



# St Johns Park

## Bowling Club

### **CATERING FACILITIES**

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 4 Directors, the Chairman elect, and the Group CEO. The objective of the Committee is to consider the 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.

In the past the PCG Committee has been involved in the refurbishment of the Club's Auditorium facilities and the chiller, outdoor smoking areas, Club front entrance, Club main foyer, Club's Catering Facilities, The Pavilion Bar, additional (2) two level car park, SJPBC administration building, SJPBC Bowls Powerhouse and the Club's Big Kahuna Sports Arena. All of these capital works projects have enabled the Club to remain competitive in the market.

For the past 10 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 Club.

All Clubs within the area of St Johns Park Bowling Club have been carrying out extensive renovations over the past 25 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 Club remains competitive with

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what our competitors are offering around us as well as meeting member expectations.

It is important to offer upgraded facilities to enable the Club to remain financially viable long term. The major capital works will result in the Club members the following facilities:

- A new 40 seat self-contained café.
- A new 30 seat noodle bar.
- A refurbished lounge area.
- A new main kitchen.
- An extension (increased seating capacity 200 to 300) of the existing Swish Restaurant offering new, exciting new menu options, private seating options and new state of the art cooking technology.
- The introduction of new catering technology to enhance the dining experience.
- A new bar for the Swish Restaurant.

#### Premature Commitments

After planning this project for the past year, 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:

- **Under the Covid-19 restricted economy the project design and finishes have been reviewed and the project is budgeted at \$2,220,000 ex gst and fixtures and fittings.**
- It is considered that the amount of \$2,220,000 ex gst is well within the Club's 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.

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### **Detailed Appraisal**

The Club Board of Directors has chosen a Construction Management method when considering the proposed catering facilities.

### **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 proposed catering facilities will allow St Johns Park Bowling Club the opportunity to:

- Provide members with new improved facilities.
- Introduce new members to the Club with additional facilities.
- Provide additional facilities to market demand.
- Provide an experience with a point of difference to current and potential new members.
- Allow the Club to better utilise the ground floor of the Club.
- 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**

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.

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### **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.

- 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.

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Works**

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**Important Facts**

The following have been approved :

- Complying Development Consent (CDC)
- Construction Certificate.

It is advised that the major capital works catering facilities development will commence in December 2021 and take approximately 28 weeks.

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

