

7 Adjourned Items - Nil

11 Confidential Items

11.1 Seacliff Golf Management Agreement

Report Reference	GC250128F11.1
Originating Officer	Unit Manager Property Strategy & Delivery – Geoff Norris
Corporate Manager	Manager City Property - Mark Hubbard
General Manager	General Manager City Development - Ben Keen

CONFIDENTIAL MOTION

1. Pursuant to Section 90(2) and (3)(b) and (d) of the Local Government Act 1999, the Council orders that the public be excluded from attendance at that part of this meeting relating to Agenda Item GC250128F.11.1 - Seacliff Golf Management Agreement, except the following persons: Chief Executive Officer, Manager Office of the CEO, General Manager City Development, General Manager City Services, General Manager Corporate Services, Chief Financial Officer, Manager City Property, Unit Manager Property Strategy and Delivery, Unit Manager Property and Facilities, Team Leader Property and Facilities, Sport and Community Facilities Planner, Unit Manager Governance and Council Support, Governance Officer and Media and Engagement Adviser, to enable the Council to consider the item in confidence on the basis the Council considers it necessary and appropriate to act in a meeting closed to the public (excepting those persons listed above) in order to receive, discuss or consider in confidence the following information or matter relating to the Item:- information the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.
2. Notes the disclosure of this information would, on balance, be contrary to the public interest because it could infer a financial advantage to another entity.
3. Determines, on this basis, the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep consideration of the information or matter confidential.

REPORT OBJECTIVE

To seek Council endorsement for a new agreement being entered into with Belair Turf Management for the management of the Seacliff Golf Course.

EXECUTIVE SUMMARY

The new Seacliff Golf Course clubhouse is due to be completed in March 2025. Belair Turf Management (BTM) currently have a management agreement with Council for the golf course which expired in November 2024 and the agreement is currently in holdover.

BTM have provided Council a submission, as part of a Request for Proposal process, seeking to continue the management of the golf course under new terms from the handover of the new building to Council. BTM have managed the course for over 20 years and are currently paid an

annual fee of [REDACTED] by Council to manage the course operations, including course maintenance and golf services.

Under the proposed new agreement, BTM would continue to manage the course, including course maintenance, clubhouse operations and golf services, and would pay Council [REDACTED] per annum to do so.

In the last two years BTM were bought by Kolsen Group who have 12 businesses and over 1,000 staff. Given the experience the current BTM team have at the site and the established relationship with Council and the Club, as well as the investment the Kolsen Group is making into their golf management business, and the terms proposed by BTM, it is recommended that Council support administration entering into a new agreement with BTM for a period of two years for the management of the Seacliff Golf Course from the date of practical completion of the building.

RECOMMENDATION

That Council:

- 1. Authorises a new agreement being entered into between Council and Belair Turf Management for the management of the Seacliff Golf Course for a two year period due to commence in March 2025 or upon practical completion of the new clubhouse building.**
- 2. Authorise the Chief Executive Officer or delegated officer to negotiate details and execute an agreement on behalf of the City of Marion.**
- 3. Pursuant to section 91(7) of the Local Government Act 1999, orders that the financial information and figures contained within the following document(s) relating to Agenda Item GC250128F11.1 Seacliff Golf Management Agreement shall be kept confidential, except when required to effect or comply with Council's resolution(s) regarding this matter, being document(s) relating to a matter dealt with by the Council on a confidential basis under sections 90(2) and 90(3)(b) and (d) of the Act, :**
 - Report - GC250128F.11.1 - Seacliff Golf Management Agreement**
 - Minutes - GC250128F.11.1 - Seacliff Golf Management Agreement**

on the grounds that the document(s) relates to information the disclosure of which could reasonably be expected to be kept confidential and not available for public inspection upon the basis that the information relates to commercial information pertaining to the operations of Belair Turf Management and their financial proposal for the renewed Management Agreement.

- 4. Notes the disclosure of this information would, on balance, be contrary to the public interest because it could infer a financial advantage to another entity.**
- 5. Determines this order shall operate until it is revoked, or a further order is made and reviewed will be reviewed every 12 months.**
- 6. Pursuant to section 91(9)(c) of the Local Government Act 1999, delegates to the Chief Executive Officer the power to revoke this order in whole or part.**

DISCUSSION

The City of Marion is nearing the completion of a new clubhouse building for the Seacliff Golf Course (formerly Marion Golf Park). The completion of building works for the clubhouse and handover to Council is expected to occur in March 2025.

As part of the golf course project, the future management of the new clubhouse and existing golf course was a key matter to consider and resolve.

The Seacliff Golf Course is currently maintained and managed by Belair Turf Management (BTM) under agreement with Council. The current management agreement with BTM ran through to November 2024 and is currently in holdover. Under the current management agreement BTM are responsible for all golf course operations, including:

- maintaining the golf course (turf maintenance of fairways, greens, trees and vegetation)
- pro shop operations (service delivery to golfers, receipts of green fees, merchandise sales)
- building maintenance (cleaning the existing pro shop and greenkeeping facility)
- outgoing costs (equipment supply and maintenance, fertilisers and chemicals, materials, utilities, staffing).

Note – Water cost for irrigation is currently not included in outgoing costs, as is the current and historical arrangement. Under the current and proposed agreement electricity charges for pumping costs are the responsibility of BTM. Should water charges be required to be paid for course irrigation and on-charged under the management agreement then a variation would need to be considered for the agreement, in which BTM is likely to propose a change to the proposed fee payable to Council.

Under the current management agreement for the golf course, Council pays BTM an annual fee of [REDACTED] per year for BTM to manage all golf course operations, in which BTM receive and keep all revenues, but also pay for staff and outgoings (course and buildings).

Belair Turf Management have managed the golf course for over 20 years. Two years ago Belair Turf Management was bought by the Kolsen Group. The Kolsen Group currently own and operate twelve businesses under its umbrella with over 1,000 staff. One of those businesses is BTM, which currently manage the Seacliff Golf Course, Lochiel Park Golf Course (City of Campbelltown), Playford Lakes (City of Playford) as well as Kolsen Group expanding into course operations in Palmerston Golf Club – NT. Whilst previously BTM had a primary focus on turf and horticulture, under the Kolsen Group BTM is expanding to become a turf and golf management business delivering services for all course operations, including food and beverage, golf services and horticulture.

In relation to the management of the new clubhouse, consideration was given to either going out to the market to seek expressions of interest or providing the existing course management group (BTM) an opportunity to submit a proposal. A request for proposal process with BTM was chosen for the following key reasons:

- Council concluded an EOI process for the golf course three years ago and had two interested parties – one being BTM and the other an interstate golf management organisation. There was a significant gap in the proposition between the two groups (BTM's financial proposition was over [REDACTED] less cost to Council per annum). These two parties

are still the main choices for external golf management services in South Australia.

- There are much fewer risks transitioning into the new clubhouse building with the existing management group given they have been involved as a key stakeholder in the project over the last 18 months. Further, BTM have been heavily involved in the new irrigation system installation and have established a thorough knowledge of course operations using the new system.
- BTM have worked hand in hand with Council over the last 18-months to support customer and stakeholder experience at the course throughout all the construction interruptions.

Following a review of the BTM proposal and ongoing negotiations, a draft management agreement has been prepared to engage BTM to continue to manage the Seacliff Golf Course for a further two-year term once the new clubhouse building has been completed.

The following table contains key terms and information under the proposed new agreement.

Term	<ul style="list-style-type: none"> • 2 Years (*March 2025 to March 2027) – *To commence at project handover or upon practical completion of the building
Fee	<ul style="list-style-type: none"> • [REDACTED] per annum payable by BTM to Council
Responsibilities (BTM)	<ul style="list-style-type: none"> • Course maintenance (standards set within agreement on course condition and presentation) • Clubhouse operations (pro shop, food and beverage services, golf club relations) • Building maintenance (in accordance with defined schedule) • Outgoings (equipment supply and maintenance, fertilisers and chemicals, materials, stock, utilities, staffing) • Marketing (website, online booking system, advertising)
Exclusions	<ul style="list-style-type: none"> • Water charges for the course water supply (irrigation), noting that electricity charges are a responsibility of BTM for pumping costs.
Clubhouse Opening Times (open to negotiation)	<ul style="list-style-type: none"> • Course / Clubhouse / Pro Shop <ul style="list-style-type: none"> ○ Weekdays 7:00am – 7:00pm ○ Weekends 6:30am – 7:00pm • Kitchen Service <ul style="list-style-type: none"> ○ Thursday & Friday 12pm – 7:00pm ○ Saturday 12:00pm – 7:00pm ○ Sunday 10:00am – 5:00pm
Food and Beverage	<ul style="list-style-type: none"> • Limited menu available most times during the day. • Full kitchen service on Thursdays to Sundays (ongoing times can be negotiated). • Beverage operations at all times. • BTM seeking liquor licence. • No intent to offer an evening restaurant or functions, the main aim is to service golfers and public in a café style, however evening operations is an option.
Staffing	<ul style="list-style-type: none"> • BTM have advised the intent to employ a clubhouse manager to lead operations, with a minimum of two staff (inclusive of manager) operating in the clubhouse at most times to balance service between pro shop and food and beverage duties.
Golf Club	<ul style="list-style-type: none"> • The Club will be provided with a separate sub-licence

	<p>agreement with access rights over an office in the new building, and the ability to use the meeting room and main clubhouse for agreed times per year.</p> <ul style="list-style-type: none"> • The Clubs right to access the course will be protected within the agreement at set times and under set conditions. • The Club is negotiating directly for BTM to manage the Club competitions (fee taking and service) under a profit share arrangement.
Green Fees	<ul style="list-style-type: none"> • Fees will be set as part of Council's annual fees and charges process to ensure control of cost impact to the public and the golf club. • Season rates (golf pass) are to be set to support people joining the Golf Club.
Council Access	<ul style="list-style-type: none"> • Within the agreement Council will be provided opportunities to utilise the meeting room and/or main clubhouse room subject to availability and reasonable notice.
Reporting	<ul style="list-style-type: none"> • BTM will be required to provide Council information on: <ul style="list-style-type: none"> ○ Course utilisation (including number of rounds per month and total annual figures) ○ Financial Performance (course and clubhouse)
Guarantee	<ul style="list-style-type: none"> • [REDACTED] plus GST bank guarantee and personal guarantee/s. • Financial background checks.

The key reasons for entering into a new management agreement with BTM are as follows:

- BTM have a long history managing the course and have a thorough understanding of the course and its operations.
- BTM have an established relationship with the Seacliff Golf Club.
- BTM were involved throughout the irrigation renewal and have a thorough knowledge of the irrigation system, bores and meters.
- BTM are based at Lonsdale, which enables them to provide machinery and equipment for the course management in a cost effective manner and not require large machinery storage at the golf course as a result.
- The Kolsen Group are investing into the course management side of their organisation with plans to expand.
- BTM are looking to engage new staff including a manager to lead service delivery.
- BTM have offered to pay an annual fee to Council for the management rights, which is a uniquely positive position for a Council owned golf course.

At the conclusion of the initial 12-months of the new agreement a review can be conducted on the outcomes from the period, including course and clubhouse utilisation, financial performance, and customer satisfaction. Depending on the results, a decision can be made to commence negotiations for a new agreement with a further term or look to test the market with an open expression of interest. At that stage there will be a years' worth of data from the course and clubhouse operations to support either process.

ATTACHMENTS

Nil