



# PRESIDENT'S MESSAGE TO MEMBERS

19 February 2014

Dear Members,

1. On 16 February 2014, 426 Principal Members from SICC attended the briefing session with the Ministry of Law and other government agencies to hear the Ministry's decision on the renewal of the Club's leases. The Minister for Law, Mr K Shanmugam was also in attendance to address Members' questions.

2. I would like to take this opportunity to update Members on the Club's discussions with the Ministry and other agencies prior to the announcement.

## **EXTENSIVE DISCUSSIONS BETWEEN SICC AND GOVERNMENT AUTHORITIES**

3. The Club wrote to the Ministry of Law on 3 September 2012 requesting an extension of our lease. The Club's primary objective was to seek an extension for an additional 30 years for both locations. Our first meeting with the government authorities started in March 2013 and the Club has been in continuous dialogue with them on the renewal of our land leases since then.

4. In exploring the various possibilities, we have always had the Club's interests as well as its Members interests foremost. Throughout our exchanges with the government, we have appealed with various proposals for their due consideration.

## **INDICATION BY THE MINISTRY OF LAW**

5. In a meeting in December 2013, the Ministry of Law informed the Club that it will not be extending the lease at the Bukit location, while the lease of the other location would be extended until 2040. Having said that, we had at all times impressed upon them to consider extending our lease, citing various extenuating factors, stressing our heritage and our unusually large membership.

## **FINAL APPEAL BY THE CLUB TO MINISTRY OF LAW**

6. Giving weight to the various possible outcomes, the GC and I strongly felt that it is virtually impossible to accommodate more than 7,800 Principal Members and 18,000 extended Membership in one location after 2021. We made a final appeal to the Ministry of Law in January 2014 to extend the lease at both locations.

## **FINAL MEETING WITH THE MINISTRY OF LAW**

7. The Club and the government had a final meeting on 10 February 2014. During this meeting, we attempted to find some common ground and flexibility in the final outcome to balance SICC's and its Members' interests against the broader requirements of the national planning agenda. Instead of allowing the lease for one location to expire, the government allowed for a lease extension for one course till 2030. This concession will allow the Club more time and greater flexibility to make and execute investment and development plans to facilitate eventual transition.

## **BENEFITS OF MINISTRY'S CURRENT OFFER**

8. The decision for Island location to have a longer lease extension was made after discussion with the Ministry. The Island location is the larger site and the Club recently invested more than \$100million in the Clubhouse. Hence, both the Government and the GC assessed that it was more logical for SICC to have a longer lease extension for the Island location. This decision was arrived after taking into consideration the reasons set out below.

For easy reference, a tabular summary of the salient factors is shown below and the detailed explanation appears thereafter.

		<b>Retain Island</b>	<b>Retain Bukit</b>
<b>a.</b>	<b>Location</b>	<b><i>Benefits of two locations.</i></b> - Freehold land at Bukit - Leasehold land at Island	Only 1 location. - Freehold and leasehold land at Bukit
<b>b.</b>	<b>Total land bank</b>	<b><i>Almost 40% more land bank.</i></b> - Freehold land at Bukit: 21,272.4m <sup>2</sup> - Leasehold land at Island: 1,656,047m <sup>2</sup>  Total: 1,677,319m <sup>2</sup>	- Freehold land at Bukit: 21,272.4m <sup>2</sup> - Leasehold land at Bukit: 1,179,279m <sup>2</sup>  Total: 1,200,551.4m <sup>2</sup>
<b>b.</b> <b>c.</b>	<b>Golf courses</b>	<b><i>Two and a half courses, with the potential of converting into five 9-hole courses.</i></b> - Island Course (18-hole) - New Course (18-hole) - Millennium Course (9-hole)	Only two courses  - Bukit Course (18-hole) - Sime Course (18-hole)
<b>c.</b>	<b>Total GFA available</b>	<b><i>About 170% more GFA.</i></b> - Freehold land at Bukit: 12,000m <sup>2</sup> - Leasehold land at Island: 30,000m <sup>2</sup>  Total: 42,000m <sup>2</sup>	- Freehold land at Bukit: 12,000m <sup>2</sup> - Leasehold land at Bukit: 3,551m <sup>2</sup>  Total: 15,551m <sup>2</sup>
<b>c.</b>	<b>Non-golfing facilities</b>	<b><i>More F&amp;B outlets and recreational facilities.</i></b> <u>Freehold land at Bukit</u> - Tennis & Squash complex - Lifestyle facilities - Bukit Room and Bukit Swimming Pool  <u>Leasehold land at Island</u> - Olympic size swimming pool - A-frame gym - Ballrooms - Bowling alley - Silk, Lookout, Eagle, Island Swimming Pool café and Bowling café	<u>Freehold land at Bukit</u> - Tennis & Squash complex - Lifestyle facilities - Bukit Room and Bukit Swimming Pool  <u>Leasehold land at Bukit</u> - Fun pool - Function rooms - Bukit 19 <sup>th</sup> Hole, Windows on Bukit, Bukit Bar and Bukit café
<b>d.</b>	<b>Investment</b>	\$100million Clubhouse	Requires more investment for development and upgrades.
<b>e.</b>	<b>Risk of re-zoning</b>		Possible re-zoning



a. Benefit of having two locations.

SICC has freehold land of 21,272.4m<sup>2</sup> at the Bukit location. At the meeting, the Minister had reiterated that our freehold land is for us to develop as we see fit for our needs, with relevant planning approvals. It is open to the Club to develop, for example, a multi-story Clubhouse. Retaining the Island location with a lease extension till 2040, together with our freehold land at Bukit location will give the Club the greatest flexibility to reconfigure its facilities to accommodate our large membership base.

b. Island location's larger land bank offers more flexibility for reconfiguration of golfing facilities.

The Island location occupies 1,656,047m<sup>2</sup> of leasehold land, a very considerable 40% more land than Bukit location's leasehold land of 1,179,279m<sup>2</sup>. For purposes of reconfiguring our facilities, the options afforded by having more land at Island location are therefore greater. It makes it possible, as an example, for us to convert the Island, New and Millennium courses into a five 9-hole sand based course complex to accommodate more intensive golfing traffic.

c. More area for non-golfing facilities at Island location.

The Gross Floor Area (GFA) of Island location at 30,000m<sup>2</sup> is almost double that of Bukit location at 15,551m<sup>2</sup>, allowing for more non-golfing facilities such as F&B outlets and recreational activities. It is also important to note that 77% of the GFA at Bukit location resides on our freehold land. This means that the retention of the Island location post 2030, together with our Bukit freehold land, gives the Club the highest GFA potential possible for non-golfing activities.

d. Bukit location requires greater investment.

Compared to the Island location, the Bukit location requires more investment to upgrade its facilities to accommodate Members' needs. Redeveloping Bukit's golf clubhouse would involve huge capital expenditure which we can save on given the modern clubhouse and facilities we have already invested in at the Island location.

e. Risk of re-zoning.

It was also felt that, given their respective locations and surroundings, Bukit location was at greater risk of having some part/s of its land being rezoned for redevelopment.

## BRIEFING SESSION ON 16 FEBRUARY 2014

9. During the presentation, the Ministry highlighted that *"Golfing is an activity that is enjoyed by many Singaporeans, with many of them owning or aspiring to own memberships in golf clubs. In addition, the presence of golfing facilities adds to Singapore's attractiveness as a business hub. However, golfing and golf clubs are land intensive and there is a need to balance the competing demands for land. As a result, the amount of land used for golfing will have to be reduced over time, and the sites reallocated for uses such as housing and public infrastructure."*

10. Following the presentation by the Ministry of Law, *"SICC will be offered a new lease at the Island location until 2040. SICC will also be offered a new lease for one of the two 18-hole courses at the Bukit location, until 2030. The other 18-hole course at Bukit will be run as a public course upon lease expiry on 31 December 2021, to be operated by the labour movement for the benefit of the general public and the labour movement. This will ensure continued public access to golfing facilities when the Marina Bay Golf Course is phased out for redevelopment. However, in order to secure the extension for the 18-hole course at Bukit, SICC will have to work with the labour movement and conclude an agreement by the end of February 2015 on how the courses can be reconfigured, and the necessary arrangements for the sharing of facilities."* (<http://www.mlaw.gov.sg/news/press-releases/golf-club-announcement.html>)

11. During the Q&A, the Minister clarified that 'sharing of facilities' meant the golf course and golfing related amenities.



12. The Minister also clarified that these decisions were taken to achieve balance between competing land use needs as well as to ensure equity amongst the golfing community in Singapore. Reiterating that concessions have already been made to SICC in granting the sharing arrangement till 2030 instead of taking back the entire Bukit location in 2021.

## MOVING FORWARD

13. The GC and I are naturally disappointed that the outcome has fallen short of what we had hoped and fought hard for. With the loss of one of our courses, it will put a strain on our remaining facilities given our large membership base. That strain will be felt more starkly post 2030 when the Club will have only one leasehold location to operate from.

14. We must prepare at the earliest possible moment to begin work with the labour movement on the sharing arrangements for Bukit location. Agreement must be reached by no later than 28 February 2015.

15. We must be cognisant of the fact that the 2030 extension on one of the courses has not been secured. Failure to secure agreement with the labour movement will result in the loss of the entire location in 2021, losing us much needed breathing space and time to plan for post 2030.

16. As regards the lease premiums to be paid, the Minister clarified that, in accordance with standard practice, the Chief Valuer would make that determination.

17. I will be scheduling a Members' Dialogue Session to give greater clarity to the work we have done, the work that needs to be done and to answer your questions.

Thank you.

Yours sincerely,

**Tay Joo Soon**  
President

