1. On the evening of 10 September 2019, the Camberwell Golf Club (CGC) received a request from the North East Link Project Inquiry and Advisory Committee (NELP-IAC) inviting comment on Documents 378a and 378b pertaining to Golf Australia’s letter dated 5 September 2019 (378a) and to the Freeway Golf Course-New Facility Option Review (378b). The CGC thanks the NELP-IAC for the opportunity to respond but is disappointed that these documents were not provided before the CGC made its presentation to the NELP-IAC on 9 September, as this would have allowed these documents to have been addressed in the CGC presentation. The CGC is also somewhat frustrated that a response was requested not later than 12 September 2019. Nevertheless, the CGC provides the following comments as requested:

   a. The CGC strongly supports retention of an 18-hole “Championship Standard Golf Course” and is opposed to any reduction towards a 9-hole “Social Standard Golf Course”.

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b. The CGC does not see any significant reason why an 18-hole golf course cannot co-exist with a new “Multiuser Facility” along the lines of the Curlewis style concept. In fact, retention of an 18-hole layout in conjunction with a multiuser facility would provide the best of both worlds catering for both traditional golf users and new market users, which may bridge into traditional golf.

2. The CGC has reviewed the financial modelling and business case conducted in document 378b and concluded the input data is skewed in favour of supporting a multiuser facility. Like all costing models the outcome is dependent on the quality / accuracy of the data inputs. Inaccurate data entered into the model results in inaccurate outputs and conclusions. The CGC review of the modelling shows the difference between an 18-hole course and a multiuser facility to be much more marginal than that presented in the report. The following comment is raised in reference to the modelling provided in document 378b:

   a. The reports cost comparison base uses 50,000 users at a green fee of $31.00 for adults. The current green fees are $33.50, so revenue figures are higher than modelled for the 18-hole course. Therefore, income has been skewed to the low side in the modelling favouring the multiuser facility option.

   b. The report estimates 18-hole course operational expenses in the order of $1.0 million to 1.5 million, but inputs $1,651,990 into the expenditure table (see Table 2) of the modelling (page 14). Therefore, expenditure is skewed to the high side within the modelling favouring the multiuser facility option.

   c. Actual operating costs for the Freeway Golf Course are in the vicinity of $1.0 million according to Boroondara Council. When inputting this data, a significant flaw in the report’s modelling is exposed. Further extrapolation in the modelling out years exacerbates the results. Using the more accurate cost estimates favours retention of the 18-hole layout on a simple profit / loss comparison.

   d. On page 14 of the report the first-year visitation figures estimate 131,024 visitations to the multiuser facility (see Table 4), yet on page 11 the report states that the conservative visitation figure has been used in the modelling. This does not appear to be the case. The conservative case figure on page 16 (see Table 5) is 125,245 visitations. Therefore, visitation numbers are skewed to the high side within the modelling favouring the multiuser facility option.

   e. Benchmarking of a new multiuser facility in Boroondara against the Curlews Golf Course multiuser facility is dubious. The Bellarine Peninsula is a high visitation tourist area and visitation numbers are likely to be higher than can be expected in Boroondara. However, it does represent a useful guide to the establishment and running costs of building a multiuser facility within Boroondara. Therefore, input of visitation numbers into any modelling examining a multiuser facility in Boroondara should be more conservative so not to overstate a business case.
f. Additionally, the report is limited in its scope discussing only two options and does not investigate the possibility of an 18-hole layout coexisting with a new multiuser facility. A significant oversight.

3. In summary the CGC strongly supports retention of an 18-hole Championship Standard Golf Course and remains opposed to any reduction towards a 9-hole Social Standard Golf Course. That said the CGC is not opposed to the development of a “Curlewis Style” multiuser facility in conjunction with an 18-hole layout as this would cater to both traditional golfers and wider market users.

4. The CGC also concludes that document 378b is limited in its scope and flawed. The modelling inputs are skewed to favour the business case for a multiuser facility. It is not a document that can be reasonably relied upon to base future multi-million-dollar expenditure decisions. A detailed business case, including cost benefit analysis, will need to be conducted by Boroondara Council regarding the viability of a multiuser facility within the Boroondara precinct.

Your faithfully,

Craig Atkins

C.J.A. ATKINS
CGC Committee
NEL-Representative