

St Johns Park Bowling Club – Tuncurry Beach Bowling Club

Club Industry Guide: Governance & Compliance – Major Capital Works



CLUB MASTERPLAN

It is advised by the Club's Board of Directors that a building (Construction Management) contract with Plancon Projects Pty Ltd has been considered by the Board of Directors and approved. Under the current Code of Practice and Corporate Governance the following considerations were observed by the Board of Directors.

Preliminary Appraisal

The Club has had in place a Project Control Group (PCG) Committee for over 10 years. The Committee is made up of (3) three Directors, the Chairman elect, and the Group CEO. The objective of the Committee is to consider the SJPBC Group's Club's facilities now and in the future in respect to members and community needs, changing legislation and the surrounding industry competition. The Committee has its proposals approved by the full Board of Directors.

For the past (3) three years through the PCG Committee and the elected Board of Directors have been researching a proposed Master Plan which will see a complete renovation of the entire Tuncurry Beach Bowling Club. It is understood that while our business culture and community brand are perceived by many to be the best in the area, although it is realised that our Club facilities are not to expected standards. Tiring facilities are also placing serious limitations on our ability to grow.

All Clubs within the area of Tuncurry Beach Bowling Club have been carrying out extensive renovations over the past 20 years. This with the changing face of the Club industry has forced our hand in upgrading the facilities with a core focus on diversification away from gaming. This will ensure the Tuncurry Beach Bowling Club remains competitive with what our competitors are offering around us as well as meeting member expectations.

It is important to offer upgraded facilities to enable the Tuncurry Beach Bowling Club to remain financially viable long term. The major capital works (overall Master Plan) will result in the Tuncurry Beach Bowling Club members and community the following facilities:

St Johns Park Bowling Club – Tuncurry Beach Bowling Club

Club Industry Guide: Governance & Compliance – Major Capital Works

- New indoor gaming area – First stage due for completion 1 December 2021.
- New outdoor gaming area – First stage due for completion 1 December 2021.
- New outdoor alfresco area shell to lockup – First stage due for completion 1 December 2021.
- Additional car parking spaces (28) – First stage due for completion on the 31st December 2021.
- Additional new lounge area shell to lockup – First stage due for completion 1 December 2021.
- New outdoor TAB (smoking) Area – First stage due for completion 1 December 2021.
- Major underground works underneath new car park including water detention – First Stage due for completion 31st December 2021.

- New alfresco area dining (food truck) and bar facilities – Stage 2
- New internal TAB/Sports area – Stage 2
- New lounge area and bar facilities (200 pax) – Stage 2
- New Bowls/Function Lounge – Stage 2

- A new foyer and reception area – future stage.
- Main internal bar and seating. – future stage.
- New Bowls Office – future stage.
- New Bowls Meeting Room – future stage.
- Refurbished Bowls Locker Rooms – future stage.
- New Green keepers shed – future stage.
- New Kid's Playroom – future stage.
- Refurbished dining areas with additional dining option – future stage.

Premature Commitments

After planning this project for over (3) three years, the Board is of the opinion that the Club has avoided any premature commitments.

Ability to Pay

The Club has considered its capacity to pay with the following considerations being made:

- The estimated price of the entire Master Plan is approximately \$7.5 million.

St Johns Park Bowling Club – Tuncurry Beach Bowling Club

Club Industry Guide: Governance & Compliance – Major Capital Works

- *Under the Covid-19 restricted economy the project design and finishes have been reviewed and the Master Plan continues to be divided into stages over a longer period of time. The second stage is estimated to cost \$2.8 million excluding fixtures and fittings.*
- It is considered that the amount of \$2,800,000 is well within the SJPBC Groups anticipated and researched budgets and cash flows limitations.

The Club will be applying the following methods of payment for the upcoming major capital works.

- Current business cash flow
- The use of a current Commercial Bill facility to be negotiated if required.
- Use of a current Asset Finance facility with ANZ Bank if required.

The Club is also negotiating and researching other finance facilities in the market if required.

Detailed Appraisal

The Club Board of Directors has chosen a Construction Management method when considering the Master Plan.

Justification of the Project

The Board of Directors are of the opinion that the project is affordable and has assessed its capacity to pay. The Board is of the opinion that the Master Plan will allow Tuncurry Beach Bowling Club the opportunity to:

- Provide members with new and improved facilities.
- Introduce new members to the Club with additional facilities.
- Provide additional facilities and Club space to market demand.
- Provide an experience with a point of difference to current and potential new members.
- Allow the Club to better utilise the available property.
- Enable the Club to remain financially viable long term.

Design Component

The Design component of the major capital works have been done in conjunction with the appropriate consultants.

Club Resources

St Johns Park Bowling Club – Tuncurry Beach Bowling Club Club Industry Guide: Governance & Compliance – Major Capital Works

It was assessed that the Club did not have the resources to manage the major capital Works, a Construction Management Company and a Quantity Surveyor have been appointed by the Club.

Plancon Projects Pty Ltd has been appointed as the Club's independent Construction Management Company to carry out the following items on behalf of the Club:

- To act as an independent consultant between the Clubs, the Club's Quantity Surveyor, the Club's building trades and the Club's external consultants.
- To assess external consultant and appointed trade payment claims throughout the project.

Mitchell Brandtman Quantity Surveyors have been appointed as the Club's Quantity Surveyor to carry out the following items on behalf of the Club if required:

- To assess claims made by the Construction Management Company.

Key Financial Issues.

It is agreed that the Club has addressed the key financial issues in relation to the major capital works including but not limited to:

- Interest coverage on loans.
- Maximum debt level.
- Cash Flow.
- Return on Investment.
- Impact on current operations.

Information to Members.

The Board of Directors has agreed that the finished plans be presented on display to members.

Project Implementation.

The Board of Directors has chosen to appoint Plancon Projects Pty Ltd to complete the works under a Construction Management model.

Selection of Third Parties.

In selecting Plancon Projects Pty Ltd, the following considerations have been taken into consideration.

St Johns Park Bowling Club – Tuncurry Beach Bowling Club Club Industry Guide: Governance & Compliance – Major Capital Works

- That Plancon Projects Pty Ltd is a qualified construction management company.
- That Plancon Projects Pty Ltd holds the required business registration, licenses, and insurances.
- That Plancon Projects Pty Ltd has a compliant OH&S System in place.

The Board of Directors engaged the Club's Solicitor (Eastern Commercial Lawyers Pty Limited) to peruse and review the Construction Management Contract as well as any other contracts or agreements that may be required during the administration building development.

Important Facts

The following have been approved by Midcoast Council.

- Development Application
- Construction Certificate

It is advised that the major capital works Mater Plan Stage 2 development will commence in February 2022 and take approximately 18 weeks.

For and on behalf of the Board of Directors – SJPBC Group

