



Community of Nicholls Residents Group

Proposed Questions from CNRG for Mr Harry Konstantinou via the People's Panel

Question 1

The residents of Nicholls and the surrounding community, through the Community of Nicholls Residents Group (CNRG), have endorsed the following six principles for engagement with the K Group:

1. Transparency of the community consultation process;
2. Preservation of the suburb's open space, amenity and wildlife habitat;
3. Land values should not be put at risk;
4. K-Group should honour its promises to spend \$15m on ancillary recreational facilities and retain an 18 hole championship-level golf course;
5. Certainty about the long-term character of the Nicholls suburb; and
6. Continuation of an 18 hole championship-level golf course and the associated urban open space, ie. the K-Group should be required to adhere to the conditions of the lease it acquired in 2006 (as subsequently varied for sub-division in 2014).

Can you please respond to each of these principles, having regard to the following:

- K Group has said publicly that it will be seeking a variation of the Territory Plan prior to the community consultation process being completed;
- No environmental assessment has been undertaken ahead of the intention to seek a variation to the Territory Plan;
- House values have already been compromised, with several examples already of houses in the vicinity of the golf course either being withdrawn from sale or passed-in at auction as a direct consequence of K Group's announcement. The "Reimagine Gold Creek" website states ... *"Any development that would negatively impact on property values in Nicholls does not meet this important objective"*;
- K Group's initial investment has apparently been more than recouped as a consequence of the 2014 lease variation allowing the pool, gymnasium, tennis courts, child care centre and Let's Play to be sold-off;
- Public commitments given by the K Group to maintain an 18 hole championship golf course as recently as 2013. In an open letter to Gold Creek Country Club members dated 21 December 2013, it was stated that:

*"The Country Club is predominately a golf course and will **always** predominantly remain an 18 hole golf championship course. The development application currently being considered will not change that, it only serves to change the ownership of the commercial tenancies from one owner to several. This will allow the owner to **divert funds into further golf course improvements** which we are currently considering." [Emphasis added]*

Question 2

In the same open letter to Gold Creek Country Club members dated 21 December 2013 relating to the 2014 lease variation, it was stated that:

*"Whilst these tenancies have **served a purpose of assisting with the subsidisation of the golf course operations** over the last seven years by way of rental received, they have now served their purpose and it is more appropriate for the tenants to become owner-occupiers of their tenancies" [Emphasis added].*

Can you explain the logic behind this action by K Group, when seemingly the lack of rental income has contributed to the losses now claimed to be the reason for seeking a variation to the lease to allow further development?

Question 3

The recent engagement of Troon Golf Management is a positive step. Can you outline what other steps K Group has done to improve the sustainability of the golf course operations over the last 12 years? Is there a plan for the future that does not require rezoning and redevelopment.

Question 4

We have been advised by golf members that they have seen surveyors on the course in the last 6 months. Have you used the services of a surveyor subsequent to the 2014 lease variation, in respect of any or all of the land comprising holes 10 to 18, the practice range or the Par 4, Par 3 or Par 5 practice holes, with a view to obtaining advice about potential development options?

Question 5

Has any Director, employee or person acting on behalf of the K Group as a paid or unpaid lobbyist spoken to any government official or member of the Legislative Assembly about any aspect of the K Group's proposal, either in full or in part, in the last 12 months?

Question 6

Claims have been made that the annual water usage is 300 million litres. We are advised that the actual water use has rarely exceeded the concessional allowance of 165 million litres. Can you reconcile these figures?

Question 7

Claims have also been made that the shrinkage of the golf course would save \$200,000 in water cost. We are advised that the actual water cost for the golf course has never exceeded \$35,000. Can you reconcile these figures?

Question 8

You have stated that a strategic review of the Gold Creek Golf Course has been conducted. Can you advise who conducted the review, what were the Terms of Reference and whether the report could be made available to members of the People's Panel? Were any Committee members of the Gold Creek Golf Club involved in the strategic review?

Question 9

We understand that K Group has engaged Troon Golf Management to manage the golf operations for an initial period of one year, with an option for a further three year period, subject to performance. A Press Release dated December 2017 stated:

*"This appointment presents an exciting opportunity for us to partner with an established club in a thriving region of the world," commented Mark Charleski, President – Troon International. "We are delighted to be working with the team at Gold Creek and to marry our expertise with the team's knowledge and experience to enhance the development here in Canberra and offer new and existing members as well as visitors, an **experience to rival the very best.**" (Emphasis added)*

Troon's involvement will ensure the property delivers on its potential, in its offerings both on and off the golf course.

*Mr John Konstantinou, Director and owner of Gold Creek has been vocal in his support of the Troon appointment. He said: "I believe Troon Golf can provide Gold Creek, together with its members, **a golf facility that will further establish us as one of the best in the ACT,** offering club members not only quality playing surfaces and superb course conditions but also the plethora of benefits that come with having Troon Golf on board."*

Can you comment on what has changed in a few short months that has seen the K Group shift its position to one of proposing a "compact 18 hole golf course or potentially a 9 or 12 hole golf course"?

Question 10

Your “*blank canvas*” suggests that further commercial premises, inter alia, may be built on freed-up land. In light of the apparent unviability of the indoor sports centre and the surfeit of commercial premises that remains unoccupied in the Gold Creek Village itself, what gives you confidence that further commercial accommodation is viable and would be taken up by potential investors?

Question 11

Of the \$3.33m ‘market value’, what has actually been paid to the ACT Government?

Question 12

It has been speculated that you are primarily seeking a variation to the Territory Plan which would allow residential and/or commercial development on holes 16 and 17 and the par 5 practice hole. This speculation would seem to be supported by the 2014 lease variation and your current proposal to apply for a variation to the Territory Plan, which would supposedly require a Development Application seeking rezoning of Section 14/86. Is this an accurate description of your intentions? If so, what do you perceive to be the win/win scenario for the community, golf members and the environment?

Question 13

If you are ultimately successful in getting some commercial/residential development approved, what proportion of the profits from this development will the K Group put back into the golf course and its ancillary facilities? In this respect, it is noted that other ACT golf clubs currently considering member-generated development (eg. Yowani and Federal) intend to reinvest the full return from the development to fund the long-term sustainability of their golf courses in their current 18 hole configuration.