

Background to Amalgamation of St Georges Basin and Vincentia Clubs

Vincentia Golf Club – Establishment

Vincentia Golf Club Limited was incorporated in 1970. The enthusiastic pioneering members set about building a clubhouse and developing the course. The debt accumulated by VGC was principally from building the clubhouse, and to a lesser extent course improvements and extensions (i.e., the top four holes).

Prior to amalgamation, the VGC had traded profitably (a small profit before depreciation) and trade creditors were all 30 days or less. As noted in Garry Buckley's address to the members of St Georges Basin Country Club (SGBCC) at the time of the amalgamation, though the VGC was trading breakeven, the bottom-line problem was that the business couldn't see any way to pay off its loan and overdraft.

So, at the time of amalgamation in 2017, the Country Club took on servicing Vincentia's \$1.5M debt. With that, the Club gained Vincentia's assets of around \$6M at that time, which have appreciated substantially, to the point where the Tully Heard report cited a \$25M offer for the whole course. A brilliant outcome for the stronger combined club, as was recognised by the President Garry Buckley throughout his tenure (to 2020), both before and during the amalgamation.

Plan at time of amalgamation (2016-7)

The SGBCC committed to the revitalisation of the Vincentia premises in its Expression of Interest (Eoi) for being selected as the amalgamation partner.

In working towards amalgamation, in 2016 the SGBCC developed a draft strategic plan with a vision of becoming The Premier Club on the South Coast, emphasising the dual club relationship. Financial modelling indicated the Club was in a strong position to consider significant reinvestment in the business. Accordingly, a 3-stage plan was adopted, considering both premises. Stage 1 (2017-8) included essential works at Vincentia, and implementing new TAB, gaming & FOXTEL arrangements. Stage 2 (notionally 2019 on) would undertake any major viable VGC upgrades. Stage 3 was a possible VGC redevelopment project (post 2021). Refer to the [Member Information- Strategic Plan 2016](#) document.

Note that the SGBCC had paid its debts off prior to the amalgamation (source: 2017-2022 Strategic Plan), suggesting the combined Club started 2017 with a \$1.5M debt.

Amalgamation period (2017-19)

Around \$800k was spent for Vincentia on the planned Stage 1 works, plus improvements that were conducted for both premises, such as poker machines, beer lines, and course works. So, repairs and maintenance, upgrade of obsolete equipment (e.g., beer lines), and implementation of inter-club systems. This is described in the Amalgamation 12-month report, the President's Annual Report 2019, and President Proudfoot also identified these costs at the 18-Dec-2023 presentation of the Tully Heard report.

During 2018-9, \$8.5M was spent on major renovations of the St Georges Basin clubhouse. At that time the Board was "pleased with the impressive financial results of our Vincentia Club" (source: President's Annual Report 2019).

Post-amalgamation, from 2019/20

In April 2021, a new Strategic Plan 2021-26 was developed, which was not shared with members, and which is not available on the Country Club's website. This plan identified that "The Club is in significant amounts of debt still outstanding from the renovations and the purchase of the land on Paradise Beach Road Sanctuary Point." (This Paradise Beach Road land purchase was originally in Stage 3 but moved forward into Stage 1 when the vacant land became available for sale.)

The President's Annual Report 2021 stated: "Over the past year your Board has continued to examine possible actions to realise key aspects of our strategic plan. These include a 50-60 room motel at Sanctuary Point AND a refurbishment of the clubhouse at Vincentia. These potential visionary projects require considerable additional revenues, which may well be raised by some form of capitalising of assets. With this in mind, your Board continues to consider its financial possibilities."

In 2021, the Country Club initiated the purchase of "paper roads" on the Vincentia course from Council as a prerequisite for future development options. (This was finalised in November 2023). In 2022, the Tully Heard consultancy company was engaged to produce a detailed report on sustainability for Vincentia. This report was delivered to the Board in August 2022. After revisions and updates, it was finally shared with members in December 2023.

Since the 2021 President's annual report, all public messaging has proclaimed a lack of viability of the Vincentia premises as a major problem for the whole club. Note that the financial reporting methodology changed in FY2020/21, now representing the Vincentia premises as a loss. (Previously the Vincentia premises has been showing positive results) Hence there have been many questions arising at the last 3 AGMs about the financial reports.

In conclusion

The Country Club's debt peaked in around 2020/21 due to significant renovations of the St Georges Basin premises and the purchase of the Paradise Beach Road land. The CC is now proposing to sell off a parcel of the Vincentia site, yet to be defined.

While the Vincentia golf course continues to be well maintained, there has been the bare minimum spent on maintenance of the clubhouse, no revitalisation of the premises, and no investment in food & catering options. The past 12 months has seen continuing curtailing of operations, from reduction in opening hours to not providing entertainment that is deemed not profitable.

We see many opportunities for a revitalised premises that maintains a community hub and contributes to a rich Country Club experience at two locations for all our members.