

IPART SUBMISSION

Review of the Registered Clubs Industry in NSW

Firstly, congratulations on a well set out and thorough review document.

Pg 10 – Clubs are established to develop a community or sporting interest. The fact that they are not for profit and the returns are put back into the club or community, not shareholders is appealing. They are accessible by the community, a point of refuge or sanctuary with a high standard of service or product for visitors and locals alike. Disadvantages include unprofessional senior management and Boards lacking business acumen, too focused on members needs rather than balancing it with commercial drivers.

Pg 17 - Being a 27 hole golf facility, we are a key component to local tourism. Altogether we provide recreational sport to all forms of golfers including juniors and veteran golfers, and host major state and professional events. We also provide low cost products, entertainment, private social functions, conferences, and informal gatherings. At 55 staff and approx. 30 contractors (Pro shop and catering), we make a sizable contribution to the employment in the area. We are very proactive with community donations making our facilities available for fund raisers. Our donations policy is widely distributed and promoted to the community.

Pg 18 – The ability for clubs to make non-cash social contributions is essential particularly for those clubs where funds are tight. I am a believer in community groups being self reliant and making the course or function rooms available to fund raise. (Why not put poker machines in NSW surf clubs?) Market value (that includes appropriate discounting based on quantity etc) rather than cost should be applied. (Cost can be sometimes harder to define.)

Pg 22 – Category 1 always harder to identify. Assessment determined by local nature in first instance but other than that, quite difficult to allocate. Public are generally unaware of the opportunity to apply for funding and we end up chasing charities. Cat 2 is simply a contractual relationship where we maximise our exposure or return on investment.

Pg 27 – The use of volunteers is good in theory but not entirely practical. Useful if funding is tight. Volunteers require training, insurance, supervision and can tie up staff resources, e.g. machinery. Difficult to evaluate commercial flow on effects of our club. We spend an enormous amount of money to attract visitors to the region for which other businesses benefit.

Pg 32 – Gaming represents approx. 75% of our total revenue which makes us too vulnerable to subtle changes in that area. A club must diversify and spread the risk to cope with fluctuations many of which are beyond our control. Assuming a club is well managed, external threats such as legislative changes, economic conditions, droughts etc can produce sustained periods of poor trading. All legitimate business options must be explored – think outside the square!

Pg 38 – Put simply, the financial structure factors of a ‘not for profit’ club must be similar to that of ‘for profit’ organisation, and too the financial indicators. Numbers of members and community perception would set aside clubs from non-clubs. Because they are a community asset, members will not have the same ‘rate of return’ demands as

shareholders would have. Weak balance sheets are not uncommon in clubs and if clubs were profit organisations, most would have failed by now. Absence of solid business plans is quite common with little or no long term planning.

Pg 43 – Formation of new clubs is a commercial decision like any other new business decision – supply and demand. In the past, financial viability would not have been the No. 1 priority in establishing a club relying on volunteers and members financial contribution to get them going and to get them through any tough times. (This is why a club in theory should NEVER fail.)

Pg 48 – Extended courtesy bus route, accommodation and value adding member benefits would extend and widen customer base.

Pg 52 – Industry is clearly over regulated. I believe in self compliance. We do it now for OH&S and environmental compliance, why do we need to be audited on sign-in slips etc? We manage RSA and RCG well and those that don't seem to get away with it. We can remove intoxicated patrons but can't do anything about a gambler who clearly cannot afford to play the pokie machines, and yet we cannot advertise gaming outside the venue to responsible gamblers. QLD does and what harm does that cause? Why introduce the no-smoking in the middle of a NSW winter? Why not provide tax relief for those clubs who bravely went non-smoking prior to 2 July?

Pg 57 – Cost of training not flexible. Club/managers that need training either can't afford it or can't afford to get away to the training. Local road show, local network/support groups or sponsorship of some managers may help.

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