



# North Cronulla Surf Life Saving Club Inc.

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## SPECIAL GENERAL MEETING OF MEMBERS OF NORTH CRONULLA SURF LIFE SAVING CLUB Inc.

### MINUTES

SATURDAY, 10TH August 2024

COMMENCING AT 11:07am

GYMEA TRADIES – SOUTHERN CROSS ROOM

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**APOLOGIES:** Stuart McGroder, Barb Maythers, Emily Maythers

**ATTENDANCE:** As per the Club Attendance Book

### AGENDA ITEMS

**Project Phoenix Presentation: Project Phoenix – A Pathway Forward**

**Presentation and update to the members on Project Phoenix: North Cronulla Surf Life Saving Club Inc. Gear Complex Redevelopment (Redevelopment of existing club gear complex, club and council facilities and café) as per Sutherland Shire Council DA17/1001 and approved Section 4.55 (1A) applications.**

The presentation included an overview and updates on the project to date and outline the Sutherland Shire Council Report Recommendations of Reports Under Separate Cover COR030-24 North Cronulla Surf Life Saving Club Redevelopment Project (Council Report COR030-24) from the Monday 15th July 2024 Council Meeting. File attached.

[REPORTS FROM OFFICERS COR030-24 North Cronulla Surf Life Saving Club Redevelopment Project](#)

### Notice of Motion #1:

Acknowledgment and receipt of the Council Report COR030-24 recommendations #1 to #4, #7, #9, #17 to #20 as outlined in the Project Phoenix Presentation held at the Special General Meeting held on Saturday 10th August 2024 and as per Club Constitution Clause 11 POWERS OF BOARD.

### Notice of Motion #2:

Endorsement and Approval to be granted to enter into appropriate binding legal financial arrangements with the Council as per Council Report COR030-24 Recommendations #11 as outlined in the Project Phoenix Presentation held at the Special General Meeting held on Saturday 10th August 2024 and as per Club Constitution Clause 11 POWERS OF BOARD.

### Notice of Motion #3:

Endorsement and Approval to be granted to enter into formal agreement as required with Council Report COR030-24 Recommendations #5, #6, #8, #10, #11, #12, #13, #14, #15 and #16 as outlined in the Project Phoenix. Presentation held at the Special General Meeting held on Saturday 10th August 2024 and as per Club Constitution Clause 11 POWERS OF BOARD. In the unlikely event that, formal agreement is not provided, Council and NCSLSC will each retain their rights.

*Note: North Cronulla Surf Life Saving Club will be engaging external legal advice and counsel for Notice of Motion #2 and Notice of Motion #3.*

**A Question-and-Answer Session took place with the members.**

**Martin Dillon put forward a Motion: To amalgamate all 3 Motions into 1 vote by show of hands.**

**Ben Dillon: Seconded the motion**

**Geoff Budd asked for a show of hands from the members**

**ALL MEMBERS PRESENT AGREED**

**CARRIED**

**Geoff Budd: called for Members to vote in favour of the 3 Motions by a show of hands**

**ALL RIGHTS VOTING MEMBERS WITH VOTING RIGHTS RAISED THEIR HAND.**

**Geoff Budd: Called for Members to vote against of the 3 Motions by a show of hands**

**NO HANDS RAISED**

**MOTIONS: CARRIED BY A SHOW OF HANDS OF ALL MEMBERS WITH VOTING RIGHTS.**

**Warren Rennie spoke to members and asked for the members to stand and thank team who has put this together.**

*Donna Hargreaves*

*Administration Director*

*North Cronulla Surf Life Saving Club Inc.*

*Saturday 10<sup>th</sup> August 2024 Meeting Closed: 11.55am*

# NORTH CRONULLA SLSC

Special General Meeting- Saturday 10<sup>th</sup> August 2024

Project Phoenix - A Pathway Forward



Founded 1925



# Meeting Agenda

- **Welcome – President Geoff Budd**
- **Project Phoenix Update**
  - Lahey Constructions Pty Ltd
  - NCSLSC Recommencement of works
- **Sutherland Shire Council Update**
  - NCSLSC and Council background and interactions.
  - Walk through of the COR030-24 North Cronulla Surf Life Saving Club Redevelopment Project Recommendations (Based on Notice of Motions)
- **Questions and Answers**
- **Consideration of 3 Motions as per Notice of Motion to Members.**



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# Lahey Construction Pty Ltd update

- Company started to wind down operation beginning of 2024 and ceased to trade in June 2024.
- Ceased works on selected projects in January 2024.
- Company had multiple outstanding legal matters on several projects including NCSLSC, Koala Breeding Centre, Bonobo by Raes (Byron Bay), Bruncker Road and Salamander Bay.
- May 2024 – June 2024 – Ceases to trade and terminates all employees and Parkview pays all employee entitlements.
- June 2024 - Final claim made on NCSLSC for \$6,492,132.21
- NCSLSC legally refute validity of final claim under SOPA and submit \$0 payment schedule.
- Directors resolve to appoint Administrators on 1<sup>st</sup> July 2024.
- First Administration meeting held – 11<sup>th</sup> July 2024.
- Second Administration meeting held – 5<sup>th</sup> August 2024.
  - Deed of Company Arrangement (DCOA) approved by creditors.



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# NCSLSC Recommencement of works

- NCSLSC serves Notice to Take Works out of Lahey hands (March 2024)
- Work starts on pre tender phase – EOI and gauge interest from suitable construction companies – Interest in strong
- Cost to Complete Reports requested for:
  - Main Contract Works
  - Council Heritage Maintenance Works
  - Project Peryman – Pool refurbishment
- Tender Phase consultants, Architects and engineers engaged
  - Outputs are documents required for new Tender Package
- Meeting and discussions held with key stakeholders:
  - Council, NAB, FHG, Lawyers, NCSLSC Board and members
- New Tender Package due mid to late August 2024.



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# NCSLSC Recommencement of works

- **Cost to Complete (CTC) Reports**
  1. Main Contract Works = \$6,294,078
  2. Peryman Pool Refurbishment = \$231,000
  3. Heritage Maintenance Works = \$352,512
    - Total = \$ 6,877,590 (1.,2. and 3.)
- **Current NCSLSC funding available is \$3,383,309**
- **Estimated shortfall = \$3,141,769 (1. Main Contract Works & 2. Peryman Pool)**
- **How do we fund and address the shortfall?**
  - **Option 1 – Extra \$2,000,000 on existing loan from NAB (\$7,237,025) and source another \$1,141,769 from other sources – Very high risk and low ability to achieve**
  - **Option 2 – Seek support from Sutherland Shire Council**
- **What Option is the Pathway Forward for Project Phoenix!**



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# Sutherland Shire Council Update

- Several meetings held with CEO, Mayor and key Directors of Council Executive Team.
  - Project updates – Lahey ceased works in January 2024
  - Cost to Complete (CTC) reports
  - NCSLSC outlines new Tender Process – A Pathway Forward.
  - NCSLSC Proposed funding models and options outlined in Business Paper
  - Requested Council financial support to cover extra CTC costs that could not be funded by NCSLSC and external financial institutions.
  - Council and NCSLSC work together on defining suitable framework for new agreements to be reached.
- Council Report COR030-24 outlines steps to be taken to complete the Project.
- Council meeting held Monday 15<sup>th</sup> July 2024 and report was resolved unanimously
- NCSLSC acknowledge and greatly appreciate the support from all Councillors of all Wards who voted on and supported COR030-24.



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# Council Report COR030-24 Recommendations

## Notice of Motion #1.

Acknowledgement and receipt of the Council Report COR030-24 Recommendations #1 to #4, #7, #9, #17 to #20 as outlined in the Project Phoenix Presentation held at the Special General Meeting held on Saturday 10<sup>th</sup> August 2024 and as per Club Constitution Clause 11 POWERS OF BOARD.

1. Council recognises the importance of the vital community services provided by the North Cronulla Surf Lifesaving Club, operating out of Council owned premises.
2. The land and improvements to Lot 1 DP 1264560, 62 Prince Street, Cronulla, are in Council's ownership and have typically been occupied by a long-term lease with the Club.
3. Council recognises that due to a variety of circumstances, the North Cronulla Surf Lifesaving Club is facing difficulties in completing the redevelopment of the building and surrounds.
4. Council acknowledges the Club's recent request for assistance and recognises the Club's stated position that it cannot deliver the redevelopment as outlined in the Deed of Agreement dated 13 January 2022 between Council and the Club in the current circumstances.
7. Council amends the 2024/25 Operational Plan and Budget by \$9,181,302 (being the \$3,503,267 repayment cost and the remaining \$5,678,035 building costs after the deduction of Council contributions, and Commonwealth and State grants) to be funded from Strategic Priorities Reserve and authorise the use of those funds for the works and expenses detailed at points 5 and 6.
9. Council recognises the valuable contributions provided by the Commonwealth and State Governments towards the redevelopment of the North Cronulla Surf Lifesaving Club building
17. For the avoidance of doubt, the operation of any previous Council resolutions which are inconsistent with this resolution are superseded.
18. Council receives a report at the November 2024 Council Meeting that details options to ensure the NCSLC development does not impact on the delivery of current capital program and provides recommendations alongside the quarterly budget review.
19. A report and briefing also be provided to Council by December 2024 outlining:
  - a. the circumstances in which Council property tenants can and historically have been able to commercially sublease; and
  - b. options to strengthen Council's position on commercial subleasing to reduce council and the community's risk.
20. In accordance with the Power of Attorney dated 13 May 2022 (Registered 27 May 2022, Book 4798 No. 876), Council's Chief Executive Officer execute any necessary documentation to give effect to these points, with such documentation being to the satisfaction of Council's Chief Executive Office.

# Council Report COR030-24 Recommendations

## Notice of Motion #2.

Endorsement and Approval to be granted to enter into appropriate binding legal financial arrangements with the Council as per Council Report COR030-24 Recommendations #11 as Outlined in the Project Phoenix Presentation held at the Special General Meeting held on Saturday 10<sup>th</sup> August 2024 and as per Club Constitution Clause 11 POWERS OF BOARD.

11. Council make appropriate legal binding financial arrangements with the Club to recover the total cost of the work and expenses detailed at point 5 and 6 (inclusive of the contributions in point 10 and exclusive of the contributions referenced in point 8), with such work and expenses to be at no net cost to the public, including ensuring that any rent or revenue streams from any tenants or subtenants of the completed building are paid to Council for a sufficient period of time.

# Council Report COR030-24 Recommendations

## Notice of Motion #3.

Endorsement and Approval to be granted to enter into formal agreement as required with Council Report COR030-24 Recommendations #5, #6, #8, #10, #11, #12, #13, #14, #15 and #16 as outlined in the Project Phoenix Presentation held at the Special General Meeting held on Saturday 10<sup>th</sup> August 2024 and as per Club Constitution Clause 11 POWERS OF BOARD. In the unlikely event that, formal agreement is not provided, Council and NCSLSC will each retain their rights.

5. To enable the vital work of the Club to continue, Council should itself complete the redevelopment of the building and surrounds known as the “North Cronulla Surf Lifesaving Club”, at an estimated cost of \$8,310,098. The completion of the building work by Council should include the following steps:
  - a. Council issues a 30-day notice to the Club under clause 7.2 of the Deed of Agreement dated 13 January 2022, which will have the effect of bringing the licence granted under clause 2 of that Deed (currently in holding over) to an end, to enable Council to take possession of the site.
  - b. Council issues a 30-day notice to the Club under clause 4(d) of Registered Lease 6920235N, which will have the effect of bringing that Lease (currently in holding over) to an end, to enable Council to take possession of the site.
  - c. Council calls for competitive tenders for the completion of the building and surrounds known as the North Cronulla Surf Lifesaving Club in accordance with Development Consent No. DA17/1001 and any other relevant documentation.
6. Council proactively repays the amount of \$3,503,267 currently outstanding under the Club’s loan (for which Council is guarantor) in accordance with the terms of the Guarantee and Indemnity dated 15 November 2023, or as otherwise arranged and agreed with the National Australia Bank.
8. Council authorises the application of the contributions (from Council to the Club under the Deed of Agreement dated 13 January 2022 and as otherwise already agreed between Council and the Club) towards the works and expenses detailed at points 5 and 6, subject to agreement with the Club
10. Council seeks that any outstanding contributions from the Commonwealth and State Governments towards the work, including those detailed in the Deed of Agreement dated 13 January 2022 are assigned or transferred to Council and that these contributions are applied towards the work detailed at point 5.

# Council Report COR030-24 Recommendations

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12. Council, the Club and the National Australia Bank negotiate appropriate variations to existing legal agreements in order to give effect to the above points.
13. Council and the Club negotiate in good faith with a view to reaching agreement on allowing Club operations to continue whilst building works are occurring, including the provision of a suitable compound and storage facilities
14. On the completion of the building and surrounds, Council and the Club negotiate in good faith with a view to reaching agreement on a 20 year lease to the Club for the use of the building.
15. Council request that the Club expedite negotiations with the proposed commercial tenant with a view to reaching agreement on sublease terms.
16. Points 5, 6, 8, 10, 11, 12, 13, 14 and 15 above are subject to formal agreement by the Club. Council acknowledges that in the unlikely event that formal agreement is not provided, Council and the Club will each retain their rights

# Question and Answer Session



Project Phoenix - A Pathway Forward

# Notice of Motions

- **Notice of Motion #1:**

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**Thank You.  
Time to move forward and  
Celebrate our 100 years of  
volunteer community service!**



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