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30 January 2019

Ms Susan Gray
Save Our Green Space Committee

Dear Ms Gray

I refer to your correspondence of 1 January in relation to the Murrumbidgee Country Club (MCC) Development Proposal.

Firstly, I would like to point out that, under its Constitution, the Board of Directors is responsible and accountable to members of the Club – not members of the public (such as the SOGS group), for decisions taken. In this instance, the Board has determined that it will respond to your request for further information. However, in the interests of the greater transparency that you are promoting, it would be appreciated if you could provide the Board with information on the SOGS group, including your objectives and membership. We would appreciate this advice as soon as possible.

The MCC Board of Directors is fully conversant and compliant with its obligations to manage any conflicts of interest which may arise in Club activities.

You are **incorrect** when you state that it is the responsibility of the Board to strictly avoid any real or perceived conflict of interest. The Board's obligations in this respect are set out in the *Associations Incorporations Act 1991*, under which the Club is established. The Board's obligations are to ensure conflicts of interest are disclosed and managed – not to avoid them. Specifically, the obligations are that a member of the board who has a direct or indirect pecuniary interest in a contract or a proposed contract which the Club is or may be a party:

- Must disclose the nature and extent of the conflict immediately to the Board
- Must not take part in any decision relating to the contract or proposed contract
- But may participate in related deliberations.

These requirements are fully complied with by the Board and, even though it is not a decision making body, also the Club's Development Sub-Committee.

Sale of residential development options

The Learmonth Drive site was chosen for the sale of options as it was, and remains, the Board's preferred development site. It is the preferred site because it offers the highest potential financial yield to the Club and is thus in the Club's best interests. This site is over 6 hectares in size compared to the Drysdale site (around one hectare) and the Kambah Pool Road site (around 3 hectares but requiring extensive financial outlays in relocating existing on site golf infrastructure).

Involvement of option holders

The advice provided by Ms O'Brien at the public meeting was and is still correct. No member of the MCC board holds an option and the development committee is not a decision making body.

Two of the six members of the development committee hold options. This has been fully disclosed.

It is not relevant to the Board whether any option holders have interests in property development – the options simply provide the holder with priority selection of one site at market value, if and when any development proceeds. Option holders are fully aware that the options are at risk, and will be non-refundable in the event that the development does not proceed.

The Board's obligations are to act in the best interests of the Club as a whole, and it is doing this by prioritising the Learmonth site being the site with the highest potential financial yield.

Compliance with Act

The Board has, and will continue to comply with the Act.

The Board respects the privacy of option holders and sees no reason to provide you with details of their names. Documentation in relation to the options is available on the Club's website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dean Hill', with a long horizontal flourish extending to the right.

Dean Hill
President