



**CITY OF SOUTH PERTH**

**MAJOR LAND TRANSACTION  
BUSINESS PLAN  
COLLIER PARK GOLF COURSE**



**City of  
South Perth**







## ***A city of active places and beautiful spaces***

Kaardjinin Nidja Nyungar Whadjuk Boodjar Koora Nidja  
Djining Noonakoort kaardijin wangkiny, maam, gnarnk  
and boordier Nidja Whadjul kura kura.

We acknowledge and pay our respects to the traditional  
custodians of this land, the Whadjuk people of the  
Noongar nation and their Elders past, present and future.





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## 1.0 INTRODUCTION & BACKGROUND

**Collier Park Golf Course is located off Hayman Road, Como in the City of South Perth (the City). The golf course was developed by the City of South Perth as a public golf course in 1984. Today, the golf course is one of the most popular courses in the Perth metropolitan area with its picturesque grounds and variety of local wildlife.**

It is currently operated on the City's behalf by a third-party golf operator (Controller), with the current lease and controller agreement in place since 2018.

The course has demonstrated an increase in the popularity of both golf rounds and driving range patronage over the past three years reaching over 120,000 rounds of golf in the 2023/24 financial year. In 2021, the City invested \$2 million in a new mini golf facility which has been profitable and grown in popularity since opening.

Whilst the course itself has been maintained to a high standard, the built assets, including the existing clubhouse, pro-shop, function room, café, kitchen and driving range are not of a contemporary standard and require replacement. These assets were scheduled to be replaced as part of the City's (\$80 million) Recreational and Aquatic Facility (RAF) project, which was cancelled in May 2023 due to escalating costs and a lack of funding.

Given that the Collier Park Golf Course is a significant revenue source for the City and the existing facilities do not meet the expectations of golf patrons nor, do they provide for community amenity outside of golfing patrons, the City identified the facility upgrades as a priority. Without these upgrades, future revenue from golf course operations would be likely to decline due to increased competition and an inability to meet community expectations.

## 2.0 OBJECTIVES

1. To develop an enhanced and contemporary recreation and golfing experience and attract a wider, diverse audience to enhance the golf course as a place for community recreation, engagement and socialisation.
2. To optimise, diversify and ensure the long-term revenue streams generated from the golf course to the benefit of the residents of the City of South Perth.
3. To ensure the long-term financial viability of the golf course so that operations and future capital expenditure requirements do not place a financial burden on ratepayers of the City.

## 3.0 LEGISLATIVE REQUIREMENTS

### 3.1 Major Land Transaction Business Plan

In accordance with the *Local Government Act 1995*, a local government is required to develop and advertise a business plan if a proposed disposal of property is considered a major land transaction under the act.

A disposal of property is considered as a major land transaction if the consideration under the transaction, together with anything done by the local government for achieving the purpose of the transaction, is more than either:

- i. \$10,000,000; or
- ii. 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year, which in the case of the City for the 2023/24 financial year is an amount of \$6,822,000 (based on interim results).

Before entering into a Major Land Transaction, Council must first prepare a Business Plan, advertise the availability of the Business Plan for comment and then consider any submissions received in relation to the proposed transaction.

The requirement to prepare a Major Land Transaction Plan, is met by the proposed development expenditure being in the order of \$18 million of which \$10 million will be committed by the City.

The City is borrowing the full \$18 million from the Western Australian Treasury Corporation of which \$8 million plus interest will be repaid by Clublinks Management Pty Ltd to the City under a separate agreement between the City and Clublinks Management Pty Ltd (see section 6.3 for further details).

### 3.2 Business Plan Advertising

At the Ordinary Council Meeting on 27 August 2024 (Item 10.1.1 Collier Park Golf Course Business Plan), Council resolved, in accordance with section 3.59(4) of the *Local Government Act 1995*, to authorise the Chief Executive Officer to provide statewide public notice of the proposed major land transaction for Collier Park Golf Course.

The City now invites public submissions on the Major Land Transaction Business Plan, which proposes to jointly develop the facilities at the golf course as outlined in the plan with the chosen operator Clublinks Management Pty Ltd.

In accordance with section 3.59 of the *Local Government Act 1995* (the Act), the City is required to prepare a Business Plan for the transaction and give statewide public notice of the proposal.



Community members may make submissions in relation to the transaction via the following methods:

**By Post:** Cnr Sandgate St and South Tce, South Perth WA 6151

**By Email:** [enquiries@southperth.wa.gov.au](mailto:enquiries@southperth.wa.gov.au)

**In Person:** South Perth Civic Centre, Cnr Sandgate St and South Tce, South Perth

Any submissions received will assist Council in making a decision on whether to proceed with the advertised transaction.

Copies of the Plan are available from:

- The City's website
- The City of South Perth Civic Centre
- The South Perth Library and the Manning Library

Closing date for submissions:

**Friday, 11 October 2024 at 4.00pm.**

**Mike Bradford**  
**Chief Executive Officer**

Submissions will be treated as public documents unless explicitly requested otherwise. If you do not consent to your submissions being treated as a public document, you should mark it as confidential or specifically identify the confidential information and include an explanation.





## 4.0 OVERVIEW

### 4.1 Background

This proposal has been developed in accordance with the City's Strategic Community Plan 2021-2031 (SCP), with the vision of achieving "a City of active places and beautiful spaces."

In 2023, the City advertised a public tender (RFT 8/2023) for the Redevelopment and Management of Collier Park Golf Course in accordance with section 3.57 of the *Local Government Act 1995*. Council awarded the Tender to Clublinks Management Pty Ltd (Clublinks), facilitating a Course Controller Agreement and a Development Agreement.

### 4.2 Site Details

The land is described as Collier Park Golf Course and is shown on the photograph (below). The land has an approximate area of 90 hectares, and is located on Hayman Rd, Como within the local government area of the City of South Perth.

Collier Park Golf Course sits across two parcels of Crown Reserve known as Reserve 38794 and Reserve 36435. Both Reserves are vested in the City with the power to lease for a period not exceeding 21 years.

Reserve 38794 comprises Lot 3858 on Deposited Plan 218457 being the whole of the land in Qualified Certificate of Crown Land Title Volume LR3102 Folio 500.

Reserve 36435 comprises Lot 500 on Deposited Plan 416118 being the whole of the land in Qualified Certificate of Crown Land Title Volume LR3170 Folio 620.

The land is zoned Parks and Recreation under the MRS.







### 4.3 Tender Process

A Request for Tender (RFT) 8/2023 for the Provision of Golf Course Management Services including facility redevelopment and improvement for golf course was advertised in The West Australian newspaper on Saturday 9 September 2023 and Wednesday 13 September 2023 with a closing date of Tuesday 24 October 2023.

All tenders were initially reviewed against the compliance criteria before being reviewed by an evaluation panel and assessed according to the weighted assessment criteria outlined in Table A below.

The assessment of the financial elements being the fee/lease proposal and the capital contribution was a complex process that was assisted by financial modelling including cashflows associated with all proposals across the proposed contract term (21 years).

It is noted that the RFT made it clear that the City would continue to be responsible for the maintenance of the golf course in accordance with current practice.

WEIGHTED ASSESSMENT CRITERIA		WEIGHTING
<b>Criteria 1 (25%)</b>	<b>Fee/Lease Proposal Offer</b>	25%
<b>Criteria 2 (5%)</b>	<b>Corporate &amp; Social Responsibility</b>	5%
<b>Criteria 3 (30%)</b> Organisational Structural & Operational Experience:  Demonstrated experience of tenderer and personnel performing the services.	<b>Company/organisational profile</b>	5%
	<b>Golf Course Performance</b>	5%
	<b>Management Systems</b>	5%
	<b>Head Office Support</b>	5%
	<b>On-course Operating Structure</b>	10%
<b>Criteria 4 (40%)</b> Business Plan, Innovation and Capital Upgrades:  Value add and methodology to deliver the services, including transition planning, business plan(s) and facility upgrades.	<b>Business Plan and Forecasts and Business case/Feasibility</b>	10%
	<b>Proposed Facility and Course Improvements and Redevelopment</b>	10%
	<b>Capital Contribution</b>	15%
	<b>Golf Course Strategic Plan</b>	2.5%
	<b>Facility Maintenance</b>	2.5%

Table A - Weighted Assessment Criteria

Based on comprehensive assessment of all submissions received, the offer from Clublinks Management Pty Ltd was determined to represent the best long-term value and outcome for the City and its residents.

The Clublinks proposal includes a proposed rental amount for the existing pro shop/kiosk/function area together with a revenue sharing arrangement for a range of revenue streams. The proposal also includes concept plans for the redevelopment of existing facilities including a two-story driving range, retail area, food and beverage facilities, function centre, office area and playground. A padel tennis facility is also proposed.

As per the tender request, the proposed upgrades to facilities do not require any change to the layout of any of the three nine-hole courses.

The proposed funding arrangements require both a commitment from the City and from the proponent and will be subject to further decisions of Council once the contract negotiations have been undertaken. The development is scheduled to take place in year two and three of the agreement.

At the December 2023 Ordinary Council Meeting it was resolved that Council:

1. Approves Clublinks Management Pty Ltd as the preferred Tenderer in accordance with Tender Number RFT 8/2023.
2. Authorises the Chief Executive Officer to negotiate with Clublinks Management Pty Ltd to finalise the Course Controller Agreement and Lease agreement.
3. Before the City enters into the Course Controller Agreement and Lease, authorises the Chief Executive Officer:
  - a. if, and when required, to prepare and advertise a business plan in accordance with section 3.59 of the *Local Government Act 1995* in relation to any major land transaction and/or major trading undertaking contemplated by the Course Controller Agreement and Lease; and
  - b. to advertise the Lease in accordance with section 3.58 of the *Local Government Act 1995*.







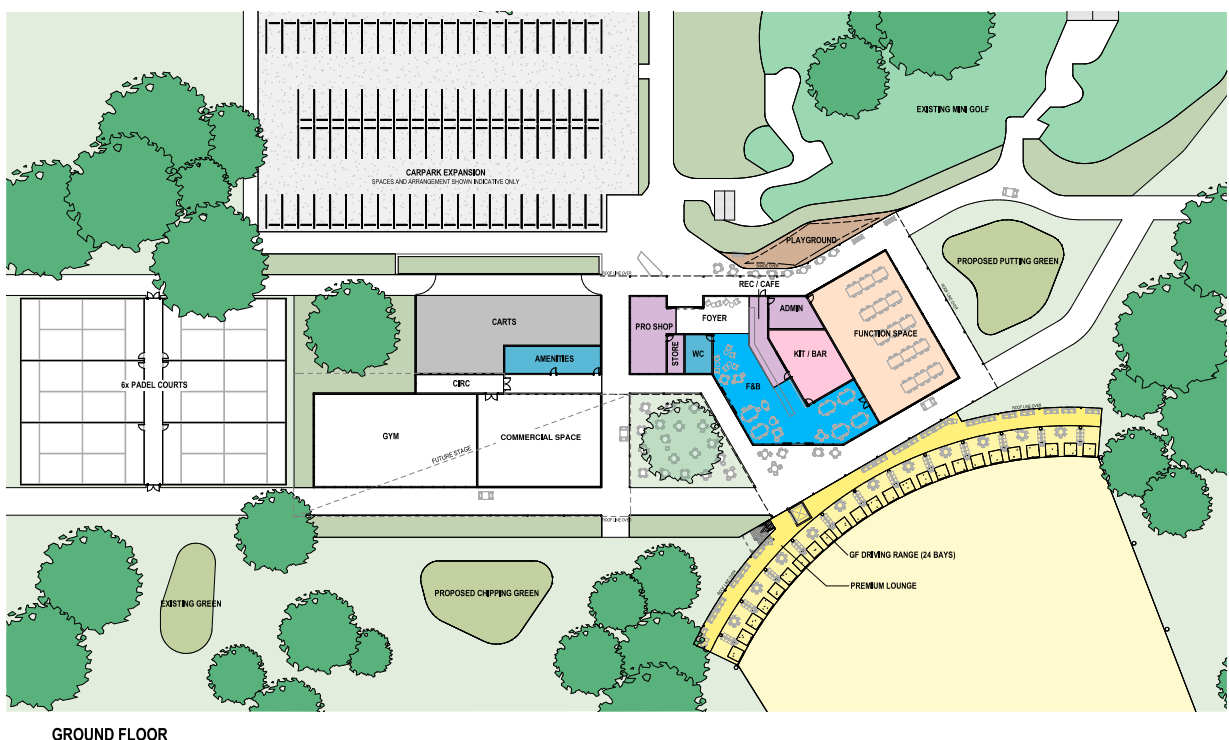
## 5.0 DETAILS OF MAJOR LAND TRANSACTION

It is intended that the City enter into three agreements with Clublinks Management Pty Ltd being:

1. A course controller agreement which provides for the operation and management of the golf course facilities (whether existing or future facilities) and an agreed share of revenue for the different revenue sources available from current and future golf course facilities.
2. A 21 year lease agreement that covers an area that accommodates the development site required for the new facilities.
3. A development agreement which provides for a contribution of capital to fund the development of new facilities from both Clublinks and the City of up to \$8 million and \$10 million respectively.

The proposed development consists of:

- Two story driving range
- Relocated practice putting greens
- Administration areas
- Food/beverage/kitchen areas
- Retail area
- Playground area
- Padel courts
- Amenities
- Provision for office/gym and or community space.



*Indicative Layout of Proposed Development.*



*Images above show concepts only. Detailed design phase is yet to take place.*





## 6.0 ASSESSMENT OF MAJOR LAND TRANSACTION

### 6.1 Effect on the provision of facilities and services by the City

The City currently places 50% of the net operating profit received by the City from the golf course operations into the Collier Park Golf Course Reserve Fund. This fund is used to provide for ongoing upgrades to the course and associated infrastructure. As outlined in Section 6.3 below, under the proposed agreement, the course is projected to make a net profit over the next 21 years. 50% of the City's share of the net profit derived from the golf course operations will continue to be placed in reserve to ensure that the operations of the golf course do not place a financial burden on ratepayers.

The other 50% of the City's share of the net profits derived from the golf course operations will form part of the City's overall revenue base to fund other services to the community such as park maintenance and tree planting, i.e. resulting in lower rates to the benefit of the City's ratepayers.

### 6.2 Effect on golf operators in the district

There are no other public golf course operators within the district of South Perth, however, the City of Canning and the City of Melville both operate golf courses nearby, with the City of Canning recently announcing significant capital investment into upgrades to its golfing facilities. Similar investments are being made at Hammersley Golf Course (City of Stirling) and Fremantle, with Wembley Golf Course (Town of Cambridge) already having undergone major capital investment.

Investment in the City's Golf Course is vital in ensuring that it maintains its competitive standing amongst nearby alternative public golfing venues and can attract non-golf playing visitors to ensure revenue streams remain strong into the future.

### 6.3 Expected financial effect on the City

The proposed investment into the golf course is considered necessary to create a contemporary, thriving and financially viable community asset for future generations. Without investment, it is unlikely that the golf course will remain competitive in the market and asset failures will see revenue decrease whilst maintenance costs continue to increase.

The proposal requires Clublinks Management Pty Ltd to commit capital funding to the redevelopment of up to \$8 million. The City's Capital contribution is approximately \$10 million.

The City will borrow the entire \$18 million for the redevelopment works from WA Treasury Corp (WATC) at a fixed rate. It is proposed that Clublinks' share (being \$8 million) plus applicable interest will be repaid over a 10 year period via a capital contribution fee that will be calculated using an interest rate premium over and above what the City is charged by WATC. This provides an additional revenue stream to the City and negates the need for third party financing on behalf of the proponent.

The required loan is identified in the City's 2024/25 budget as a WATC Loan Facility and includes the estimated amount required for construction of the proposed facilities together with the capitalised interest over the construction period. Given that the loan repayment is entirely funded by the rent and fees payable by operator to the City and the City's share of any profits derived from the golf course operations, there is no impact on the City's ability to borrow for other projects should it be required to do so.

The total revenue generated from all revenue streams over the 21 year term of the lease and course controller agreement is calculated to be \$356 million, with the City's net return from all sources (inclusive of rent), forecast to be \$109 million.

The City is projected to receive a positive net present value of all cash flows of \$27.1 million over the lease term. This includes all projected income streams and expenses and the repayment of capital and interest, with the proponent's proportion of capital repaid after 10 years.

It should be noted that in assessing the tender responses a significant amount of financial modelling was undertaken by an independent financial analyst to determine the net present value outcomes of all cash flows and identify the most favourable proposal for the City. This included sensitivity analysis and modelling of different financing assumptions. This analysis was made available to Council as part of the decision-making process for the award of the tender in December 2023.

## 6.4 Effect on matters referred to in the City's Strategic Community Plan

The City's Strategic Community Plan 2021-2031 was reviewed in 2024. The proposed redevelopment of golf course assets aligns with the following strategies as outlined in the plan:

**1.2.2:** Develop, manage, maintain and optimise the use of the City's properties, assets and facilities.

**1.2.3:** Plan for and promote the development of recreation facilities to service the City of South Perth needs.

**4.3.2:** Diversify and optimise non-rate income.

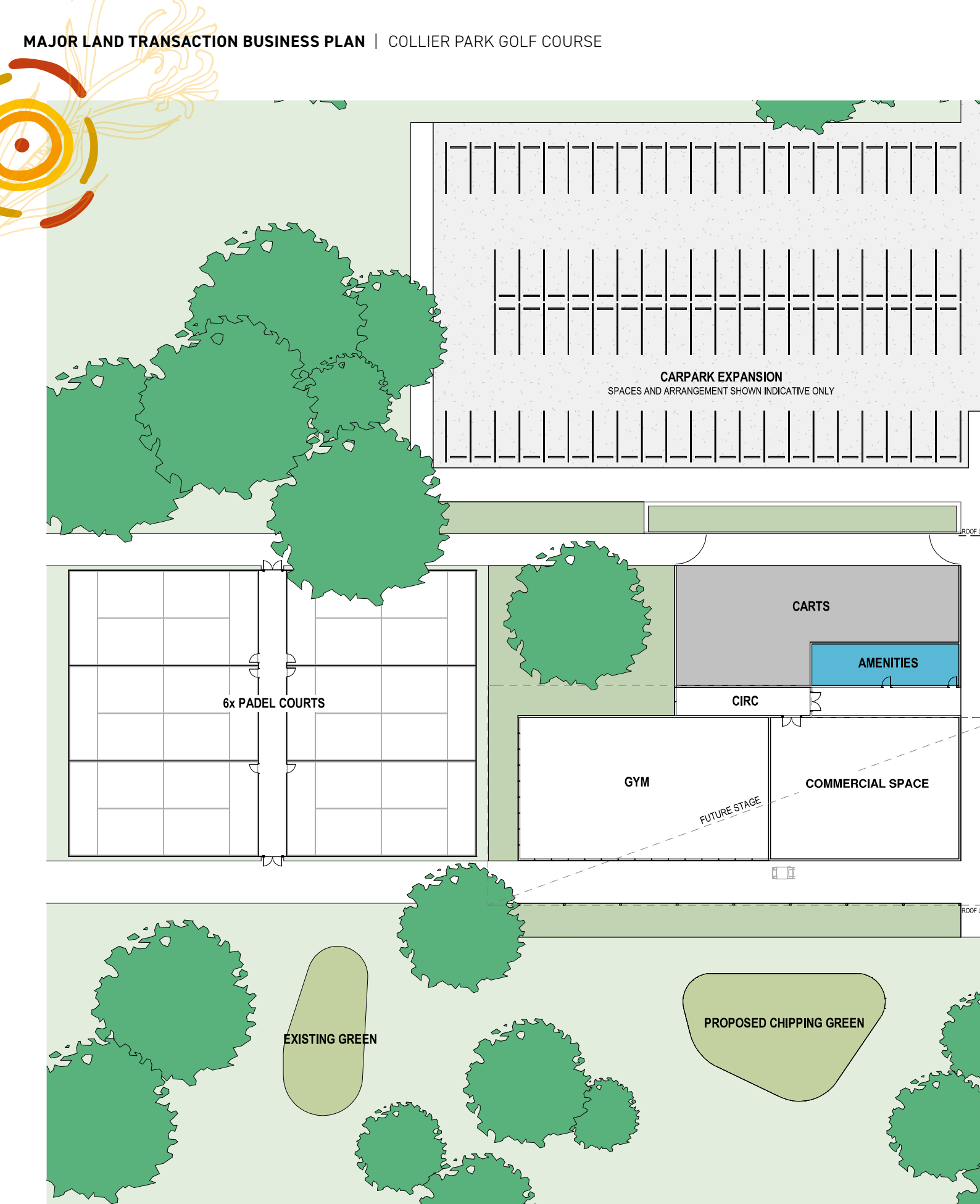
**4.3.3:** Maintain a culture of fiscal efficiency.

## 6.5 Ability of City to manage the transaction

This project is to be jointly managed with the proponent Clublinks Management Pty Ltd through an established project governance framework that includes a project steering group and a project management group. These groups will incorporate expertise from within the City and Clublinks Management Pty Ltd but also external organisations with design expertise, project management expertise and construction expertise.



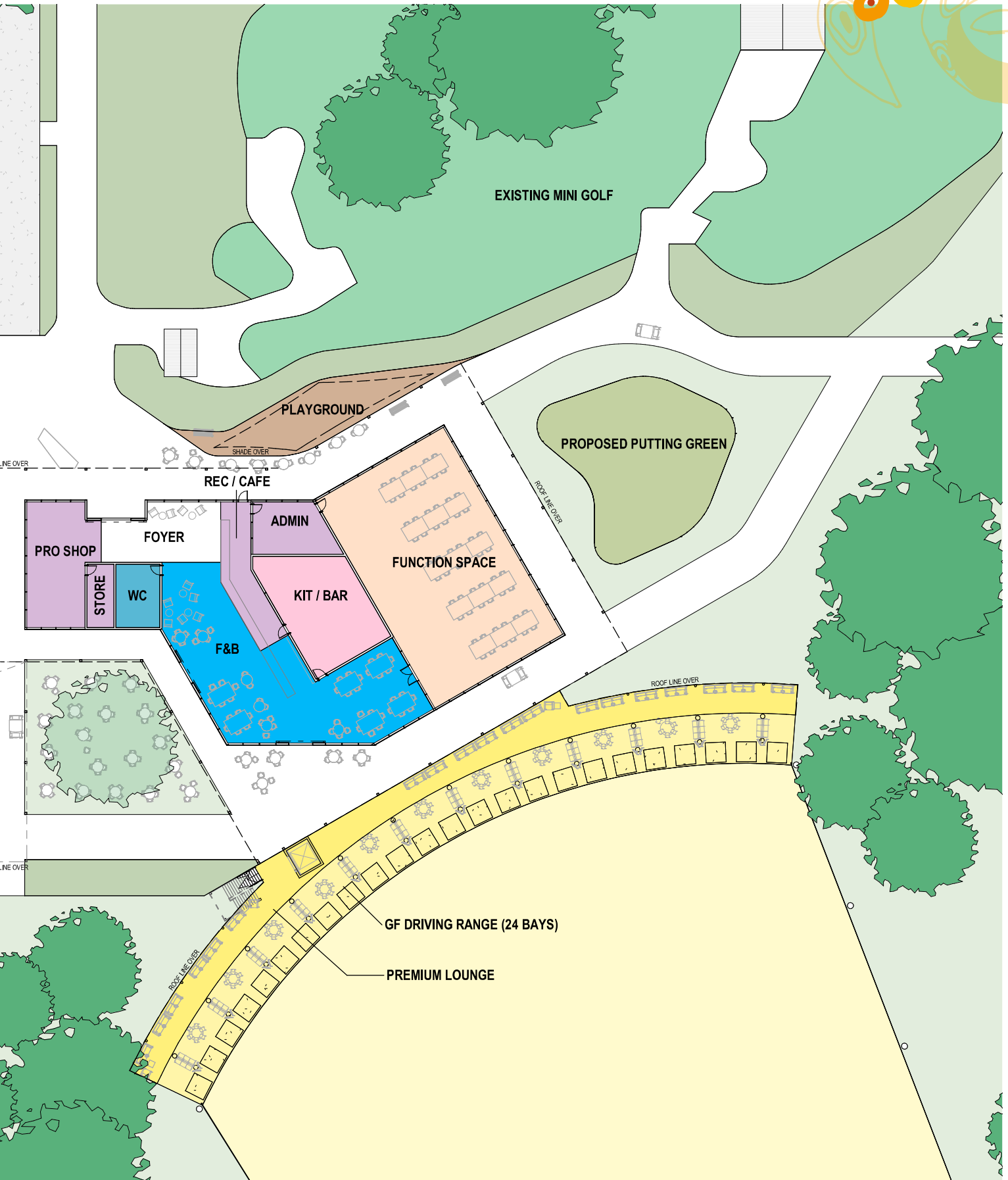




## GROUND FLOOR

*Indicative Layout of Proposed Development.*





## USEFUL CONTACTS

### **Civic Centre**

9474 0777

Cnr Sandgate St & South Tce,  
South Perth WA 6151

Fax 9474 2425

[southperth.wa.gov.au](http://southperth.wa.gov.au)

### **Recycling Centre**

9474 0970

Hayman Rd & Thelma St, Como  
[enquiries@southperth.wa.gov.au](mailto:enquiries@southperth.wa.gov.au)

### **Animal Care Facility**

9474 0777

199 Thelma St, Como

### **Ferry Tram**

9474 0777

Windsor Park, Cnr Mends St &  
Mill Point Rd, South Perth

### **George Burnett Leisure Centre**

9474 0855

Manning Rd, Karawara

[leisurecentre@southperth.wa.gov.au](mailto:leisurecentre@southperth.wa.gov.au)

### **South Perth Library**

9474 0800

Cnr Sandgate St & South Tce,  
South Perth

[southperthlib@southperth.wa.gov.au](mailto:southperthlib@southperth.wa.gov.au)

### **Manning Library**

9474 0822

2 Conochie Cres, Manning

[manninglib@southperth.wa.gov.au](mailto:manninglib@southperth.wa.gov.au)

### **Old Mill**

9367 5788

Melville Pl, South Perth

[oldmill@southperth.wa.gov.au](mailto:oldmill@southperth.wa.gov.au)

### **South Perth Senior Citizens**

9367 9880

53 Coode St, South Perth

[spsc@bigpond.com](mailto:spsc@bigpond.com)

### **Manning Senior Citizens**

9450 6273

3 Downey Dr (off Ley St),  
Manning

[manningseniors@bigpond.com](mailto:manningseniors@bigpond.com)

### **Graffiti Hotline**

1800 007 774

### **Collier Park Golf Course**

9484 1666

Hayman Rd, Como

[collierparkgolf.com.au](http://collierparkgolf.com.au)

9474 0777

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