

1 January 2019

Mr Dean Hill

President Murrumbidgee Country Club

Kambah Pool Rd

Kambah ACT 2902

Dear Mr Hill

Board Management of a Conflict of Interest in the Residential Development Proposal and Process

I am writing to you, as the Chair of the Murrumbidgee Country Club (MCC) Board, on behalf of the Save Our Green Spaces (SOGS) group concerning the Board's management of any Conflict of Interest in the MCC residential development proposal and process.

I expect that the Board will agree that a conflict of interest arises when there is a situation in which a person, who is in a position of advice, decision, responsibility or trust, has a competing professional or personal interest (and specifically a financial interest) in the matter being considered. A conflict of interest exists whether the conflict is real or may only be perceived.

Further, I am confident that the Board would agree that it is their duty to ensure that any such competing interest (or a perception of a competing interest) is strictly avoided because it makes it difficult for a person who has an interest in the matter, to fulfil his or her duties impartially, even if no unethical or improper act results.

With regard to the management of any Conflict of Interest in the development proposal and process, I refer the Board to the following matters.

Sale of Residential Development Options

The MCC publication 'Residential Development Options Offer to Purchase an Option on Learmonth Development Site' on the MCC website states: *...The Club is offering non-refundable options to all members (playing & social) of the club (in the first instance) who are interested in acquiring a site (or house & land packages) on the proposed Learmonth site once developed...The options will be [have been] made available under the following conditions:*

- *Twenty (20) options of \$5,000 will be offered to interested parties*
- *Each option will provide the holder with priority selection of one site (or house & land package) once available on the market.*
- *The options will be non-refundable in the event the development does not proceed*
- *The \$5,000 cost of the option will be offset against the purchase price of the site (or house & land package) when exercised*
- *...the options will be transferrable.*
- *An interested party may elect to purchase several options if so desired...*

In relation to the sale of what has now been advised as twenty-three, \$5000 options to Club members and the public, SOGS seeks an explanation from the Board as to why the \$5000 Option only relates to the Learmonth site which is just one of the three sites being considered for development - at a time when:

- Community consultation on all of the site options had only commenced and were manifestly incomplete
- There had been no application to deconcessionalise any particular parcel of land, nor had any Development Application been submitted
- No formal decision has been made by the Board as to which residential development option, if any, would proceed.

Involvement of \$5000 option-holders in giving advice or making recommendations to the Board

I now refer you to an extract of the MCC Minutes of a Public Information Session conducted at the Club on 11 October 2018 (my underline):

Brian Calder asserted that the holding of options by ex-Directors, their friends and family holding options was a conflict of interest and suggested that the club should seek legal advice in relation to the option holders. Lynne O'Brien reiterated that no one on the Board at, either at the time options were offered or currently hold an option. She stated that the Development Committee is an advisory board, which makes recommendations to the Board of Directors...

Would the Board please advise or confirm the following questions?

- Whether any current or previous members of the MCC Board hold \$5000 options?
- Whether any members of the MCC Board Development Sub-Committee hold \$5000 options?
- Whether any Club members or members of the public who hold \$5000 options have a professional or family interest in property development?
- How the Board can discharge its responsibilities to the interest of MCC members who have purchased options – while making an impartial (non-conflicted) assessment of the relative merits of any or all development sites.

- What actions the Board has taken to ensure that no ‘\$5000 option holder’ is involved in the development application or process, or in giving advice or making a recommendation to the Board concerning the development application or process.

Compliance with the Associations Incorporation Act 1991

An extract of the Associations Incorporation Act 1991 (the Act) is:

65 Disclosure of committee member’s interest

(1) If a member of the committee of an incorporated association has any direct or indirect pecuniary interest in a contract or proposed contract to which the association is or may be a party, the committee member must—

(a) as soon as the interest becomes apparent to the member, disclose the nature and extent of the interest to the committee; and

(b) disclose the nature and extent of the interest at the next general meeting of the association.

Would the Board also please advise whether the requirements of the Act have been complied with?

Finally, to provide the necessary transparency and assurance to all MCC members, to ACT Government decision-makers, and to the public; will the Board please release the names of all \$5000 option holders (and how many they hold if multiple options are held); and a copy of the ‘agreement or contract’ made between the MCC and the option holders? It is the view of SOGS that this would form a simple and reasonable ‘statement of interest’ in the development proposal and process.

Yours sincerely

Save Our Green Spaces (SOGS)

On Behalf of the SOGS Committee

Susan Gray