significant impact increased “cost of living” was having on our revenue. This trend has continued; and when we add the recent State and Federal elections and other factors, consumer behaviour in our industry and retail has changed dramatically, to the point that it has been suggested that the retail industry is in recession. However, we will continue to look at opportunities to reduce costs but more importantly increase and diversify our revenues through “right sizing” our business. We are expecting to report a reduced trading profit again as our gaming revenue has remained flat while our food and beverage areas have performed reasonably well. Regarding “cashflow” this is still quite positive which funds our capital spending and operating costs. In addition, our “balance sheet” remains healthy with no debt and approximately \$6,000,000 in funds on investment. The Fair Work Commission has just increased the minimum wage which will result in a wage increase of 3% for many of our staff from 1st July 2019.

Costs are continuing to rise, however where possible we introduce slight increases only and we expect that some food and beverage prices will increase from July.

Congratulations to all our team on recently being awarded “Excellent” status from Trip Adviser for our food and service.

The Blue Room, an iconic restaurant for many years before transitioning into a function room, is in serious need of an upgrade. Our intention is to have this room renovated and completed by November 2019 at the latest.

I am sure you will all agree that the physical nature of our club is far from ideal, especially trying to transition members and guests into the club and on to other levels. We are working on trying to introduce a wheelchair lift from the bowler's lounge to the indoor green so everybody can enjoy these areas. In addition, we are looking at the possibility of building a new disabled toilet block near green 3 to ensure our members and guests in wheelchairs have access to these amenities instead of having to go into the club, while they are playing bowls.

Recently we commissioned a Marketing Health Check and conducted an extensive survey with the respondents being made up of non-visitors, visitors and members. The results are very clear that "change" is required in order to attract new custom. The Board and Management are working through several strategies which include:

- Continual upgrade of our facilities to cater for new markets (while ensuring our current members are still catered for)
- Revised entertainment offer on key nights to cater to a broader market
- Revised Gold Star Rewards loyalty program
- Marketing and Advertising, which includes new platforms, targeted demographics and new areas
- Food, with choice, quality and promoting to increase
- Bowls innovation for families, corporates, parties and using the greens (where possible) for other promotional activities
- Continued Community Support to assist charities, not-for profits, schools, health providers to name a few

Again, thank you to all our volunteers and staff who play an integral role with our bowls holistically, especially with the Junior Golden Nugget, Golden Nugget, TOPS, Australian Indoor and the inaugural Greg Kelly Fours fast approaching. We continue to receive a tremendous amount of positive feedback during these events from the spectators, players, members and the broader bowls community which is a testament to all our contributors.

Our Annual General Meeting is on Sunday 3rd November 2019 and we encourage all our valuable members to attend and contribute to the future of their club especially as we move through a period where necessary change is required.

The Board and Management will hold at least 2 Question and Answer sessions about the club generally and the Annual General Meeting with times and dates to be communicated to members once confirmed.

On behalf of ***Our People***, thank you for your continued support and we look forward to seeing you all at THBC soon.



Again, if any member requires clarification on any club matter, please feel free to speak with any of our dedicated staff. If the question or concern can't be answered or actioned immediately, we will ensure that a response is provided in a timely manner.

Our people, our community.

Gerard Robinson

CEO