

# **REVIEW OF THE NSW REGISTERED CLUBS INDUSTRY**

## **TERMS OF REFERENCE**

I, Morris Iemma, Premier of New South Wales, pursuant to Section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*, request the Tribunal's assistance in reviewing and making recommendations on the role and performance of the NSW Registered Clubs industry, with the purpose of facilitating a sustainable Registered Clubs industry in the future.

The NSW Government acknowledges the valuable social and economic contribution made by Registered Clubs to the State's social infrastructure and services.

Social, demographic and commercial changes over the past 10 years have affected the Registered Clubs industry in many ways. Commitment to the overall industry appears strong. However, the ability of individual clubs to provide services that meet the needs of members and the community, while continuing to be financially viable, differs depending on location, size, and many other factors.

The NSW Government wishes to assist the clubs industry to flourish, while stipulating that the industry meets its mutuality requirements, works co-operatively with Government and other community members in providing substantial community support that is effectively targeted, and operates in a commercial and professional manner.

I would appreciate the Tribunal's assistance in undertaking a review and making recommendations that will assist Registered Clubs to enhance their role in the community in an efficient and effective manner. The outcome of the review will be a framework for a management plan that supports and guides a sustainable Registered Clubs industry for a 10 to 15 year period.

In conducting the review, the Tribunal is asked to recognise the diversity of the constituents of the Registered Clubs industry and the diversity in the needs and expectations of members of individual Registered Clubs and communities in which the Registered Clubs operate. It is also to recognise the different needs of clubs in metropolitan, regional and remote areas.

**The Tribunal is asked to review and make recommendations on the following key issues:**

### **Registered Clubs' role in the community**

- the existing contribution of the Registered Clubs industry to the provision of social infrastructure and services and a methodology to identify and record the value of such provision both now and in the future.
- employment and other economic opportunities afforded by the Registered Clubs industry and how the industry can enhance these opportunities, with special reference to regional and rural areas.
- Existing and proposed statutory requirements for the provision of assistance to the community and the effectiveness of current community expenditure by clubs, ways in which Clubs can best target expenditure towards identified community needs.
- development of a Charter to support Registered Clubs, their members, and the wider community, defining Registered Clubs' roles and stakeholders' and the NSW Government's expectations of them. This should include consideration of ways of communication between clubs and the community about available services and support for the community.

- options for the roles Registered Clubs might play in advancing the NSW Government's priorities as set out in the State Plan. Consideration should be given to opportunities for Registered Clubs and NSW Government agencies to work together to identify and pursue the best social outcomes for the community.
- options for enhancing the social contribution of Registered Clubs in the future.

### **Financial viability and strengthening performance**

- the financial viability of the Registered Clubs industry, specifically identifying areas where clubs are either prospering or declining and examining the reasons for any decline and how it might be reversed. The Tribunal should make recommendations on business efficiency performance measures for use by the industry, having regard to the diversity of the industry.
- effective operations of Registered Clubs in the context of being community based, not for profit, entities and options for future diversification of business operations.
- options for improving financial management including capital expenditure proposals, and support schemes (including ClubBIZ) to provide guidance, management, strategic planning and other assistance to clubs. Consideration should be given to the steps to be taken where a Registered Club is in financial difficulty. Consideration should also be given to successful financial management strategies that could be exercised by Registered Clubs.
- training and development needs for the Registered Clubs industry and cost efficient and effective ways for the provision of these needs.
- the procedure for amalgamations and movement of assets between Registered Clubs, while maintaining their status as community based not for profit entities and ensuring the protection and preservation of community assets.
- barriers to the establishment and relocation of Registered Clubs and how they could be reduced in order to encourage Registered Clubs to locate in areas that would most benefit from them.

The Tribunal is also asked to review and make recommendations on:

- existing and proposed legislative and policy objectives and possible changes that may be required to the regulatory framework to support industry development and reduce 'red tape'.
- maintenance and development of a strong code of corporate governance (including risk management).
- developing a shared vision between Government and the Registered Clubs industry on compliance issues, nature and levels of community service support and social responsibility.
- any additional issues it identifies that would significantly improve the sustainability of the Registered Clubs industry.

### **TIMING, CONSULTATION AND DELIVERABLES**

The Tribunal is asked to take into account the views of stakeholders in the Registered Clubs industry.

The Tribunal is also asked to release an issues paper to facilitate discussion, and to engage in community consultation.

The Tribunal is asked to provide its final report to the Minister for Gaming and Racing 15 months from the receipt of the Terms of Reference.