



# STRONG CLUBS, STRONGER COMMUNITIES

## MEMORANDUM OF UNDERSTANDING



10 October 2010

### 1. PURPOSE

This Memorandum of Understanding (MoU) is between the NSW Liberals and Nationals and ClubsNSW.

The MoU establishes the club policy agenda for the NSW Liberals and Nationals in government and provides details of key measures that will be introduced. The policies in the MoU are designed to help secure the long-term financial viability of NSW clubs and allow them to strengthen their economic and social contribution to the State. They will create an environment that allows clubs to grow and communities to reap the benefits.

The NSW Liberals and Nationals and ClubsNSW recognise the substantial and unique economic and social contribution that clubs make to the State. According to The Allen Consulting Group (2008), and IPART (2009), clubs:

- generate revenues of \$5.4 billion per annum;
- make an additional social contribution of \$811 million per annum;
- pay \$1.26 billion in taxes;
- employ 44,000 people and spend over \$1.2 billion on wages;
- mobilise 44,000 volunteers in support of their core purposes; and
- provide 1550 bowling greens, 366 golf courses, 163 playing fields, 80 gyms and 66 swimming pools.

It is recognised that delivering long-term prosperity for NSW clubs is essential to sustaining this contribution and allowing clubs to meet the needs and expectations of the people of NSW. Further, it is recognised that clubs are generally good corporate citizens and are committed to:

- acting in the best interests of their members;
- complying with their legal obligations;
- managing their affairs in a transparent and accountable manner;
- being responsible employers;
- providing gaming and alcohol safely; and
- increasing their community contribution.

### 2. COMMITMENTS

A NSW Liberals and Nationals Government will take the following action.

#### Club Tax

A NSW Liberals and Nationals Government will introduce in its first Budget the following tax regime:

#### Club Gaming Machine Tax Rates

Revenue Band	Existing	From 1 September 2011
0 - \$200k*	0%	0%
\$200k - \$1m (for clubs with revenue < \$1m)	9.09%	9.09%
\$200k - \$1m (for clubs with revenue > \$1m)	19.09%	19.09%
\$1m - \$5m#	30.09%	28.99%
\$5m - \$10m	35.09%	33.49%
\$10m - \$20m	38.09%	35.49%
\$20m plus	39.99%	37.49%

- Including ClubGRANTS (formerly CDSE) of 2.25% and GST of 9.09%
- \* Assumes continuation of GST rebate on first \$200,000 of revenue
- # Smoothing mechanism applies to revenue in the \$1m to \$1.8m band

#### ClubGRANTS

A NSW Liberals and Nationals Government will rename CDSE as ClubGRANTS and increase the claimable rate from 1.5% to 2.25% of gaming machine (taxable) revenue:

- leaving Category 1 (local community priorities) unchanged with a minimum contribution of 0.75%;
- increasing Category 2 (club core activities e.g. sport, RSL/veteran welfare, golf course and bowling green maintenance) to a maximum of 1.1% and allow clubs to claim contributions to professional sport (including NRL) that are not player payments; and
- introducing Category 3 being a minimum contribution of 0.4% to a state-wide funding pool for large scale projects associated with sport, health and community infrastructure.

#### Club Establishment and Amalgamated Clubs

A NSW Liberals and Nationals Government will:

- change the planning system to encourage the establishment of clubs on greenfield sites reserving central locations for club purposes;
- take action to facilitate club amalgamations (and de-amalgamations), streamline processes and encourage proactive club mergers; and
- remove the requirement to forfeit gaming machine entitlements on transfer between premises of amalgamated clubs regardless of location.

#### Gambling Policy

A NSW Liberals and Nationals Government will commit to further reducing the prevalence of problem gambling by developing in consultation with clubs targeted, effective and evidence-based measures.

A NSW Liberals and Nationals Government will:

- seek to properly regulate online gambling;
- maintain existing statewide and venue caps;
- not allow additional casinos;
- support a system of pre-commitment that is voluntary for the player, venue based and cost-effective;
- maintain existing conditions for maximum bets, reel spin speeds, cash insertion, ATM placement and withdrawal limits, and payment of prizes by cheque;
- remove limitations on installing MTGMs in clubs;
- facilitate the introduction of new technology and games, while upholding strict harm minimisation controls; and
- commit to reviewing and further extending the existing license arrangement for KENO, providing certainty in relation to regulatory and approval processes and facilitating the introduction of new technology and games.

#### Restrictions on Smoking in Clubs

A NSW Liberals and Nationals Government will uphold existing smoking restrictions including those relating to the service and consumption of food, beverage and gaming in outdoor areas.

#### Sale and Consumption of Alcohol in Clubs

A NSW Liberals and Nationals Government will introduce a licensing and compliance regime that directs enforcement activity and applies special licence conditions to troublesome venues. This approach will include:

- greater focus on personal responsibility;
- using the extensive powers and penalties available under the *Liquor Act* against violent venues;
- severely penalising venues that are persistently violent (including possible loss of licence); and
- introducing a defence against prosecution for club managers where reasonable steps have been taken to comply with the *Liquor Act* and special conditions.

#### Industry Sustainability

A NSW Liberals and Nationals Government will implement key recommendations of the IPART Report on NSW Registered Clubs including the establishment of a Club Viability Panel (CVP), introducing appropriate training for club directors and managers, and improvements to club corporate governance structures.

#### Registered Clubs Act 'Accountability' Provisions

A NSW Liberals and Nationals Government will remove the ability of government to hold royal commission style investigations into clubs and immediately rescind section 41X of the *Registered Clubs Act*, conduct a review of the 'accountability' provisions of the *Registered Clubs Act* and take action to prevent clubs and community assets falling into the hands of private interests and entrepreneurs.

#### Clubs on Crown Land

A NSW Liberals and Nationals Government will commit to limiting increases in rents for clubs on Crown Land to CPI only and reviewing the circumstances of clubs that have recently received significant rent increases.

#### Workers Compensation Insurance

A NSW Liberals and Nationals Government will increase competition in the provision of worker's compensation insurance by allowing the club industry to establish its own specialised workers compensation insurance scheme.

### 3. TERM OF AGREEMENT

The Agreement binds the parties until the end of the term of the NSW Government to be elected in 2011.

A NSW Liberals and Nationals Government and ClubsNSW will jointly undertake a full review of the terms of the Agreement before the end of that term of government, with a view to reaching further understanding in relation to matters concerning clubs which would cover the term of the then next State Government.

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Hon George Souris MP  
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Representative of NSW Liberals  
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Peter Newell OAM  
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Representative of Club