



Welcome

In this edition of Club Chat we look at the gaming machine amendment bill 2008, the publishing of annual reports and an analysis on the smoking ban.

If you require any further information on any of the topics we have touched on, please contact Cutcher & Neale to discuss your club's needs and how we can work with you to meet these challenges.

Ian Neale
PARTNER

ClubsNSW
INDUSTRY SUPPORTER 2007-2008

in this issue...

Gaming Machine
Amendment Bill 2008

Environmentally friendly
financial reports

Smoking Ban

Gaming Machine Amendment Bill 2008

This Bill was tabled in the NSW Parliament on 29 October and seeks to make amendments to the Gaming Machines Act 2001 with respect to legislation, control and management of gaming machines in hotels and registered clubs.

The changes are expected to commence in January 2009. Significant items that may impact on your club include:

State-wide cap – the gaming machine cap will be reduced from 104,000 to 99,000. This will be achieved by removing the gaming machine entitlement pool consisting of entitlements previously forfeited as a result of the trading process.

Local Impact Assessments (LIAs) – these will replace the Social Impact Assessments (SIAs). Each Local Government Area (LGA) will be classified into one of three bands according to gaming machine density within the LGA, the expenditure on gaming machines and relevant social data. The higher the band, the more rigorous the application will be in obtaining additional machines. The OLGR website will publish the LGA classifications. The draft bands have been released by the OLGR:

- Newcastle LGA – RED
- Lake Macquarie LGA – GREEN
- Port Stephens – AMBER
- Maitland - AMBER

Club venue cap – the 450 limit on the maximum number of gaming machines a club can operate will be removed. It is anticipated that this will be subject to the overall threshold of the LGA.

Clubs in "Greenfield" areas – a scheme has been proposed to assist new clubs in establishing in areas where there is no registered club present – such as in new residential developments. Again, the LGA classification will impact on the ease with which these new clubs can be established.



Credit withdrawals – cash withdrawals from credit cards through ATMs and EFTPOS facilities in gaming venues will be prohibited.

Limit of multi-terminal gaming machines (MTGMs) – a club may not operate more than 15% of its total number of gaming machine entitlements as MTGMs. It is proposed that affected clubs will have five years to reduce their numbers.

Forfeiture requirements for clubs – related club premises will be allowed to transfer entitlements without forfeiture where both premises are located within the same LGA.

Visibility of gaming machines – guidelines will be developed to assist clubs in assessing what is deemed inappropriate when it comes to the location of gaming machines and whether they inappropriately advertise or attract the attention of people outside the club's venue.

Defence against inadvertent advertising – the Bill clarifies that the offence of publishing gaming machine advertising does not apply if the patron removed the material from the club for their own personal use.

Did you know?



Did you know that you can now distribute your financial report to members whilst saving the environment?

The Corporations Legislation Amendment (Simpler Regulatory System) Act 2007 enables clubs that are public companies to publish their concise financial report on their website.

All members should be contacted in writing and advised of the Club's intentions. However, members can still elect to receive the annual report in hard copy should they choose.

New members should be given the choice in writing upon joining.



SMOKING BAN

It has been 15 months since smoking bans were introduced into registered clubs. During this time we have seen a change in the overall economic environment, along with a decrease in consumer confidence and spending.

The table below provides an analysis of our club clients bar, poker machine and total revenue since the inception of non-smoking laws in July 2007.

The results for the September quarter are encouraging for most of our clubs, with poker machine revenue starting to increase again – up by 4% when compared to the same quarter last year. Bar income remains the star performer continuing to increase at a rate of 8%.

% Change of Cutcher & Neale Clubs Revenue (compared to the same period last year)			
	Bar revenue	Poker machine revenue	Total revenue
12 mths to 30 June 2008	8%	(9%)	(1%)
September 2008 qtr	8%	4%	10%

Important Disclaimer: The material contained in this publication reflects General Advice only, and has not been prepared to provide specific Personal Advice to any particular individual(s). It does not take into account the individual circumstances, risk profile, needs and objectives of specific individuals. The examples are used for the purposes of illustration only. Readers should not act upon any matter or information contained in or implied by this publication without seeking appropriate professional financial planning advice. The publishers and authors expressly disclaim all and any liability to any person, whether a client of Cutcher & Neale or not, who acts or fails to act as a consequence of reliance upon the whole or any part of this publication.

If the advice relates to the acquisition or possible acquisition of a particular financial product, you should obtain a copy of and consider the Product Disclosure Statement before making any decision.



Innovative thinking.
Traditional values.

Phone 02 4928 8500
Fax 02 4926 1971
Email cnmail@cutcher.com.au
Internet www.cutcher.com.au
 The Bolton Building
 25 Bolton Street
 Newcastle NSW 2300
 PO Box 694
 Newcastle NSW 2300

