



GolfAustralia

Golf Australia Annual Report
2017 / 2018

golf.org.au

2017/2018



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Intro— duction

Golf Australia Director Profiles

John Hopkins, OAM (Chairman)

was re-elected to the Board for his third term in November 2016 and re-elected as Chairman of Golf Australia in May 2018. John has been a professional company director in recent years and has served as chairman and director of a significant number of publicly listed companies over the past 25 years.

Richard Allen

was elected to the Board in November 2017. Richard spent more than 20 years as a journalist with BRW magazine and Channel Nine and currently operates a communications consultancy. He has an extensive background in golf, including serving as the captain of Royal Melbourne Golf Club and authoring a number of golf books.

Peter Castrisos

was elected to the Board in November 2016. A qualified pharmacist and small business owner, Peter has been on the board of Club Super since 2010 and chairman of its investment committee since 2013. He was a board member of Golf Queensland from 2007 and Chairman from 2012 until his election to the Golf Australia Board.

Sarah Chia

was elected to the Board in November 2017. Sarah is a Director at Kain Lawyers, working predominantly in mergers and acquisitions and was a board member of Golf SA from 2015 until her election.

Robert Crosby

was re-elected to the Board in November 2015. Bob spent more than 30 years at the National Australia Bank in a variety of senior management positions.

Kerri-Anne Kennerley

was appointed as a Director to the Board in April 2013. Kerri-Anne is a familiar face to many Australians with more than 30 years' experience in television, entertainment and business.

Andrew Newbold

was appointed as a Director in February 2018. Andrew, a lawyer and businessman, joined the Hawthorn Football Club board in 2003, was President from 2012 to 2015 and currently sits on the AFL Commission.

Peter Ritchie, AO

was appointed as a Director to the Board in August 2015. Currently the Chairman of Reverse Corp Limited, Peter was the first employee of McDonald's Australia and the first employee of the McDonald's system outside North America.

Ken Richards

completed his first term in November 2017 and did not seek re-election.

Carmel Smith

completed her second term in November 2017.

Jill Spargo

was re-elected to the Board in November 2015. Jill is a general medical practitioner based in Melbourne and has been a board member of Women's Golf Victoria and Golf Victoria.

Malcolm Speed, AO

completed his final year as an appointed director in December 2017.

Committees

Handicapping & Rules Policy Committee

John Hopkins (Chairman)
Chris Allen
Peter Castrisos
Robert Crosby
Trevor Herden
Simon Magdulski
Stephen Pitt
Jill Spargo

Audit & Risk Committee

Robert Crosby (Chairman)
Sarah Chia
John Davies

Nominations Committee

Kevin Chandler (Independent Chairman)
Peter Castrisos
Peter Mitchell
Michael Sammells

Golf Australia Council Delegates

- Golf New South Wales**
Gemma Dooley, Peter Mitchell, John Robinson
- Golf Queensland**
David Brett, Matthew Toomey
- Golf Victoria**
Alison McCaig, Peter Nash, Stephen Spargo
- Golf South Australia**
John Norman, Tony Timmins
- Golf Tasmania**
Tony Bush
- Golf Western Australia**
Gemma Felton, Greg Higham
- Golf Northern Territory**
Jason De Araujo

Life Members

Patricia M. Bridges OBE

Golf Australia Staff

| | |
|---------------------------|--|
| Stephen Pitt | Chief Executive Officer |
| Martin Blake | Senior Writer |
| Kent Boorman | Commercial Director |
| Danny Bowerin | Marketing Director |
| Vicki Bridge | Administration Manager – NT |
| Serrin Bertino | Female Participation Co-ordinator |
| Matt Cutler | High Performance Manager |
| Ravin DuPlessis | State Manager – NT |
| Stuart Eaton | Golf Operations Manager – Tasmania |
| David Gallichio | Participation Manager |
| Christian Hamilton | National Inclusion Manager |
| Nina Hancox | Accountant |
| Mark Hayes | Media Manager |
| Trevor Herden | Director – Championships |
| Shaun Hickman | National School Golf Co-ordinator |
| Rosemary Interrigi | Receptionist & Administration Assistant |
| Brad James | High Performance Director |
| Gerard Kennedy | Chief Financial Officer & Company Secretary |
| Chyloe Kurdas | National Female Participation Manager |
| Fiona Leggett | Administration Assistant |
| Simon Magdulski | Director – Rules & Handicapping |
| Therese Magdulski | Manager – Championships Planning |
| Vikkie McCourt | Executive Assistant & Office Manager |
| Stacey Peters | Female National Pathway Manager |
| Emma Phillips | Participation Co-ordinator |
| Adam Power | Manager – Handicapping & Championships |
| Chris Schwen | Event Manager – ISPS Handa Women's Australian Open |
| John Sutherland | Head of Media & Digital |
| Paul Vardy | Clubs & Facilities Support Manager |
| Cameron Vincent | Manager – Championships & Rules |
| Cameron Wade | Director – Golf Development |
| Simon Weston | Golf Development Manager – Tasmania |
| Deanna Yong | Senior Accountant |

Gita Karwal left the organisation during the period.

Chairman’s Report

The push to unify golf in Australia took a significant step forward in 2017/18 with five states agreeing to participate in the One Golf strategy and join with Golf Australia. The boards of Golf Tasmania, Golf Northern Territory, Golf Queensland, Golf South Australia and Golf Victoria all agreed to support the move to the One Golf structure and all five states have now engaged in the implementation to the new structure.

The board believes the new structure will create significant efficiencies, much better alignment and better services to clubs and golfers around the country. GA remains committed to seeing all states coming together under this new structure. In addition to One Golf, the PGA and GA continue to explore ways to work more closely together and there is a strong vision to streamline the administration of golf in this country with an aim of bringing all bodies together.

The Emirates Australian Open in November 2017 was an excellent event and we were proud to see a very talented young Australian player have his name etched on the Stonehaven Cup. It was a gripping final day and exciting to watch Cameron Davis come home over the top of such a talented field. The Australian GC was, as always, an outstanding venue for the championship and proved itself to be a challenging and interesting test for the field. I'd especially like to pass on our thanks to everyone who supported the championship, in particular Emirates, the NSW Government, the Seven Network and our commercial partner Lagardere.

In February it was Kooyonga GC's turn to host the ISPS Handa Women's Australian Open and it was another case of a young player who claimed the title with a barnstorming finish on the final day. Jin Young Ko played superbly throughout the week and was a sensational winner. We expect to see great things from this talented woman in the years to come. ISPS Handa were again a fantastic title sponsor and I'd like to thank them along with the SA Govt and the ABC for their valued support.

We are really excited about the future of elite golf in this country and it's been very pleasing to see the performance of so many young emerging players. In particular, Minjee Lee, Su Oh, Hannah Green, Karis Davison, Cam Smith, Curtis Luck, Cam Davis and Lucas Herbert have all had really exciting years where their golf has developed significantly.

I would like to sincerely thank my fellow directors for the contribution they have made to Australian golf over the past 12 months – they are all dedicated and directors who have put the sport before personal interest at all times. I'd particularly like to recognise retiring directors Jill Spargo and Bob Crosby for their service to Australian golf and wish them all the best. Jill has been a terrific contributor to the board in a number of areas, especially Vision 2025 and Bob has been a wonderful director and has played an important role in the financial aspects of GA and technical aspects of the game. Both have given many years of service to golf administration and their contribution has been important and is appreciated.

On behalf of the Board and all golfers in Australia I'd like to thank the Golf Australia staff so ably led by CEO Stephen Pitt, for their ongoing commitment to golf in this country. We have a dedicated, passionate and expert team who have shown great loyalty to the organisation and the game in this country.



**John Hopkins, OAM
Chairman**

Chief Executive Officer’s Report

It has been an exciting year for golf in this country with some significant projects taking hold. Most prominently the progress of One Golf has been pleasing, but beyond that the launch and establishment of Vision 2025 and the great growth of MYGolf have been really important achievements that hopefully will positively impact the long-term strength of golf for years to come.

Vision 2025 has been a really uplifting focus for our organisation and I firmly believe golf can be fundamentally strengthened by being a more accessible and attractive product for women and girls. Our sport's ability to provide more family orientated facilities that allow more people to enjoy golf in this time compacted world is critical. We have been delighted to add Chyloe Kurdas and Stacey Peters to our staff in the roles of Female Participation Manager and Female High Performance Manager respectively.

MYGolf has had a stellar year and we have been really pleased with the Junior JV we have in place with PGA. Registrations in MYGolf soared from 9,674 to 16,837 this year and this is a great outcome for the future of the game. Our work in schools around Australia has been successful and we were very pleased to see golf move into the top 10 sports in the ASC's Sporting Schools program.

It is also a demonstration of what golf can do when organisations work cooperatively for the good of the game, which of course is the premise behind One Golf. This year Queensland, Northern Territory, South Australia, Tasmania and Victoria joined with Golf Australia and staff are now all employed centrally. Sport in Australia is set to be revolutionised and it is wonderful to see golf in most jurisdictions around the country in the leading pack, not bringing up the rear as has been the case previously. Obviously, much hard work remains to make our sport totally unified, but we are up for the challenge and I would like to acknowledge the tremendous work that our CFO Gerard Kennedy has done to get us this far.

Financially, GA recorded a loss of \$148,614, which was not unexpected given several areas of investment that needed to be made during the year. The current year will contain more uncertainty than in past years with the move to the One Golf structure with five states, however, we are confident of being able to re-establish a plan of recording moderate surpluses to increase the organisation's equity position in the near future and significantly increasing our investment into growing the game.

We have had a very positive period commercially and I see this trend continuing as we get better databases, have greater alignment and can offer our sponsors even more compelling reasons to partner with us. Our Commercial Director Kent Boorman has done a terrific job of building new partnerships and ensuring we have great longevity with our existing partners.

I'd like to recognise the support of the Australian Sports Commission (ASC) for their financial support and also for the advice and expertise they have provided along the way, particularly in relation to the ongoing One Golf process.

I would also like to acknowledge the support of our great benefactors John and Jill Kinghorn and Paul Taylor and to our entire sponsor family headed by ISPS Handa and Emirates, the naming rights sponsors of our Australian Opens. Our commercial partnership with Lagardere in relation to the Emirates Australian Open has been extremely beneficial and has helped the event grow in stature in the last decade. We have also been very fortunate to have established a long term and successful partnership with the SA Government in regard to the ISPS Handa Women's Australian Open and the NSW Government in relation to the Emirates Australian Open.

I would like to pass on my personal thanks to the Board of Golf Australia, who have collectively provided great support to myself and the staff along with terrific stability and vision for golf in this country. I'd like to recognise and thank retiring directors Jill Spargo and Bob Crosby for their service. Finally and most importantly I'd like to thank GA Chairman John Hopkins OAM who has contributed so much to Australian golf over an extraordinary long period of time.

It has, once again, been an absolute pleasure to come to work each day with my fellow staff members at GA. I can't thank them enough for their contribution to the game and the enormous amount of themselves they have given to help make golf stronger and more successful in this country.



**Stephen Pitt
Chief Executive Officer**

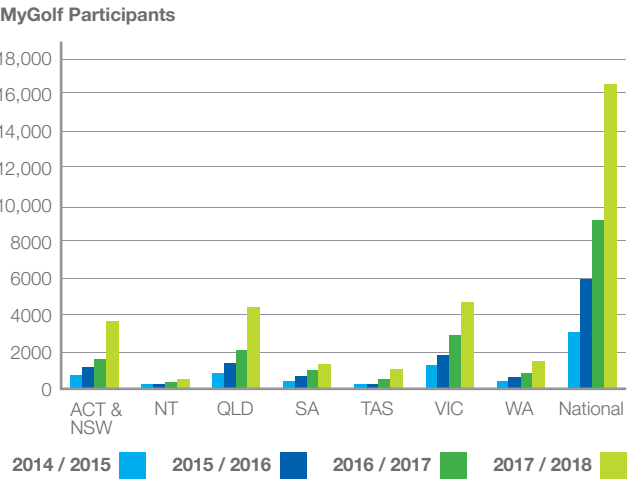
Review of Operations

Golf Development



The MyGolf program had a fantastic 2017/18, with 16,837 registered participants against a target of 14,200 nationally, eclipsing the overall target by 18.57%. Victoria, Tasmania, South Australia, Queensland, New South Wales/ACT and Western Australia all recorded strong growth and passed their end of year targets.

With over 700 registered centres across Australia and 395 active centres during 2017/18, the program continues to grow across the country and create a wide footprint for our marketing efforts to customers.



A highlight for the year was reaching the milestone of 15,000 participants for the first time. Josie Laurie, an eight-year-old golfer from the Sandhurst Club in Melbourne's south-east, was the 15,000th MyGolf participant in 2017-18 and, to celebrate, she invited her fellow Sandhurst Club MyGolfers and friends to her the ultimate MyGolf party.

We believe there is still substantial room for growth in the MyGolf program, with a target of 20,600 participants set in 2018/19 and our stated aim of reaching 30,000 participants by June 30, 2021.

2018/19's highest priority will be to increase the percentage of female participants within the MyGolf program. Our aim is for females to make up no less than 25% of all registered participants across the country, an increase from 21.9% in 2016/17.

The MyGolf presents campaign continued to act as the bedrock of our marketing efforts nationally, with content pieces created each Term to lead our campaigns over the course of the year.





In the first year of the MyGolf Junior League 9-hole teams event we had 50 teams participate in 8 leagues spread across Queensland, Victoria, South Australia, New South Wales and Western Australia.

The objective of the MyGolf Junior League is to provide a pathway that further engages participants from learning the skills of the game to transitioning to on-course play in a fun and relaxed team's competition.

The MyGolf Junior League will continue to be rolled out across the country during 2018/19.



The MyGolf Schools Program has continued to grow and play a significant role within Sport Australia's Sporting Schools Program. Golf has been consistently ranked among the top 10 requested sports with school requests and program deliveries growing steadily over the last year.

The past 12 months saw the development and inclusion of Golf Australia's Secondary School program within Sporting Schools and offered to secondary schools across the country. The program has been well received and has managed to engage a group of typically disengaged secondary school students to begin playing sport through golf.

There was a total of 563 programs delivered to 14,583 participants in the primary school program across 2017/18 and 40 programs to 800 students within the secondary school program for Terms 1 and 2.

The focus of 2018/19 will be:

- Pilot distribution of discount voucher program in Western Australia and Tasmania focused on transitioning students from a Sporting Schools program to a MyGolf Club program.
- Develop new "in class" curriculum activities for teachers to deliver to students with golf as a core focus
- Continue to work closely with state/territory branches and associations to build strong relationships with state school sport units to support the creation and delivery of mass participation focused events at regional level
- Create a Golf Australia branded and delivered National Under 15 Championships



Since its launch in 2015/16 the MyGolf School Ambassador program has played a significant role in forming greater connections with teachers within schools across Australia. The program aims to resource, reward and recognise teachers for delivering and promoting MyGolf in their local school community.

As at June 30, 2018 there were 1,250 registered teachers nationally. Over the next 12 months the focus will be to continue to engage with these teachers through a range of initiatives that include:

- Professional Development sessions offered in each state/territory
- National and state/territory Ambassador of the year awards
- Opportunities to attend golf tournaments and special events
- Continued rewards for delivery of MyGolf programs
- Regular communications and e-newsletter updates



Vision 2025

Golf Australia’s ‘Vision 2025: the future of women and girls in golf’ is the culmination of two years of exploration and strategy development across the global golf community and coincided with the development of the R&A’s Women in Golf Charter that will see resources invested into women’s golf across England, Ireland Scotland, Wales and Australia.

Vision 2025 is a seven-year strategy, which intends to engage women and girls across the golfing community and industry. It is guided by an interorganisational Steering Group comprised of the following:

- **Jill Spargo** (Chair) Golf Australia, Board Member
- **Stephen Pitt** Golf Australia, CEO
- **Cameron Wade** Golf Australia, Senior Manager – Special Projects
- **David Gallichio** Golf Australia, General Manager – Golf Development
- **Chyloe Kurdas** Golf Australia, National Female Participation Manager
- **Stacey Peters** Golf Australia, National Female Pathway Manager
- **Sally Kirkright** Golf NSW, Board Member
- **Karrie Webb** ALPG Member
- **Karen Lunn** ALPG, CEO
- **Gavin Kirkman** PGA, CEO
- **Jim Cail** Golf Management Australia, Executive Officer
- **Dana Assenheim** Sport Australia, Director, Sport Workforce Advisory
- **Rachel Piastrri** Stretch Forward, Consultant

Golf Australia made two key appointments as part of the Vision 2025 strategy’s deliverables. Former international professional player, Stacey Peters is leading a specific female high performance strategy as Golf Australia’s Female Pathways Manager, whilst Chyloe Kurdas was recruited into the National Female Participation Manager role to oversee the roll out of the strategy across Australia.

Chyloe Kurdas attended a four day planning and strategy development meeting at the R&A in April, and then represented Golf Australia at the R&A Women in Golf Charter launch in London in May.

The implementation of the Vision 2025 strategy will see all Golf Australia staff develop their own individual action plans, ensuring that all staff have ownership over the strategy and its intentions, whilst stakeholders are being encouraged to develop their own Vision 2025 organisational action plans.

Golf Australia’s Vision 2025 strategy includes objectives and deliverables across the following four key pillars to improve the engagement of women and girls in the game:

- Culture & Leadership
- Grassroots
- High Performance & Coaching
- Marketing & Positioning.

Key Vision 2025 deliverables set during 2018/19 include:

Culture & leadership

- Development & implementation of GA Diversity & Inclusion Framework
- Development & implementation of gender balance HR strategy
- Investment in female staff: women’s workforce development program; external PD opportunities; mentorships
- Introduce female specific awards: media, MyGolf, School Ambassadors
- Development of AHRC EO Guidelines & club education strategy

Grassroots

- Development of Australian Golf Pathway, integrating a female teenage community golf pilot program
- Research female friendly facilities: profile traits, diverse needs, benefits, strategy
- Development of a suggested GA Membership Framework

High performance & coaching

- Evaluation: Female HP initiatives to build learning
- Female HP camps
- Identify, develop, pipeline: emerging female coaches
- Review events: access, field sizes, language, opportunities

Marketing & positioning

- Develop & implement Influencer Strategy
- Develop & implement GA Marketing & Media Plan incorporating Vision 2025
- Prioritise & strategise: Vision 2025 component in Golf Month

Consistent with the Culture & Leadership pillar, GA CEO Stephen Pitt has joined the Male Champions of Change (Sport) group, supported by Danny Bowerin as GA’ MCC Implementation Lead.

The MCC describes their work as: “Male Champions of Change (MCC) Institute works with influential leaders to redefine men’s role in taking action on gender inequality. It activates peer groups of influential male leaders, supports them to step up beside women, and drives the adoption of actions across private sector and government”. Key MCC actions for GA include:

- conducting Listen & Learn sessions for female staff & women within the golf community;
- participating in MCC workshops;
- collating and communicating key data relating to female staff representation, female friendly workplace policies, and remuneration conditions.



Clubs & Facilities Support

Clubs and facilities support remains a vital service as golf faces many demographic and societal challenges, as do other traditional sports.

Regional Development officers around the country cover large distances to speak with boards, committees and managers about the issues most important to them. The clubs and facilities support portal provides a toolkit of resources to assist in the key aspects of club administration.

Portal Usage

Visits to the portal in 2017/18 increased 7% to 14,138. Queensland recorded a 19% increase and Victoria an 18% increase. News articles and new resources continue to populate the portal, often in response to feedback from clubs.

Club Health Checks

A total of 154 Club Health Checks were completed nationally by clubs in 2017/18, taking the total to 802 completed since the launch of club support in October 2014. Golf Australia has contributed to a new tool in development by Sport Australia. The eventual launch of the new tool will provide a reason for many clubs to re-engage with the tool to help their performance. Additionally, Sport Australia is investigating the update of the existing Club Health Check tool during 2018/19.

| Measure | ACT & NSW | VIC | QLD | SA | WA | TAS | NT | National |
|------------------------------------|-----------|-------|-------|-------|-------|-----|----|----------|
| Club Health Checks | | | | | | | | |
| 2017/18 | 12 | 68 | 24 | 3 | 19 | 34 | 3 | 154 |
| 2016/17 | 14 | 124 | 24 | 3 | 12 | 34 | 5 | 213 |
| Portal Visit Sessions | | | | | | | | |
| 2017/18 | 3,968 | 5,224 | 2,077 | 1,015 | 1,529 | 252 | 73 | 14,138 |
| 2016/17 | 3,949 | 4,423 | 2,019 | 850 | 1,630 | 300 | 49 | 13,220 |
| E-Learning Governance Fundamentals | | | | | | | | |
| 2017/18 | 31 | 43 | 24 | 32 | 22 | 6 | 0 | 158 |

E-Learning for Clubs

The e-learning module “Governance Fundamentals” generated 143 registrations in 2017/18. The short course received excellent feedback from participants and continues to receive significant promotion with the assistance of Golf Management Australia (GMA). Designed for boards, committees and managers, the e-learning tool is supported by a range of governance resources that are available for easy download on the portal.

Business Management Institute – BMI

GA, in collaboration with GMA and the Club Managers Association of America (CMAA) has been developing the BMI – Club Management five-day course for club managers. The course is the first in a series of BMI modules to be delivered in Australia and which can lead to a Certified Club Manager (CCM) accreditation. The BMI Club Management will be delivered in Melbourne and Sydney in October 2018 and use expert university facilitators in sport management and finance, as well as club management.

Inclusion

Golf Australia in collaboration with the PGA of Australia continues to make the game of golf more inclusive, with its focus on disability inclusion. The continued growth of the PGA All Abilities Coach is having a large impact, with participation through this program increasing by 40%.

Leadership and Governance

Golf Australia has played a leading role as a National Sporting Organisation (NSO) to support the development of the game of golf for people living with Disability.

In the reporting year, Golf Australia has been involved in;

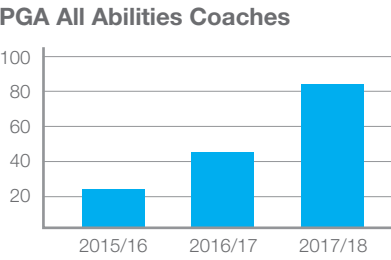
- R&A Symposium on Disabled Golf – Presenter
- European Disabled Golf Association Development Committee – Member
- International Golf Federation (IGF) Disabled Golf Committee – Member
- IGF Paralympic Application Working Group – Member

Education & Workforce Development

Re-branding of the PGA Blind and Disabled Coach Accreditation to – PGA All Abilities Coach

In turning the PGA Blind and Disabled Coach Accreditation to a consumer facing brand, work was completed in successfully re-branding the accreditation to the PGA All Abilities Coach. This has resulted in the National Disability Insurance Scheme (NDIS) recognising this professional workforce as service providers under the scheme with 40% of the current PGA All Abilities Coaches recognised service providers to the NDIS. This has resulted in funding to participants for assistive equipment.

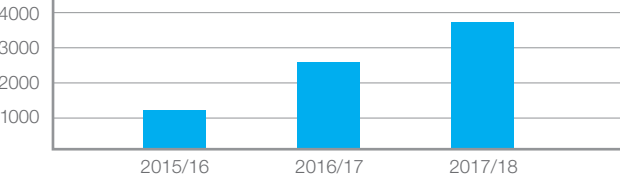
The PGA All Abilities Coach program continues to double annually from 48 in 2016/17 to 86 in 2017/18.



Participation

Golf Australia continues to develop playing opportunities for people with a disability through the Rankings for Golfers with a Disability (R4GD). The tournament schedule has grown to 18 through National, State Disability Golf Associations and state bodies. The inclusion of the Victorian Inclusive Golf Championship has been a highlight with Rosanna GC member Bill Bussau winning the inaugural Championship.

Participants – PGA All Abilities Coaches



As the PGA All Abilities Coach program continues to build capacity, the reporting year saw growth in line with PGA All Abilities Coaches. Participants in programs delivered continues a strong trajectory up from 2,664 in 2017/17 to 3,743 in 2017/18 (+40%).

Partnerships

GA would like to thank national disability golf associations Blind Golf Australia, Deaf Golf Australia, Special Olympics Australia, Amputee Golf Australia and Empower Golf Australia for their continued support and development of the game for golfers with a disability.



Competition Rounds

In the 2017/18 year 10.47million competition rounds were recorded by GOLF Link across Australia, an increase of 3% over 2016/17. In taking over the commercial rights to GOLF Link in April 2017, Golf Australia has developed accurate and timely reporting data on competition rounds. Rounds may now be analysed by state, district, club, player, age, gender, month, handicap and whether nine or 18 holes are being played.

Whilst weather has an impact on rounds played at a local and regional level, total round results tend to balance out over the course of a year. The exception to this is a heat wave which appears to have significantly impacted the first quarter of 2017 in NSW.

In 2017/18 there was an increase in rounds across all States /Territories except Queensland.

| State/ Territory | Year End 30/6/2018 | Year End 30/6/2017 | % Change |
|---------------------|-----------------------|-----------------------|----------|
| ACT & NSW | 4,087,958 | 3,817,751 | 7.1% |
| VIC | 2,568,880 | 2,547,016 | 0.9% |
| QLD | 1,796,484 | 1,809,086 | -0.7% |
| WA | 956,471 | 955,762 | 0.1% |
| SA | 743,951 | 734,770 | 1.2% |
| TAS | 273,342 | 263,315 | 3.8% |
| NT | 41,175 | 39,977 | 3.0% |
| Total | 10,468,261 | 10,167,677 | 3.0% |



Club Membership

There were 389,672 affiliated playing members in 2017/18. Nationally, affiliated member numbers declined by 4,574 or 1.2% with South Australia the only State/Territory to increase numbers, by 918 or 3.4%.

Key Membership Insights

- NSW/ACT and Victoria make up 65% of all members and declined by 1.3% and 1.8% respectively.
- Regional clubs account for 55.6% of members, metropolitan 38.7% and social 5.7%.
- Regional clubs declined 1.5% and metropolitan clubs declined 1.1%.
- Social club members rose as regional and metropolitan club members declined. There are now 22,288 social club members, up from 17,764 in 2013.
- The average size of a metropolitan club is 735 members, regional club 196 members and social club 67 members
- Of 1,335 course-based clubs, 888 (or 66%) have less than 250 members.
- The participation rate of members as a percentage of population is 1.6% with 2.2% in regional areas and 1.0% in metropolitan areas.
- 80% of members are male and 20% female.
- The average age of male members is 56 years and female members is 64 years.

The following table illustrates the total number of affiliated club members by State/Territory.

| State/ Territory | Year End 30/6/2018 | Year End 30/6/2017 | % Change |
|---------------------|-----------------------|-----------------------|----------|
| ACT & NSW | 144,261 | 146,174 | -1.3% |
| VIC | 109,280 | 111,485 | -2.0% |
| QLD | 63,784 | 63,754 | 0.0% |
| WA | 32,347 | 33,198 | -2.6% |
| SA | 27,652 | 26,734 | 3.4% |
| TAS | 10,311 | 10,729 | -3.9% |
| NT | 2,037 | 2,172 | -6.2% |
| Total | 389,672 | 394,246 | -1.2% |

Championships

Golf Australia’s national championships continued to receive great support from players and supporters and showcased Australia’s and some of the world’s best amateur golfers.

The Australian Amateur Championships presented by Swinging Skirts has never before had a winner from Japan, however both the men’s and women’s 2018 events were won by the Japanese.

Played at Lake Karrinyup Country Club and Wanneroo Golf Club in Western Australia, the field yet again had a star cast with players from the England, Canada and Japan national teams, as well as Australia’s finest.

The Australian Men’s Amateur trophy was won by Keita Nakajima who defeated David Micheluzzi (Vic). Nakajima made six birdies in his morning round, then another four in the afternoon to keep every challenge at bay, eventually winning 4&3.

Japan’s Suzuka Yamaguchi won the Women’s Amateur, defeating 2016 Australian Amateur runner up A-Yeon Cho 6&5. Yamaguchi was 12 under par through the final’s 31 holes, rolling in two eagles and 10 birdies in a display belying her tender 17 years.

The Australian Girls’ Amateur was played at Royal Perth Golf Club. WA’s Maddison Hinson-Tolchard claimed victory after an astonishing run of six straight birdies during round three to set up the three-stroke victory from 2017 champion Grace Kim (NSW).

The Australian Boys’ Amateur title was played at nearby Gosnells Golf Club in Perth, with WA claiming that title also, courtesy of Connor Fewkes. The Kalgoorlie left-hander’s five under par sealed victory by two strokes from Jordan Jung (WA).

The Australian Junior Interstate Teams Matches followed the junior amateur championships with the WA girls’ team of Eve Cohen, Maddison Hinson-Tolchard, Yeah-Jin Lee, Kathryn Norris, Kirsten Rudgeley and Abbie Teasdale claiming the Burtta Cheney Cup for the first time in 13 years.

In the Boys’ Series played at Hartfield Golf Club, Western Australia was hoping to claim all four junior titles in the one year, however the Queensland boys’ team of Louis Dobbelaar, Tyler Duncan, Lewis Hoath, Elvis Smylie, Ryan Stitt and Mitchell Varley prevailed in a dramatic final day. NSW claimed second place, with WA third.

The Australian Interstate Teams Matches were played in Adelaide at Glenelg Golf Club (women) and The Grange Golf Club – East Course (men). The Gladys Hay Memorial Cup for the women’s championship was won by New South Wales, who was relentless in getting the better of Western Australia with a 4-2 win in the final. The team included Kelsey Bennett, Doey Choi, Amy Chu, Darcy Habgood, Stephanie Kyricou and Sophie Yip.

Victoria claimed the men’s title for the second consecutive year. Although Victoria and Queensland finished tied four-all in the final, Victoria was granted the title based on their first position after the round robin matches. The team consisted of Darcy Brereton, Blake Collyer, William Heffernan, Kyle Michel, Lukas Michel, David Micheluzzi, Zach Murray and Matias Sanchez.

2017 saw Australia host the Asia-Pacific Golf Confederation Senior Men’s Amateur Championship at Royal Adelaide Golf Club. With 120 competitors from around the world taking part, New Zealand’s Brent Paterson won by a nine-stroke margin over the 54-holes. Victoria’s Kym Olsen placed second and NSW’s Stefan Albinski third. The Australian team of Gordon Claney (Vic), John Davey (SA), Ian Frost (Vic), Kym Olsen (Vic), Greg Rhodes (Vic) and Steve Toyne (Qld) won the team event.

Over 100 women contested the Australian Women’s Senior Amateur played on Queensland’s Sunshine Coast at Maroochy River Golf Club, with Robyn Boniface from New Zealand claiming her first Australian women’s senior title, defeating two-time champion Robyn Puckett (Qld) 2&1 in the final.



The Australian Men’s Senior Amateur was played at Royal Hobart Golf Club with Victorian Greg Rhodes adding to his 2015 title, with a three-stroke victory over New Zealand’s Michael Barltrop.

The Mid Amateur Championships for players aged 30-54 years were played at Links Lady Bay Resort in South Australia, with a record field of just under 100 players taking part. NSW’s Louise Mullard won the women’s event, while 2015 champion Mark Boulton (Vic) took out the men’s title.





The Australian Amateur Ranking System continues to provide great interest to over 3,500 players who contested GA OOM events. Congratulations are extended to Minwoo Lee (WA) and Hye-Jin Choi (Korea) for winning the 2017 Men’s and Women’s Rankings, Joshua Armstrong (NSW) and Hye-Jin Choi (Korea) for taking out the Junior Rankings, and Greg Rhodes (Vic) and Kim Burke (NSW) for topping the Senior Rankings.

Golf Australia thanks all host clubs over the last 12 months who have kindly given up their courses to support our National Championships. We are also thankful to the many volunteers who assisted in making the events so memorable for all competitors.



2017/2018 National Championships Winners

| Date | Championship | Venue | Winner |
|---|--|---|--|
|  10 – 12 October 2017 |  Australian Men's Senior Amateur Championship |  Royal Hobart Golf Club, Tas |  Greg Rhodes (Vic) |
| 23 – 27 October 2017 | Australian Women's Senior Amateur | Maroochy River Golf Club, Qld | Robyn Boniface (NZL) |
| 8 – 10 November 2017 | Australian Women's Mid Amateur | Links Lady Bay Resort, SA | Louise Mullard (NSW) |
| 8 – 10 November 2017 | Australian Men's Mid Amateur | Links Lady Bay Resort, SA | Mark Boulton (Vic) |
| 23 – 26 November 2017 | Emirates Australian Open | The Australian Golf Club, NSW | Cameron Davis (NSW) |
| 16 – 21 January 2018 | Australian Men's Amateur presented by Swinging Skirts | Lake Karrinyup Country Club & Wanneroo Golf Club, WA | Keita Nakajima (JPN) |
| 16 – 21 January 2018 | Australian Women's Amateur presented by Swinging Skirts | Lake Karrinyup Country Club & Wanneroo Golf Club, WA | Suzuka Yamaguchi (JPN) |

| Date | Championship | Venue | Winner |
|--|--|--|---|
|  15 – 18 February 2018 |  ISPS Handa Women's Australian Open |  Kooyonga Golf Club, SA |  Jin Young Ko (KOR) |
| 11 – 13 April 2018 | Australian Girls' Amateur | Royal Perth Golf Club, WA | Maddison Hinson-Tolchard (WA) |
| 11 – 13 April 2018 | Australian Boys' Amateur | Gosnells Golf Club, WA | Connor Fewkes (WA) |
| 15 – 17 April 2018 | Australian Girls' Interstate Teams Matches | Royal Perth Golf Club, WA | Western Australia |
| 16 – 19 April 2018 | Australian Boys' Interstate Teams Matches | Hartfield Golf Club, WA | Queensland |
| 8 – 10 May 2018 | Australian Women's Interstate Teams Matches | Glenelg Golf Club, SA | New South Wales |
| 8 – 11 May 2018 | Australian Men's Interstate Teams Matches | The Grange Golf Club (East Course), SA | Victoria |

Emirates Australian Open

Australia's oldest and most prestigious golf championship, the Emirates Australian Open, provided another stunning week for the Australian golf and sporting community in 2017 with a memorable finish.

The 102nd edition of the national championship attracted many past champions from around the world – Australia's global players again supported our national Open, as did former world No.1 Jordan Spieth for the fourth year in succession.

Cameron Davis lived the dream for four and a half hours at The Australian Golf Club, claiming his first title as an Emirates Australian Open champion.

Davis, the 22-year-old Sydney player who was enduring had a difficult first year as a professional, bolted around the layout in just 64, the lowest round of the day by three shots, to post 11-under, closing it with a birdie from close range at the 18th hole.

He then waited on the practice range as a string of players behind him tried to match his score. Another Sydneysider, Matt Jones, had a long eagle putt at the last to force a playoff, but burned the hole and was left a shot away.



But the closest was Sweden's Jonas Blixt, who hit his third shot at the par-five 18th to the fringe of the green, just four metres beyond the cup with a chance to force a playoff. But with a huge crowd at the amphitheatre of the 18th green behind him, Blixt left his birdie roll a few centimetres short, and had to settle for tied-second with Jones.

Queenslander Cameron Smith at nine-under also had threatened to win midway through his final round before faltering, and he finished fourth, just ahead of Jason Day, who played a faltering final round of 73, two-over par, that will sting him for a while.

The championship was broadcast live and exclusively on the Seven Network and generated extremely strong ratings over the four days. The event performed very well and secured excellent support from domestic and international media.

We also continued to attract an extraordinary number of dedicated volunteers from around Sydney and beyond who offered their time again to support Australia's major golf championship.

Golf Australia is very fortunate to have a terrific event partner in Lagardere.

The tournament was again sanctioned by the Australasian Tour and was the first in the global series of International Qualifying events for the Open Championship.

In the first of the "Open Qualifying Series", Blixt and Jones, the two men behind the world number 1494 joined Davis in planning a trip to the 147th Open Championship at Carnoustie in Scotland in July this year.

The Australian Golf Club, with its long history in the championship, provided an extremely well-conditioned and demanding championship golf course.

We acknowledge and thank Destination NSW, the NSW Government, title sponsor Emirates and all our corporate partners for their tremendous support of the Australian Open and we look forward to a continued association.

ISPS Handa Women's Australian Open



The ISPS HANDA Women's Australian Open was again one of the highlights for women's golf in the Asia-Pacific region and was co-sanctioned by the LPGA Tour and ALPG Tour.

For the third year in succession, the tournament returned to South Australia and for the first time ever, the event was played at the world renowned Kooyonga Golf Club.

Record crowds flocked all week as Adelaide fully supported the tournament, which again attracted an outstanding international field.

Brilliant Korean Jin Young Ko was the one to dominate the ISPS Handa Women's Australian Open with a wire-to-wire victory in her first start as a member of the LPGA Tour, a feat not achieved in the previous 67 years and only once before.

Ko won by three shots when she rolled in a short par putt at the last hole, with Kooyonga's 18th green surrounded by thousands of spectators.

Her compatriot Hye-Jin Choi was the closest chaser, jumping out of the pack to move within two shots at the turn until a nerveless birdie on the 17th from Ko sealed the deal.

Perth's Hannah Green secured the best finish of her short LPGA Tour life, and her best result in her national Open, finishing third.

Capping a promising week for the homegrown talent, fellow Aussies Katherine Kirk and Minjee Lee also had their moments, Kirk starting out with an eight-shot deficit, playing loose and shooting the day's low round, a 65. Yuri Yoshida of Japan was the leading amateur at even par.

Golf Australia's strong relationship with the LPGA continues to provide our Open with the world's highest-ranked players, competing in one of the LPGA's season-opening events that ensures it is given prominence on the global stage.

Kooyonga Golf Club was superbly presented, and tournament partners were delighted with more than 15 hours of live television coverage broadcast across the LPGA's global TV platform and the ABC domestically.

The ongoing success and growth of this event remains possible through our major partnership with and generous support from naming rights sponsor International Sports Promotion Society (ISPS) and Dr Haruhisa Handa.

We are also appreciative of the ongoing commitment to the championship from the LPGA Tour and the wonderful support from all tournament partners and sponsors.

The championship continued its successful relationship with the ABC as host TV broadcaster and media coverage nationally and internationally was exceptional, particularly in Asia and North America.

The overwhelming level of support and enthusiasm from our large group of dedicated volunteers contributed significantly to the delivery of such a successful championship.

We owe our thanks to the South Australian Government, Kooyonga Golf Club and volunteer co-ordinator Zoe Dolling for her management of volunteers and other key support groups.

Our major women's championship continues to grow each year and we look forward to working with all our partners towards another successful championship in 2019 when we move to nearby The Grange Golf Club.



High Performance

Strong performances for Australian athletes were achieved over the 2017/18 year in both the amateur and professional ranks. The most notable results being Cameron Davis’ victory at the Emirates Australian Open and Hannah Green finishing 3rd at the ISPS Handa Women’s Australian Open. Both athletes are current Rookie Scholarship holders and have come through Golf Australia’s high-performance pathway as amateurs.

An inclusion to the international amateur calendar in 2017 was the inaugural Junior Presidents Cup with three Australians, Fred Lee (WA), Joshua Armstrong (NSW) and Karl Villips (WA) selected to represent the international team.

There has been a continued strategic focus to reward benchmark athletes and to provide domestic and international playing opportunities to targeted athletes which supports accelerated development. Some key Australian representative and individual international performances include:

- **Cameron Davis** – 1st Men’s Australian Open
- **Cameron Davis** – 1st Nashville Golf Open (Web.com Tour)
- **Travis Smyth** – 1st Northern Territory PGA
- **Hannah Green** – 1st Murphy USA El Dorado Shootout (Symetra Tour)
- **Adam Thorp** – 1st IMG Junior World Championship
- **Asia-Pacific Junior Championship** – 2nd
- **Karis Davidson** – 2nd Victorian Open (LET)
- **Hannah Green** – 3rd Victorian Open (LET)
- **Lucas Herbert** – 3rd World Super 6 Perth (European Tour)
- **Lucas Herbert** – 3rd Sicilian Open (European Tour)
- **Nomura Cup** – 3rd
- **Hannah Green** – 3rd Women’s Australian Open (LPGA)
- **Min Woo Lee** – 3rd Asia Pacific Amateur Championship
- **Queen Sirikit Cup** – 7th

Winners of the Australian Amateur Championships were:

- **Australian Men’s Amateur**
– Keita Nakajima (Japan)
- **Australian Women’s Amateur**
– Suzuka Yamaguchi (Japan)
- **Australian Boys Amateur**
– Connor Fewkes (WA)
- **Australian Girls Amateur**
– Maddison Hinson-Tolchard (WA)

The winners of the Karrie Webb Series were Grace Kim (NSW) and Rebecca Kay (QLD). Karrie Webb’s ongoing support of this initiative is an invaluable development opportunity for the Series’ winners and Golf Australia thanks Karrie Webb for her significant contribution back to golf in Australia.

The recipient of the Cameron Smith Scholarship was Jediah Morgan (QLD) for his noticeable results and positive demeanour as selected by Cameron Smith. Smith’s give back attitude is to be commended and applauded, with further development opportunities for aspiring professional athletes on the horizon.

The Rookie Scholarship program again played a large role in assisting our emerging professional athletes find their feet in the tough environment as they progress on the long journey towards becoming top 100 world ranked athletes and major / Olympic winners. Nine athletes were provided scholarships – Brett Coletta, Cameron Davis, Karis Davidson, Hannah Green, Lucas Herbert, Su Oh, Ryan Ruffels, Todd Sinnott and Travis Smyth.

Davis, Green and Smyth all recorded wins on professional tours with many other strong performances from other Rookie athletes across world tours. Green reached and maintained her position as a top 100 world ranked player with Davis, Herbert and Davidson all tracking well ahead of benchmarked timeframes to also reach this milestone.

The One Golf project is soon to take effect and will have a positive impact on driving consistent high-performance strategic priorities throughout the country.

Golf Australia thanks Sport Australia, Acushnet Golf (Titleist/ Footjoy) and John and Jill Kinghorn for their tremendous support of elite golf in Australia.

Commercial

The overall commercial revenue for the period increased to \$3.013m from \$2.492m in 2017/18. Year on year income grew by over 20% which follows on from an 8% increase in 16/17, and a 24% increase on the prior year.

In 2017/18 was a critical year for the commercial operation of the organisation as several of our major partners were due for renewal during this period. In a true reflection of the hard work done across the business we secured renewals for Host Plus (Major Partner), CCA (Major Partner) and Events South Australia (WAO Host City). Each partner has been a long-term supporter of Golf Australia and Australian golf and we are incredibly fortunate to continue our partnership with these blue-chip organisations.

New business generation was a major focus of the department and we are incredibly proud to welcome a sway of new partners, including JLT, Callaway, Bushnell Golf and the Department of Health. It is an exciting time for the sport, and the participant insight and access we can now deliver our partners is starting to be reflected in the new brands we are attracting to the sport. This will continue to build significant momentum when the One Golf structure is established and functioning in the near future.

Adelaide once again hosted the ISPS Handa Women’s Australian Open in 2018, and this event was the final year of the initial agreement with the Government of South Australia. To the credit of all involved in making the event a success, it was a proud moment to be able to announce the renewal of this partnership for a further 3 years, until the end of 2021. The event continues to deliver millions of dollars into the local South Australian economy and exposes the partnering brands to more than 483m households across the 161 global territories.

The Emirates Australian Open continues to build on its momentum from year to year and remains the most coveted prize on the Australasian PGA Tour. These two events can’t be the success they are without the ongoing support of their respective naming rights partners ISPS Handa and Emirates, and we thank them for their ongoing support.

Golf Australia thanks and proudly acknowledges the significant support it receives from all the organisations within its partnership portfolio, including:



Marketing and communications

Golf Australia’s marketing and communications division strived for more people to encounter, engage with and ultimately play more golf in 2017/18.

Promoting participation programs

Women
The department provided significant input into the strategic direction of Vision 2025. This included an engaging promotional video shot at 13th Beach during the Victorian Open that aired during the Women’s Australian Open. The Vision 2025 launch press conference during that event in Adelaide received wide-scale coverage and acclaim.

My Golf
‘MyGolf Presents...’ - a light-hearted, short-form video content series that brings to life the stories, characters, experiences and fun of MyGolf at clubs, facilities, clinics and championships around Australia for social media marketing purposes – continued as a social media marketing campaign targeting parents of 5–12 year-old kids in the lead-up to each school term driving awareness, engagement and registrations.

Play 9
A content series to promote the inaugural Play 9 competition was created featuring everyday golfers given the chance to compete on the big stage, that being the final of the competition at The Australian Golf Club during the 2017 Australian Open.



Running bespoke marketing initiatives

Golf Month
The campaign continued to grow with more clubs around Australia actively engaged online. More clubs had programs that generated increased local interest, with Tasmania a standout performer with the majority of clubs generating great local engagement, hopefully spawning new membership opportunities.

Amplifying tournaments and events

Marquee events – the Australian Open, Women’s Australian Open and Vic Open – were used to showcase the game with quality live TV streams, live radio, live social media and live blogging to bring the excitement of the events to as many people as possible.

The coverage of the principle amateur events continued to be enhanced on previous years and generated not only mainstream media coverage when stories permitted, but enabled our elite young athletes to build their own media presence and confidence to boot.

Increasing visitation on the GA website

Golf.org.au remained a top-20 sports website in Australia throughout the year, averaging 35,000 unique browsers a day. The push to consolidate websites into a single location continued to simplify the experience for the customer giving them one site to remember for all things golf.

Talking to podcast and radio audiences

Inside The Ropes moved into a partnership with Crocmedia to take advantage of the radio distribution company’s national reach. The show, downloaded in its entirety each week from iTunes, Google podcast etc., is clipped into a neat hour-long format and aired across the country on weekend mornings. This Crocmedia relationship also extended to Golf Australia’s involvement in the first ever live Australian radio call of the Masters from Augusta National.

Finance

The enclosed Annual Financial Report provides full financial disclosure of the year ended June 30 2018.

The final result for 2017/18 was a loss of \$148,614. In the longer-term Golf Australia would like to return to the financial strategy of recording modest surpluses, however the strength of the Golf Australia balance sheet and equity position has provided the flexibility to invest in critical projects such as Vision 2025 and One Golf in 2017/18 and acquiring the GOLF Link commercial rights in 2016/17.

The value of Golf Australia’s commercial offering following the acquisition of the GOLF Link commercial rights was demonstrated by an increase of combined commercial revenues across Australian Opens, Sponsorship and Contra revenue of over 20% to \$3,317,900 from \$2,758,059. This growth was achieved through new or upgraded partnerships with:

- Swinging Skirts
- JLT Insurance Brokers
- Callaway
- Taylor Made
- Bolle Bushnell

Expenditure also grew in 2017/18, particularly employment costs as Golf Australia took important steps in adding the following employee resources to support the Vision 2025 project:

- Chyloe Kuras as National Female Participation Manager
- Stacey Peters as Female National Pathway Manager

Simon Weston and Stuart Eaton also joined Golf Australia in March 2018 as a result of Golf Tasmania entering into a One Golf Services Agreement with Golf Australia. In May 2018 Golf NT also entered into a One Golf Services Agreement with Ravin DuPlessis and Vicki Bride also joining Golf Australia. These employment costs were offset by the increased One Golf services fees Member Revenue.

Looking forward to 2018/19 Golf Australia will continue to grow with Golf SA, Golf Queensland and Golf Victoria enter into One Golf Services Agreements. This is expected to increase Golf Australia’s turnover from \$14,525,937 to over \$30,000,000 and grow staff number to over 90 increasing the capacity of Golf Australia to grow the sport.

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Message from Sport Australia

It has been a watershed year for the Australian Sports Commission. We've launched a new public-facing brand - Sport Australia - with a renewed vision for Australia to be the world's most active sporting nation, known for its integrity, sporting success and world-leading sports industry.

This aligns with the Australian Government's long-term vision for sport in this country, outlined in Sport 2030, released in August 2018 by Minister for Sport Bridget McKenzie. Sport Australia will be central to delivering the priorities outlined in this national sport plan.

At the fundamental level, Sport Australia's focus will be on getting Australians moving through sport and, more broadly, physical activity. We want to inspire and activating people across every age, race, gender, cultural background and physical ability. We will continue to build partnerships in the health and education sectors to ensure physical activity is a national priority.

We need to ensure sporting organisations are equipped to make the most of a renewed interest in physical activity, and so we will continue working with sports to improve the workforce capability, governance and partnerships. We want to help sports innovate, connect with existing and new participants in the digital era and provide products that meet current expectations.

The AIS is redefining its role too, leading a united and collaborative high performance system for Australian sport. Success will be measured by Australians consistently winning medals at major international events, but also in the national pride and inspiration generated by our athletes.

Working in partnerships, the AIS will be focused on doing the big system-level things on the frontiers of ethical sporting performance that no other body is naturally positioned to do.

The AIS has launched a new Athlete Wellbeing and Engagement team, focused on supporting athletes to transition through their sporting careers and connect with their communities. We want sporting champions to be positive influences.

Australia enjoyed genuine sporting success in 2017-18. In challenging times, the Gold Coast Commonwealth Games helped restore Australia's faith in our sports and athletes.

Positions on the podium are wonderful to celebrate, but the narrative is incomplete without humility, generosity of spirit, confidence in what our athletes stand for and how they carry themselves. At the Gold Coast Games, we saw the very best in our athletes, and this display of spirit and integrity is sure to give them the best start to their preparation for the Tokyo 2020 Olympic and Paralympic Games.

We also had some outstanding performances at the PyeongChang Winter Olympic and Paralympic Games. Australia equalled its most successful Winter Olympics haul of three medals in PyeongChang, two silvers and one bronze medal matching the result in Sochi 2014. It was also our best result at a Paralympic Winter Games in 16 years.

Sport integrity has justifiably gained additional focus in the past year, and is a very important priority for Sport Australia and for Australian sport more generally. We, and everyone involved in sport, owe it to the athletes, coaches, officials, volunteers, fans and the public at large to ensure that Australian sport is fair and clean, and is seen to be fair and clean.

We thank all of our partners - including athletes, coaches, board members and administrators - for your effort and contribution to Australian sport, and your enthusiasm for building a more active Australia. We look forward to continued success and progress together.



John Wylie AM
Chair
Sport Australia



Annual Financial Report

GOLF AUSTRALIA Limited (ABN 54 118 151 894) and its Controlled Entity

Annual Financial Report – 30 June 2018

Consolidated Financial Report

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This financial report covers Golf Australia Limited (“the Company”) and its controlled entity (“the Consolidated Entity”). The financial report is presented in Australian currency and has amounts rounded to within the nearest dollar unless otherwise stated.

Golf Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Golf Australia
Level 2, 111 Coventry Street
South Melbourne VIC 3205
AUSTRALIA

A description of the nature of the Company’s operations and its principal activities is included in the Review of Operations in the Annual Report and in the Directors’ report on page 2, both of which are not part of this financial report.

Golf Australia is a not-for-profit entity.

The financial report was authorised for issue by the Directors on **15 October 2018**. The Company has the power to amend and reissue the financial report.

All press releases, financial reports and other information are available on our website: www.golf.org.au.

Financial Report

Directors’ report

The Directors present their report, together with the financial report of the Consolidated Entity, being the Company and its controlled entity, for the year ended 30 June 2018 and the auditor’s report thereon.

Directors

The Directors of Golf Australia at any time during or since the end of the financial year are:

| <i>Name</i> | <i>Special responsibilities and other directorships as at 30 June 2018</i> |
|-------------------------------------|---|
| Mr John Hopkins, OAM, Chairman | Chairman of the Board of Golf Australia during the financial year until the date of this report. Chairman of Handicapping & Rules Committee. Chairman of Universal Coal PLC (ASX Listed); Chairman of Wolf Minerals Ltd (ASX Listed). |
| Mr Malcolm Speed, AO, Vice-Chairman | Vice-Chairman of the Board of Golf Australia during the financial year until 5 December 2017. |
| Mr Richard Allen | Director of Golf Australia from the AGM, 13 November 2017 until the date of this report. |
| Mr Peter Castrisos | Director of Golf Australia during the financial year until the date of this report. Chairman of Club Super. |
| Ms Sarah Chia | Director of Golf Australia from the AGM, 13 November 2017 until the date of this report. Member of Audit & Risk Committee. Director of TYP Strategies Pty Ltd. |
| Mr Robert Crosby | Director of Golf Australia during the financial year until the date of this report. Chairman of Audit & Risk Committee; |
| Mrs Kerri-Anne Kennerley | Director of Golf Australia during the financial year until the date of this report. |
| Mr Andrew Newbold | Appointed Director of Golf Australia from 17 February 2018 until the date of this report. Chairman of Althea Group Holdings; Director of Australian Football League; Director of Supra Capital Ltd; Chairman of SEDA Pty Ltd. |
| Mr Ken Richards | Director of Golf Australia during the financial year until the AGM, 13 November 2017. |
| Mr Peter Ritchie, AO | Director of Golf Australia during the financial year until the date of this report. Chairman of Reverse Corp. Ltd (ASX Listed). |
| Mrs Carmel Smith | Director of Golf Australia during the financial year until the AGM, 13 November 2017. |
| Dr Jill Spargo | Director of Golf Australia during the financial year until the date of this report. |

Directors Meetings

The number of Directors Meetings held and the number of meetings attended by each of the Directors during the financial year was as follows:

| <i>Name</i> | <i>Number of meetings eligible to attend</i> | <i>Number of meetings attended</i> |
|--------------------------|--|--|
| Mr John Hopkins, OAM | 6 | 6 |
| Mr Richard Allen | 4 | 4 |
| Mr Peter Castrisos | 6 | 6 |
| Ms Sarah Chia | 4 | 4 |
| Mr Robert Crosby | 6 | 6 |
| Mrs Kerri-Anne Kennerley | 6 | 5 |
| Mr Andrew Newbold | 3 | 3 |
| Mr Ken Richards | 2 | 2 |
| Mr Peter Ritchie | 6 | 4 |
| Mrs Carmel Smith | 2 | 2 |
| Dr Jill Spargo | 6 | 6 |
| Mr Malcolm Speed, AO | 3 | 3 |

Corporate Governance Statement

This statement outlines the main corporate governance practices in place throughout the financial year.

Board of Directors

The Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, establishing and monitoring the achievement of management’s goals and ensuring the integrity of risk management, internal control and legal compliance. It is also responsible for approving and monitoring financial and other reporting.

The Board has delegated responsibility for the operation and administration of the Company to the Chief Executive Officer and executive management. Responsibilities are delineated by formal authority delegations.

To assist in the execution of its responsibilities, the Board has established a number of Board Committees including a Nomination Committee and an Audit and Risk Committee. These committees have written charters which are reviewed on a regular basis.

The Board comprises up to nine Directors of whom six are elected by the Member Associations. The Board may appoint up to three Directors. Each Director shall hold office for a term of a maximum of three years but is eligible for re-election of a further term and second further term in exceptional circumstances. As required by the Constitution, Directors must not also be members of the Council or an officer or an employee of a Member Association.

The Board must appoint a Chairman from amongst the Directors annually.

Nominations committee

The Nominations Committee is established by the Board within the bylaws of Golf Australia. In relation to election of Directors, the role of the Committee is to assist the Board, as required, to assess individuals and provide guidance to candidates and voting members to ensure the ongoing strength of the Golf Australia Board. In relation to appointment of Directors, the role of the Committee is to assist the Board, as required, to assess potential candidates and provide guidance to the Board.

The nomination committee consisted of:
Mr Kevin Chandler (Chairperson); Independent industry professional
Mr Stephen Spargo; Member Association representative
Mr Michael Sammells; Former Golf Australia Director
Mr Peter Castrisos; Golf Australia Director

Audit and risk committee

The Audit and Risk Committee is established by the Board within the bylaws of Golf Australia. The Committee advises on statutory reporting, internal control systems, regulatory and compliance requirements, risk management systems (including insurance) and the audit functions.

The Audit and Risk Committee consists of the Directors as noted in the Directors’ Report. In addition, Mr John Davies served as an independent member of the Audit and Risk Committee during the financial year to the date of this report.

Principal activities

The principal activity of Golf Australia Limited during the year was being the National Sporting Organisation (NSO) and governing body for golf in Australia. Golf Australia Limited works in an inclusive manner to develop the game of golf and grow participation in all forms at all levels. There was no significant change in the nature of these activities during the year.

Objectives

- Golf Australia’s objectives are:
1. To increase participation in golf and club membership;
 2. To increase the profile of golf throughout Australia;
 3. To capture as early as possible the most talented golfers and give them the best possible opportunities and resources to fully develop their potential;
 4. To strengthen the financial position of the organisation and further increase our ability to invest into golf.

Controlled Entities

Golf Australia is required to present consolidated financial accounts. The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its interest in the Junior Golf Development JV, a joint arrangement with the Professional Golfers Association of Australia Limited.

Review of Operations

Information on the operations and financial position of Golf Australia and its business strategies and prospects are set out in the Review of Operations in the Annual Report.

The loss of the Consolidated Entity for the reporting year was \$148,614 (2017: \$198,470 loss).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs during the financial year not otherwise disclosed in this financial report.

Significant events after the balance date

There have been no items, events or transactions which have arisen in the period between the end of the financial year and the date of this report, which are material or unusual in nature.

Likely developments and expected results

The Directors envisage there will be no significant changes to the operations of Golf Australia.

Remuneration of Directors

Directors are not remunerated by Golf Australia for their services.

Indemnification and insurance of officers

Insurance premiums

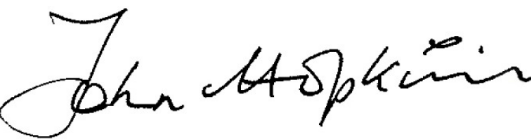
During the financial year, Golf Australia paid insurance premiums totalling \$4,008 in respect of Directors’ and Officers’ liability insurance contracts. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for persons who are or have been Directors or Officers of Golf Australia.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of Golf Australia.

Auditor’s independence declaration

The auditor’s independence declaration is set out on page 6 and forms part of the Directors’ report for the financial year ended 30 June 2018.

This report is made in accordance with a resolution of the Directors.



John Hopkins, OAM

Chairman

MELBOURNE, 7 November 2018



Lead Auditor’s Independence Declaration under
Section 307C of the Corporations Act 2001

To the Directors of Golf Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Golf Australia Limited for the financial year ended 30 June 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Andrew Hounsell

Partner

Melbourne

7 November 2018

Consolidated Statement of Comprehensive Income

| | | 30 June 2018 | 30 June 2017 |
|--|-------|--------------------|--------------|
| | Notes | \$ | \$ |
| Revenue from continuing operations | 2 | 13,401,221 | 12,772,995 |
| Other income | 2 | 1,124,716 | 1,099,026 |
| Total Revenue | | 14,525,937 | 13,872,021 |
| Tournament expenses | 3 | (2,555,508) | (2,495,412) |
| Game & Club Development | | (1,700,198) | (2,019,818) |
| Elite Development expenses | | (1,967,153) | (2,008,059) |
| Golf <i>Link</i> expenses | | (1,341,583) | (1,404,422) |
| Communication expenses | | (568,396) | (508,628) |
| Administration expenses | | (1,288,446) | (943,033) |
| Employee benefits expense | | (3,834,085) | (3,296,551) |
| Depreciation and amortisation expense | 3 | (270,854) | (250,745) |
| Finance costs | | (20,597) | (21,438) |
| Contra expenses | | (453,391) | (473,278) |
| Other expenses | | (674,340) | (649,107) |
| (Loss) before income tax | | (148,614) | (198,470) |
| Income tax expense | 1(r) | - | - |
| (Loss) from continuing operations | | (148,614) | (198,470) |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income for the period | | (148,614) | (198,470) |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

| | Notes | 30 June 2018 | 30 June 2017 |
|--------------------------------|-------|------------------|--------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 1,970,004 | 2,462,257 |
| Trade and other receivables | 5 | 2,368,737 | 1,732,196 |
| Inventories | | 236,562 | 258,764 |
| Total current assets | | 4,575,303 | 4,453,217 |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 277,344 | 235,708 |
| Intangible assets | 7 | 315,859 | 302,621 |
| Total non-current assets | | 593,203 | 538,329 |
| Total assets | | 5,168,506 | 4,991,546 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 1,338,412 | 1,142,351 |
| Loans and borrowings | 9 | - | 32,472 |
| Employee benefits | 10 | 678,343 | 495,830 |
| Total current liabilities | | 2,016,755 | 1,670,653 |
| Non-current liabilities | | | |
| Employee benefits | 10 | 36,979 | 57,507 |
| Total non-current liabilities | | 36,979 | 57,507 |
| Total liabilities | | 2,053,734 | 1,728,160 |
| Net assets | | 3,114,772 | 3,263,386 |
| EQUITY | | | |
| Retained profits | | 3,114,772 | 3,263,386 |
| Total equity | | 3,114,772 | 3,263,386 |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

| | 30 June 2018 | 30 June 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Total equity at the beginning of the financial period | 3,263,386 | 3,461,856 |
| Total Comprehensive Income for the period | (148,614) | (198,470) |
| Total equity at the end of the financial period | 3,114,772 | 3,263,386 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

| | Notes | 30 June 2018 \$ | 30 June 2017 \$ |
|---|-------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 13,252,603 | 11,478,528 |
| Payments to suppliers and employees | | (15,253,467) | (13,522,345) |
| Revenue from Government Grants | | 1,818,801 | 1,796,605 |
| Interest paid | | (20,597) | (21,438) |
| Interest received | | 68,607 | 83,791 |
| Net cash (outflow) from operating activities | 19 | (134,053) | (184,859) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment and intangibles | | (325,728) | (215,799) |
| Receipts from sale of property, plant and equipment and intangibles | | - | 18,182 |
| Net cash (outflow) from investing activities | | (325,728) | (197,617) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | (32,472) | (14,104) |
| Net cash (outflow) from financing activities | | (32,472) | (14,104) |
| Net (decrease) in cash and cash equivalents | | (492,253) | (396,580) |
| Cash and cash equivalents at the beginning of the financial period | | 2,462,257 | 2,858,837 |
| Cash and cash equivalents end of period | 4 | 1,970,004 | 2,462,257 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated.

The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its interest in the Junior Golf Development JV, a joint arrangement with the Professional Golfers Association of Australia Limited.

a) Financial period

The accounts presented represent a reporting year of 12 months ending on 30 June 2018. The comparative figures represent a reporting period of 12 months ending on 30 June 2017.

b) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASBs) including Australian interpretations adopted by the Australian Accounting Standards Board, and the Corporations Act 2001. The financial report contains comparative information that has been adjusted to align with the presentation of the current period, where necessary.

Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) and other interpretations adopted by the International Accounting Standards Board (IASB).

The Financial statements were approved by the board of Directors on 15 October 2018.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by Golf Australia for the annual reporting year ended 30 June 2018. These are outlined in the table that follows:

| Reference | Title | Application date of standard | Impact on Golf Australia financial report |
|-----------|---------------------------------------|---|---|
| AASB 15 | Revenue from Contracts with Customers | Annual reporting periods beginning on or after 1 January 2018 | Revised contract-based five-step revenue recognition model, which addresses multiple element arrangements and may accelerate or defer revenue recognition. The company has reviewed the potential impact on its consolidated financial statements and assessed that the application of AASB 15 will have no material impact. |
| AASB 16 | Leases | Annual reporting periods beginning on or after 1 January 2019 | Removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases and may require leases where Golf Australia is the lessee to bring onto the Balance Sheet, increasing assets and liabilities. The company has reviewed the potential impact on its consolidated financial statements and assessed that that the application of AASB 16 will have no material impact. |

There are a number of other new and revised standards and interpretations in addition to those listed above; however they are not expected to materially affect Golf Australia’s financial report.

Historical cost convention

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities

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at fair value through profit or loss, certain classes of property, plant and equipment and investment property. Golf Australia does not trade in derivative instruments.

c) Basis of consolidation

Entities where Golf Australia has joint control of the entity through a contractual relationship are classified as joint arrangements. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Golf Australia has a 50% interest in the Junior Golf Development JV a joint arrangement with the Professional Golfers Association of Australia Limited. The joint arrangement has been classified as a joint operation as the parties have joint control of the arrangement and rights to the assets, and obligations for the liabilities, relating to the arrangement consistent with the agreement.

The principal place of business of the Junior Golf Development JV is:

Golf Australia
Level 2, 111 Coventry Street
South Melbourne VIC 3205
AUSTRALIA

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 2 – Revenue and note 1(g)
- Note 7 – Intangible assets and note 1(s)
- Note 1(i) – Impairment of assets

e) Segment reporting

Segment reporting is not applicable to not-for-profit organisations under AASB 8 Segment Reporting.

f) Foreign currency translation

Foreign currency transactions are translated into Australian dollars (the functional and reporting currency) using the exchange rates prevailing at the dates of the transaction.

g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

(i) Government grants

Government grants are recognised as revenue, at the fair value of the contribution, when:

- Golf Australia gains unconditional control of the contribution;
- it is probable that the economic benefits will flow to Golf Australia; and
- the amount of the contribution can be reliably measured.

Where Government grants are received with conditions attached to the grant that stipulate the manner in which the grant is to be acquitted, the grant is recognised in the Statement of Financial Position as a liability until the conditions attached to the grant are met.

(ii) *Tournament income*
Tournament income is recognised on an accruals basis.

(iii) *Affiliation and membership fees*
Affiliation and membership fees income is recognised throughout the duration of the financial year on an accruals basis.

(iv) *Interest income*
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(v) *GOLF Link revenue*
GOLF *Link* revenue is received annually for the year in advance. Income is recognised in equal monthly instalments as the handicapping services are performed.

(vi) *Contra revenue*
Exchanges of goods or services are recognised as revenue and expenses at the notional fair value of the goods or services.

h) Leases

Leases of property, plant and equipment where Golf Australia has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease’s inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in loans and borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset’s useful life and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

i) Impairment of assets

The carrying values of assets are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset’s value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

j) Cash & Cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that Golf Australia will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the change to the provision is recognised in the Statement of Comprehensive Income.

l) Inventories

Finished goods are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts.

m) Property, plant & equipment

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

| | 2018 | 2017 |
|---------------------------------|--------|--------|
| Vehicles | 25% | 25% |
| Furniture, fittings & equipment | 10-33% | 10-33% |

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An assets’ carrying amount is written down immediately to its recoverable amount if the assets’ carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is Golf Australia’s policy to transfer the amounts, if any, included in other reserves in respect of those assets, to retained earnings.

n) Trade & other payables

These amounts represent liabilities for goods and services provided to Golf Australia prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Provisions

Provisions for legal claims and service warranties are recognised when: Golf Australia has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the balance sheet date.

p) Employee benefits

(i) *Wages and salaries and annual leave*
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in employee provisions in respect of employee’s services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value for expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

q) Goods & Services Tax (GST)

Revenues and expenses are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

r) Income Tax

Golf Australia is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997. Golf Australia assesses and determines its exemption on an annual basis in accordance with relevant legislation.

s) Intangibles

Intangible assets acquired separately are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised

and expenditure is recognised in the Statement of Comprehensive Income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income in the expense category consistent with the function of the intangible asset.

| | | |
|----------------------------------|------|------|
| | 2018 | 2017 |
| Intangibles (Software / Website) | 20% | 20% |

t) Loans and borrowings

Loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statements of comprehensive income over the period of the borrowings on an effective interest basis.

2. Revenue

| | 30 June 2018 | 30 June 2017 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Revenue from continuing operations | | |
| <i>Tournament revenue</i> | | |
| Australian Opens | 2,015,747 | 1,971,194 |
| Other Tournaments | 140,192 | 150,263 |
| GOLF <i>Link</i> revenue (a) | 1,067,213 | 1,083,202 |
| Affiliation Fee revenue | 6,429,117 | 6,061,383 |
| Member revenue | 172,180 | - |
| Government grants | 1,653,456 | 1,970,291 |
| Non-government grants | 65,239 | 55,000 |
| Program revenue | 555,924 | 694,797 |
| Sponsorship revenue | 848,762 | 313,587 |
| Contra revenue | 453,391 | 473,278 |
| | 13,401,221 | 12,772,995 |
| <i>Other income</i> | | |
| Interest revenue | 68,607 | 83,791 |
| Australian Sports Foundation | 1,038,017 | 949,281 |
| Sundry revenue | 18,092 | 65,954 |
| | 1,124,716 | 1,099,026 |

(a) GOLF *Link* revenue

Golf Australia received \$2.77 (2017: \$2.77) per affiliated member for clubs connected to GOLF *Link* under the contract it has with golf clubs Australia for handicapping services to be performed for the period 1 April 2018 to 31 March 2019. Income relating to the handicapping services performed in the period 1 July 2017 to 30 June 2018 is recognised in the accounts, and the income relating to the period 1 July 2018 to 31 March 2019 is recognised in the Consolidated Statement of Financial Position as income received in advance.

Golf Australia contracts out the management of the GOLF *Link* system to GOLF *Link* Partners, and under the terms of the agreement Golf Australia pays \$3.25 (2017: \$3.25) per golfer to GOLF *Link* Partners in monthly instalments. Expenditure relating to the period 1 July 2017 to 30 June 2018 is recognised in the accounts.

3. Expenses

| | 30 June 2018 | 30 June 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Profit before income tax includes the following specific expenses: | | |
| <i>Tournament</i> | | |
| Australian Opens | 2,226,686 | 2,194,529 |
| Other Tournaments | 328,822 | 300,883 |
| Total Tournaments | 2,555,508 | 2,495,412 |
| <i>Depreciation and amortisation</i> | | |
| Plant and equipment | 100,605 | 85,098 |
| Motor vehicles | 29,987 | 24,966 |
| GOLF <i>Link</i> software and web site | 140,262 | 140,681 |
| Total depreciation and amortisation | 270,854 | 250,745 |

4. Current assets – Cash & cash equivalents

| | 30 June 2018 | 30 June 2017 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank and in hand (a) | 448,989 | 67,717 |
| Deposits at call (b) | 1,521,015 | 992,482 |
| Short term investments (c) | - | 1,402,058 |
| | 1,970,004 | 2,462,257 |

(a) Cash at Bank

Cash at bank earns interest at floating rates based on daily bank deposits.

(b) Deposits at call

The deposits are bearing floating interest rates between 0.95% and 2.4%. These deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of Golf Australia.

(c) Short term investments

Short term investments are also bearing floating interest rates between 1.75% and 2.4%.

(d) Interest rate exposure

Golf Australia's exposure to interest rate risk is discussed in Note 12.

5. Current assets – Trade & other receivables

| | 30 June 2018 | 30 June 2017 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| Trade receivables | 735,625 | 308,549 |
| Provisions for doubtful receivables | - | - |
| | 735,625 | 308,549 |
| Other receivables | 1,128,880 | 1,099,600 |
| Prepayments | 504,232 | 324,047 |
| | 1,633,112 | 1,423,647 |
| | 2,368,737 | 1,732,196 |

(a) Trade Receivables

Trade receivables are non-interest bearing and generally have repayment terms of 7-14 days.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

As at 30 June 2018 the ageing of trade receivables is as follows:

| | 30 June 2018 | | | 30 June 2017 | | |
|------------|------------------|-----------------------------|----------------|------------------|-----------------------------|----------------|
| | Trade Receivable | Provision for doubtful debt | Net Receivable | Trade Receivable | Provision for doubtful debt | Net Receivable |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Current | 594,955 | - | 594,955 | 79,329 | - | 79,329 |
| 15-30 days | 15,573 | - | 15,573 | 58,676 | - | 58,676 |
| 31-60 days | 32,356 | - | 32,356 | 84,425 | - | 84,425 |
| 60+ days | 92,741 | - | 92,741 | 86,119 | - | 86,119 |
| | 735,625 | - | 735,625 | 308,549 | - | 308,549 |

6. Non-current assets – Property, plant & equipment

| | Cost | | Accumulated Depreciation | | Written Down Value | |
|---------------------------------|------------------|------------------|--------------------------|------------------|--------------------|----------------|
| | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Furniture, fittings & equipment | 993,970 | 863,857 | (779,759) | (679,155) | 214,211 | 184,702 |
| Motor vehicles | 212,401 | 170,287 | (149,268) | (119,281) | 63,133 | 51,006 |
| | 1,206,371 | 1,034,144 | (929,027) | (798,436) | 277,344 | 235,708 |

Recognition of the carrying amounts of each class of Property, plant & equipment at the beginning and at the end of the financial period is set out below:

| | Furniture, Fittings & Equipment | | Motor Vehicles | |
|-------------------------|---------------------------------|----------------|----------------|---------------|
| | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 |
| | \$ | \$ | \$ | \$ |
| Opening net book amount | 184,702 | 177,777 | 51,006 | 32,356 |
| Additions | 130,113 | 92,023 | 42,114 | 43,616 |
| Disposals | - | - | - | - |
| Depreciation charge | (100,604) | (85,098) | (29,987) | (24,966) |
| Closing net book amount | 214,211 | 184,702 | 63,133 | 51,006 |

7. Non-current assets – Intangible assets

| | Cost | | Accumulated Depreciation | | Written Down Value | |
|-----------|------------------|------------------|--------------------------|--------------------|--------------------|----------------|
| | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| GOLF Link | 1,744,486 | 1,590,986 | (1,428,627) | (1,288,365) | 315,859 | 302,621 |
| Website | 130,603 | 130,603 | (130,603) | (130,603) | - | - |
| | 1,875,089 | 1,721,589 | (1,559,230) | (1,418,968) | 315,859 | 302,621 |

| | GOLF Link | |
|-------------------------|----------------|----------------|
| | 30 June 2018 | 30 June 2017 |
| | \$ | \$ |
| Opening net book amount | 302,621 | 363,142 |
| Additions | 153,500 | 80,160 |
| Disposals | - | - |
| Amortisation charge | (140,262) | (140,681) |
| Closing net book amount | 315,859 | 302,621 |

Amortisation of \$140,262 (2017: \$140,681) is included in depreciation and amortisation expense in the Statement of Comprehensive Income.

8. Current liabilities – Trade & other payables

| | 30 June 2018 | 30 June 2017 |
|-------------------|------------------|------------------|
| | \$ | \$ |
| Trade payables | 111,068 | 120,127 |
| Income in Advance | 997,185 | 853,764 |
| Other payables | 230,159 | 168,460 |
| | 1,338,412 | 1,142,351 |

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 30-day terms.

(b) Fair Value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

9. Loans and borrowings

| | 30 June 2018 | 30 June 2017 |
|-------------------------------------|--------------|--------------|
| | \$ | \$ |
| Finance lease liabilities - Current | - | 32,472 |

10. Employee benefits

| | 30 June 2018 | 30 June 2017 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| Long service leave - Current | 370,113 | 249,343 |
| Annual leave - Current | 308,230 | 246,487 |
| | 678,343 | 495,830 |
| Long service leave - Non-current | 36,979 | 57,507 |

Golf Australia pays the compulsory 9.5% (2017: 9.5%) Superannuation Contribution Guarantee for all employees plus superannuation salary sacrifice where directed to do so by employees. For the year ended 30 June 2018, Golf Australia had paid all obligations to the various superannuation funds totalling \$321,428 (2017: \$306,334).

11. Financial risk management objectives and policies

Golf Australia's principal financial instruments comprise cash, short-term investments and deposits at call.

The main purpose of these financial instruments is to finance Golf Australia's operations. Golf Australia has various other financial assets and liabilities such as trade payables, which arise directly from its operations. It is, and has been throughout the year under review, Golf Australia's policy that no trading in financial instruments shall be undertaken. The main risks arising from Golf Australia's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The Directors review and agree on policies for managing each of these risks and they are summarised below:

Cash flow interest rate risk

Golf Australia's exposure to the risk of changes in market interest rates relates primarily to Golf Australia's deposits at call and short term investments.

Credit risk

Golf Australia trades only with recognised, creditworthy third parties.

It is Golf Australia's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that Golf Australia's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within Golf Australia other than cash on deposit.

With respect to credit risk arising from the other financial assets of Golf Australia, which comprise cash and cash equivalents, Golf Australia's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since Golf Australia trades only with recognised third parties, there is no requirement for collateral.

Liquidity risk

Golf Australia's objective is to maintain a balance between continuity of funding and flexibility through the use of deposits at call and short-term investments.

12. Financial instruments

(a) Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

| Financial Instruments | Floating interest rate | | Fixed interest rate maturing in: | | | | | |
|----------------------------|------------------------|--------------|----------------------------------|--------------|-------------------|--------------|-------------------|--------------|
| | | | 1 year or less | | Over 1 to 5 years | | More than 5 years | |
| | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 |
| (i) Financial assets | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash | 448,989 | 67,717 | - | - | - | - | - | - |
| Short term deposits | 1,521,015 | 992,482 | - | - | - | - | - | - |
| Short term investments | - | - | - | 1,402,058 | - | - | - | - |
| (ii) Financial liabilities | | | | | | | | |
| Finance lease | - | - | - | 32,472 | - | - | - | - |

All other financial assets and financial liabilities are non-interest bearing.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

| | Profit or Loss | |
|---------------------------|----------------|----------------|
| | 100bp increase | 100bp decrease |
| 30 June 2018 | \$ | \$ |
| Variable rate instruments | 19,700 | (19,700) |
| Cash flow sensitivity | 19,700 | (19,700) |
| 30 June 2017 | | |
| Variable rate instruments | 24,623 | (24,623) |
| Cash flow sensitivity | 24,623 | (24,623) |

(b) Fair values

The fair value of financial assets and liabilities approximates the carrying amount as shown in the Consolidated Statement of Financial Position.

13. Key management personnel disclosures

(a) Directors

The following persons were members of the Board of Golf Australia during the financial year and up to the date of the Annual Report.

Chairman – non-executive

John Hopkins – Remained in office from the start of the financial year until the date of this report.

Directors – non-executive

Richard Allen – Remained in office from the AGM, 13 November 2017 until the date of this report.
Peter Castrisos – Remained in office from the start of the financial year until the date of this report.
Sarah Chia – Remained in office from the AGM, 13 November 2017 until the date of this report.
Robert Crosby – Remained in office from the start of the financial year until the date of this report.
Kerri-Anne Kennerley – Remained in office from the start of the financial year until the date of this report.
Andrew Newbold – Remained in office from 17 February 2018 until the date of the report.
Ken Richards – Remained in office from the start of the financial year until the AGM, 13 November 2017.
Peter Ritchie – Remained in office from the start of the financial year until the date of this report.
Carmel Smith – Remained in office from the start of the financial year until the AGM, 13 November 2017.
Jill Spargo – Remained in office from the start of the financial year until the date of this report.
Malcolm Speed – Remained in office from the start of the financial year until 5 December 2017.

No remuneration was paid to the Directors during the year; however Directors are reimbursed for expenses incurred.

Executives

Stephen Pitt – CEO
Gerard Kennedy – CFO
Kent Boorman – Director of Commercial
Trevor Herden – Director of Open Championships
Brad James – Director of High Performance
John Sutherland – Director of Digital & Media
Cameron Wade – Director of Golf Development

(b) Other key management personnel

The key management personnel compensation (included in employee expenses) for the period was as follows:

| | 30 June 2018 | 30 June 2017 |
|--------------------------------------|--------------|--------------|
| Band 1: <\$100,000 | | |
| Number of Executives | - | - |
| Short Term Employee Benefits | - | - |
| Other Long Term Benefits | - | - |
| Post Employment Benefits | - | - |
| Band 2: \$100,000 - \$400,000 | | |
| Number of Executives | 7 | 7 |
| Short Term Employee Benefits | 1,498,698 | 1,403,514 |
| Other Long Term Benefits | 35,514 | 35,274 |
| Post Employment Benefits | 121,970 | 111,440 |
| Band 3: \$400,000+ | | |
| Number of Executives | - | - |
| Short Term Employee Benefits | - | - |
| Other Long Term Benefits | - | - |
| Post Employment Benefits | - | - |

Post Employment Benefits includes compulsory superannuation contributions and any superannuation salary sacrifice.

14. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of Golf Australia:

| | 30 June 2018 | 30 June 2017 |
|---------------------------------|--------------|--------------|
| (a) Assurance services | \$ | \$ |
| Audit services – KPMG | 30,000 | 31,000 |
| <u>Other assurance services</u> | | |
| Grant Acquittals | 5,000 | 5,150 |
| | 35,000 | 36,150 |

15. Commitment and contingencies**(a) Commitments***(i) Leasing commitments*Operating lease commitments

Golf Australia has entered into commercial leases on its property located at 2/111 Coventry Street, South Melbourne which will expire in August 2019.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2018 are as follows:

| | 30 June 2018 | 30 June 2017 |
|---|--------------|--------------|
| | \$ | \$ |
| Within one year | 208,251 | 200,242 |
| After one year but not more than five years | 25,310 | 233,561 |
| After more than five years | - | - |
| Total minimum lease payments | 233,561 | 433,803 |

(b) Contingencies

There were no material contingent liabilities as at 30 June 2018.

16. Events occurring after the balance sheet dates

There have been no items, events or transactions which have arisen in the period between the end of the financial year and the date of the report, which are material or unusual in nature.

17. Parent Entity Disclosure

| | 30 June 2018 \$ | 30 June 2017 \$ |
|---|--------------------|--------------------|
| Results of the parent entity | | |
| (Loss) for the period | (69,142) | (120,427) |
| Total Comprehensive Income for the period | (69,142) | (120,427) |
| Financial position of parent entity at year end | | |
| Current Assets | 4,946,320 | 4,767,722 |
| Total Assets | 5,539,523 | 5,306,052 |
| Current Liabilities | 1,957,412 | 1,634,271 |
| Total Liabilities | 1,994,392 | 1,691,779 |
| Total Equity of the parent entity comprising of: | | |
| Retained Earnings | 3,545,131 | 3,614,273 |

There were no material contingent liabilities or capital commitments in relation to the parent entity as at 30 June 2018.

18. Related Party Transactions

(a) Key management personnel

Disclosure relating to key management personnel is in note 13.

(b) Transactions with director-related entities

There were no transactions between Golf Australia and director-related entities during the year ended 30 June 2018.

19. Reconciliation of profit to net cash inflow from operating activities

| | 30 June 2018 \$ | 30 June 2017 \$ |
|---|--------------------|--------------------|
| (Loss) for the period | (148,614) | (198,470) |
| Depreciation and amortisation | 270,854 | 250,745 |
| Adjustment for receipt from sale of plant and equipment | - | (18,182) |
| Change in operating assets and liabilities | | |
| (Increase)/decrease in trade receivables | (427,076) | 185,286 |
| (Increase)/decrease in other receivables and assets | (209,465) | 202,212 |
| Decrease/(increase) in inventories | 22,202 | (43,221) |
| Increase/(decrease) in trade and other creditors | 196,061 | (592,371) |
| Increase in employee benefits | 161,985 | 29,142 |
| Net cash flow from operating activities | (134,053) | (184,859) |

Directors' declaration

1. In the opinion of the Directors of Golf Australia Limited ("the Company"):

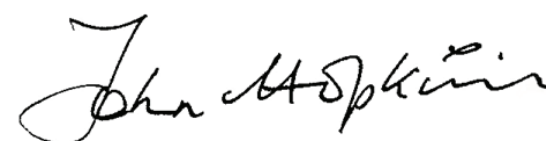
(a) the consolidated financial statements and notes that are set out on pages 7 to 28 are in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its performance, for the financial year that ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that Golf Australia Limited will be able to pay its debts as and when they become due and payable.

2. The directors draw attention to Note 1 of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



John Hopkins, OAM

Chairman

MELBOURNE, 7 November 2018



Independent Auditor's Report

To the members of Golf Australia Limited

| Opinion | |
|--|--|
| We have audited the Financial Report of Golf Australia Limited (the Company). | The Financial Report comprises: |
| In our opinion, the accompanying Financial Report of the Company is in accordance with the <i>Corporations Act 2001</i> , including: | <ul style="list-style-type: none">• Consolidated statement of financial position as at 30 June 2018• Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended• Notes including a summary of significant accounting policies• Directors' Declaration. |
| <ul style="list-style-type: none">• giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and• complying with <i>Australian Accounting Standards</i> and the <i>Corporations Regulations 2001</i>. | The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year. |

| Basis for opinion |
|---|
| We conducted our audit in accordance with <i>Australian Auditing Standards</i> . We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. |
| Our responsibilities under those standards are further described in the <i>Auditor's responsibilities for the audit of the Financial Report</i> section of our report. |
| We are independent of the Group in accordance with <i>the Corporations Act 2001</i> and the ethical requirements of the <i>Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code. |

| Other Information |
|---|
| Other Information is financial and non-financial information in Golf Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Directors' report. The Directors are responsible for the Other Information. |
| Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon. |



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

| Responsibilities of the Directors for the Financial Report |
|---|
| The Directors are responsible for: |
| <ul style="list-style-type: none">• preparing the Financial Report that gives a true and fair view in accordance with <i>Australian Accounting Standards</i> and the <i>Corporations Act 2001</i>• implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error• assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so. |

| Auditor's responsibilities for the audit of the Financial Report |
|--|
| Our objective is: |
| <ul style="list-style-type: none">• to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and• to issue an Auditor's Report that includes our opinion. |
| Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with <i>Australian Auditing Standards</i> will always detect a material misstatement when it exists. |
| Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report. |
| A further description of our responsibilities for the audit of the Financial Report is located at the <i>Auditing and Assurance Standards Board</i> website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf . This description forms part of our Auditor's Report. |

KPMG

KPMG

Andrew Hounsell

Andrew Hounsell
Partner

Melbourne

7 November 2018





GolfAustralia

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South Melbourne Victoria 3205

golf.org.au