

KURRI GOLF CLUB
EXPRESSION OF INTEREST DOCUMENT
FOR
AMALGAMATION
ClubsNSW CIRCULAR 21-090

EXPRESSION OF INTEREST TO AMALGAMATE

THE FOLLOWING INFORMATION IS PREPARED IN SUPPORT OF KURRI GOLF CLUB LIMITED SEEKING INTEREST TO ALMALGAMATE WITH A SUITABLE "PARENT" CLUB, UNDER THE PROVISIONS OF THE NSW REGISTERED CLUBS ACT, AND IN RESPONSE TO AMALGATION EOI CIRCULARS REGISTERED WITH ClubsNSW AND IN PARTICULAR CIRCULAR 21-090 DATED 1 JUNE 2021 REGISTERED ON BEHALF OF KURRI GOLF CLUB .

Summary

Kurri Golf Pty Ltd is owned by its members and operates Kurri Golf Club (**Club**).

The **Club** is solvent, has funds available to meet its current budget requirements and has minimal debt. Marginal trading means the **Club** relies heavily on member contributions resulting in limited opportunity for the business to grow with the developing surrounding community.

In the interest of the **Club**, its members and in securing the longevity of golf in the local area the Directors of the **Club** have determined that they will consider any proposal for amalgamation or partnering that can deliver:

- An injection of capital to upgrade course and club infrastructure.
- A guarantee of long term affordable quality golf facilities for the local area.
- A guarantee for the future of current member playing entitlements.
- Ongoing administration of the registered business interests of the **Club** preferably by a prominent business operating under the Registered Clubs Act NSW.

In considering any proposal it is assumed that all the **Club's** assets will be conditionally available for acquisition and the future of golf or registered interests of the business may be either at the current site or an alternate nominated nearby site.

It should be emphasised that the business of the **Club** is not at risk and there is no reason why the **Club** cannot continue to successfully operate at the current level well into the future.

Background

The **Club** was established over 90 years ago and boasts a quality 18 hole championship golf course. Golf has been played at the current site since 1954. The course and amenities are open to members and the general public 365 days a year. The **Club** has always fostered junior golf and this has resulted in several members being successful in winning championships and representing the club at district, regional and state levels.

Since COVID there has been a resurgence in golf popularity resulting in an increase in player numbers.

In recent times the Hunter Region has seen the closure, downsizing, redevelopment and change of ownership of several long established golf courses. The **Club** is a survivor and its aim is to continue to provide high quality golfing facilities delivering affordable golf for everyone. The **Club** relies heavily on annual member subscriptions, golf green fees and the volunteer efforts of its members to sustain its business. Being a non-for-profit organisation the **Club** has always operated on a break even basis with any surplus money being redirected to promote golf and improve its golf amenity.

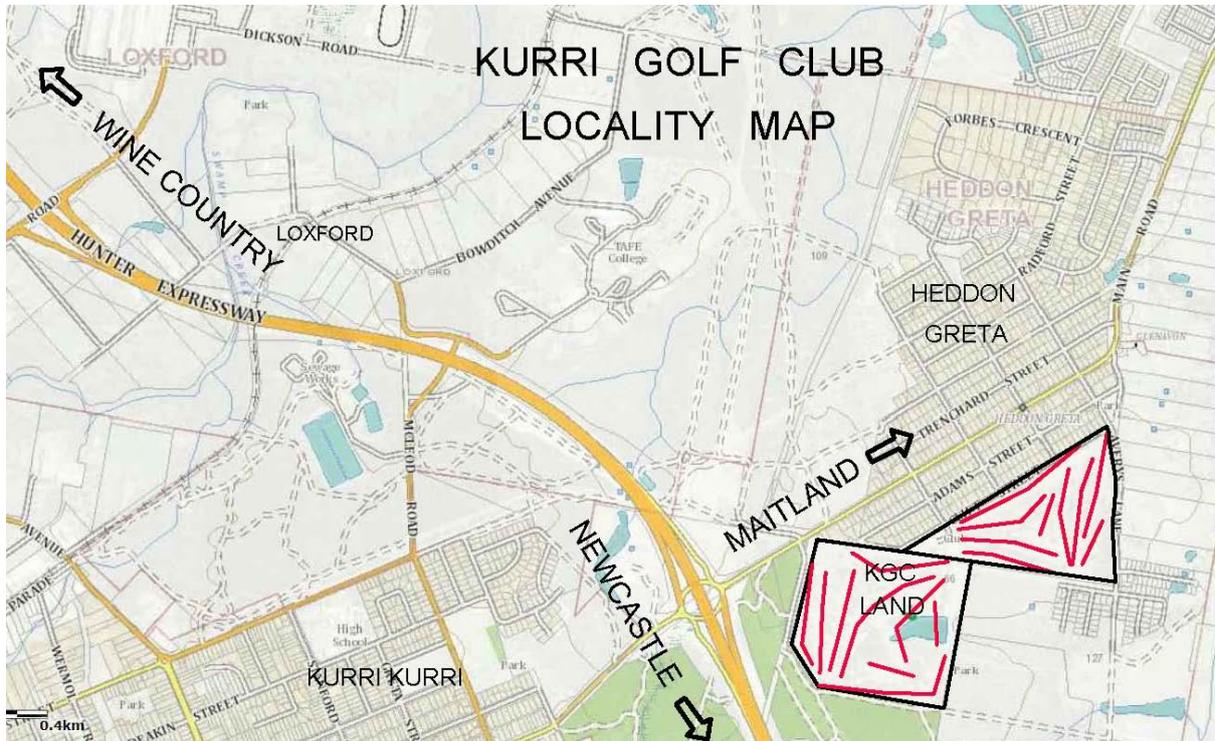
Since 1965 the **Club** has used recycled water that is supplied under agreement with Hunter Water and is pumped 2km from the Kurri Sewage Treatment Plant to irrigate the course. Retirees are a substantial component of membership and an active volunteer group, comprising both men and lady members, congregate every week to work on course projects such as maintaining gardens, cart path construction, extending and maintaining irrigation, dead tree and stump removal as well as general ground maintenance.

KURRI GOLF CLUB - EXPRESSION OF INTEREST TO AMALGAMATE

Location

The **Club** is situated on 47 hectares of freehold held land approximately 30 minutes drive from the Newcastle CBD, beaches and Lake Macquarie and within 1 hour of Port Stephens. It is located in Heddon Greta adjacent to the Hunter Expressway with direct access via the Kurri Kurri Interchange and Maitland Road.

A short 15 minute drive will place you in the heart of the Hunter Valley Wine Country or the Maitland CBD.



Current Operations and Membership

The **Club** operates under the provisions of the Registered Clubs Act, the Gaming Act and the Liquor Act, NSW. The **Club's** registered premises were established at its current location in 1954 with major building upgrades in 1974 and 1994. Generally the **Club** operates during normal business hours with extended hours for Friday when dining and other activities such as raffles take place.

The **Club** has a fully equipped kitchen that caters for golf events and is available for hire for conferences, weddings and other special occasions.

The **Club** employs a full time secretary and week day bar person. Casual staff is used for additional bar, function and dining activities.

The course is maintained by a staff of 4 permanent employees using modern machinery. Golf facilities are available 7 days a week during daylight hours.

The **Club** has a long term irrigation strategy to upgrade existing water reticulation, automate course watering and increase recycled water usage. Electricity costs are offset by a 192 roof top solar panel system.

Several of the staff are long term employees and have accrued significant leave entitlements.

The **Club** has a full time golf professional and a golf shop stocked with the latest golf equipment. Cart hire and expert golf coaching and tuition is available using state of the art computerised club fitting and coaching equipment that is setup in a dedicated building adjacent to our practice range. Weekly golf clinics are provided for junior golfers.

The **Club** conducts golf competitions 5 days a week with a total of 450 competitors. Social golf is available 7 days a week through bookings at the golf shop. Current social golfer numbers are in the vicinity 350 a week and increasing. Advance bookings are taken for social clubs and these are prominent on Sundays.

KURRI GOLF CLUB - EXPRESSION OF INTEREST TO AMALGAMATE

Current Membership

The Club has approximately 850 members of which 700 have golf playing rights. The remainder are house members.

Member Category	Golf Playing Rights	Numbers
7 Day Member	Yes	450
7 Day Member - Pension	Yes	170
Interim Concessional (Youth)	Yes	30
Junior or Sub-Junior	Yes	55
House or Social	No	145
Totals		850

The Club endeavours to encourage golf participation by offering concessional membership rates to pensioners, youths and juniors.

Financials and Current Assets

The **Club** operates under a Draft Business Plan which includes budget provisions for Year 2021. Sufficient funds are available to satisfy the current budget requirements.

Freehold land titles held are not currently subject to sale or offer. Land titles are not encumbered by any registered debt. The **Club** owns all of its course machinery.

Current assets include:

- Certificates of Title 1/1210267 (20.03 ha.) and 775/755231 (27.22ha.)
- Clubhouse and surrounds.
- Registered Club licence.
- 10 licenced and registered poker machines.
- 18 hole golf course and practice facilities.
- A machinery shed housing course equipment including mowers, tractors, excavator and various other course maintenance equipment.
- Large capacity dam, pump and course irrigation equipment.
- 192 panel roof top solar system on a power purchase agreement with Ovida.

The assets of the **Club** totally belong to its members.

Opportunity

The **Club's** land strategically is a valuable development asset. The members, 14 years ago, rejected a \$25m developer proposal for acquisition and relocation. On the current site there is sufficient land available to restructure the golf course and construct a major club facility incorporating tourist accommodation with direct access off Maitland Road and within 1km of the Hunter Expressway.

An alternate option is to relocate the golf course to a suitable site close by. This would provide a unique opportunity for a major club to acquire and develop a "greenfields" site on the **Club's** land. This development could be similar to the Mingara Club on the Central Coast with community recreation and sporting facilities, tourist accommodation, over 55 living as well as commercial and residential development.

Heddon Greta, Cliftleigh and Gillieston Heights are high urban growth areas. Maitland is developing in several directions including Farley towards the Hunter Expressway. Significant residential development has already taken place and 700 and 250 lot developments have already commenced on land adjacent to the **Club**. An additional 300 lots are either under application or in the planning stage. Major housing (5000+ lots) and other development is proposed for the nearby Hydro land.

There is high demand for over 55 living in the area and tourist accommodation in the Maitland area is at a premium with Maitland only having 4 motels.

Member Expectations

In consideration of a favourable amalgamation or partnering proposal and in return for divesting their current interests in all the assets of the **Club** the members would expect the following:

- Guaranteed minimum commitment for golf at the current site.
- Guaranteed long term commitment to golf in the local area.
- Immediate commitment to inject significant capital expenditure for course and club building upgrades at the current site.
- Course relocation to be within 5km of the current site and only on completion of top class 18 hole championship course and golf facility at the new site.
- Parent club to manage all business aspects of the **Club**.
- Continuation of affordable green and competition fees for **Club** members.
- Agreement to lock in member subscriptions for current members.