



CERBERUS GOLF CLUB Inc.

9 Cayley Avenue, HMAS CERBERUS VIC 3920

To our Members,

As some of you may be aware, in 2023 as part of the Defence Strategic Review, an independent enterprise-audit was undertaken to assess Defence sites across Australia. The Defence Estate Audit Report was subsequently released 04 Feb 26 with a recommendation to divest 67 sites, which included Cerberus Golf Club/Course.

While this news may be unsettling for some, this is only the beginning of what collectively will be a complex process across the country and I will do my best to keep you all informed of any further developments.

What does this mean for our golf club right now? We will continue to operate as normal.

Where too from here? As I stated, this will be a complex and no doubt, a lengthy process and we are 1 of the 67 identified sites that will eventually see representatives from the Defence Estate Team meet with HMAS *Cerberus*, myself and committee to go over any divestment plans. This may then see us with an opportunity to present our case to remain operational; however, without knowing any of the process right now, I cannot guarantee we will have any course of action to negotiate; we will just have to wait it out for now. As it stated in the release, this process is going to take time with many considerations and may take 18 months – 2years to implement.

To provide you with some context of where we sit in terms of a lease agreement, you may also have been aware that this was a year-by-year extension as part of the ongoing Defence Estate Audit. Earlier this week, our Secretary, Treasurer and myself sat with local HMAS *Cerberus* estate representatives (who are completely separate from the audit team) and began negotiation of a new 5yr lease with effect from 01 March 26. Following the release of the Defence Estate Audit Report, this obviously changed things. Further discussions with local estate representatives where they have agreed to continue with a new lease; however, noting the divestment recommendation, we will drafting a 1yr lease with again the 1 year follow-on as we to what we were currently under. I see this as an important and supporting action from local estate managers and is a positive for us as a club, and will assist us in any future deliberation when the time comes.

As part of the draft lease it would outline that Cerberus Golf Club would adopt a 'user pays' policy, therefore 'Zero Cost to Defence'. As a club, we commenced towards this as of 2023 so this aspect has come as no surprise and are prepared for.

What does 'user pays' really mean? As part of the Defence Estate Audit Report, the ongoing costs of maintenance, upkeep of sites was a contributing factor. With our club adopting the 'user pays' policy this would mean that we are completely to HMAS *Cerberus* itself, contractor support, and of Defence, therefore operating a stand-alone Public Golf Course.

What do we have to absorb as 'user pays'? The Prime Contractor for HMAS *Cerberus* who also provide services to us will no longer conduct maintenance of the structural assets grounds works to the course itself. On a financial side, water, electricity, gas, and any fittings/fixtures will be at our cost and while prepared for this, we will see an increase in outgoing costs to the club.

While the events of this week may cast a shadow over significant forward planning, for now *'we don't know what we don't know'* and as such we will continue to operate as business as usual. If you would like further information you can find it via:

www.defence.gov.au/about/locations-property/delivering-future-estate

We will see some challenges and changes in the short term while we firstly navigate the revised lease agreement and I can appreciate that there may be apprehension and many unknowns or uncertainties exist. Please, remain positive, enjoy your golf, and continue to support the club and each other.

Regards,

Matt Marson

President

Cerberus Golf Club