



Department  
of Industry

Liquor & Gaming

# Registered club amalgamations and de-amalgamations under the Registered Clubs Act 1976

Information Paper – June 2017

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# Have your say – how to make a submission

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The 2014 MoU with ClubsNSW – *Resilient Clubs, Resilient Communities* – commits the NSW Government to a review of the current amalgamation and de-amalgamation requirements, with a view to streamlining both processes. This aims to help registered clubs more readily merge and de-merge as their local situation requires.

The review provides an opportunity to consider the suitability of the current controls in place for amalgamations and de-amalgamations, which seek to promote transparency and protect the interests of club members and communities. It is important that there is a balanced approach in this regard, which continues to recognise that clubs are community-owned and operate for the benefit of their members.

This information paper has been prepared for the purpose of the review. It details the requirements for amalgamating, de-amalgamating and for related transfers of gaming machine entitlements between clubs.

Your feedback will play a vital role to inform this review. Targeted questions and key issues for consideration are collected on pages 14-15 of this paper.

Liquor & Gaming NSW (L&GNSW) is seeking public submissions until **Wednesday, 26 July 2017**.

Submissions can be made in the following ways:

1. By email to: [Club.Amalgamations@justice.nsw.gov.au](mailto:Club.Amalgamations@justice.nsw.gov.au)
2. Via the Have Your Say website: [www.haveyoursay.nsw.gov.au](http://www.haveyoursay.nsw.gov.au)
3. By post to:  
The Coordinating Officer  
Club amalgamations and de-amalgamations review  
Liquor & Gaming NSW  
GPO Box 7060  
SYDNEY NSW 2001

This is a public review. Submissions may be published on the L&GNSW website after the closing date, unless you make a specific request for your submission to be kept confidential. Claims for confidentiality will be considered on a case-by-case basis.

If you need to access a translating and interpreting service please telephone 1300 651 500 or visit the Interpreting & Translation page of the Multicultural NSW website: [http://multicultural.nsw.gov.au/our\\_services/interpreting\\_translation/](http://multicultural.nsw.gov.au/our_services/interpreting_translation/)

# Background

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The NSW registered clubs laws provide a framework for registered clubs to amalgamate (merge) and de-amalgamate (de-merge). The framework has been put in place to support the viability of clubs, while providing controls that help to promote transparency and protect the interests of club members where clubs seek a merger or de-merger.

Provisions enabling clubs to amalgamate were introduced under the *Registered Clubs Act 1976* ('the Act') in the mid-1980s. These laws were brought in to help clubs avoid financial insolvency, by providing a pathway for them to amalgamate with another club in their local area. It was intended this would help to preserve important social and leisure facilities that might otherwise be lost for these clubs in financial distress – particularly for regional communities that often rely on the infrastructure and social activities they provide.

De-amalgamation provisions were introduced in 2011 to assist clubs that have previously amalgamated to de-merge in a controlled and transparent manner, honouring a commitment made in the 2010 Memorandum of Understanding (MoU) between the NSW Liberals and Nationals and ClubsNSW – *Strong Clubs, Stronger Communities*.

With the introduction of the de-amalgamation provisions, the Government also implemented a package of reforms in 2011 to address some of the identified barriers to amalgamations. For example, these reforms removed forfeiture requirements for gaming machine entitlement transfers between amalgamated club premises.

The requirements relating to club amalgamations are specified under Division 1A of Part 2 of the Act and Part 2 of the Registered Clubs Regulation 2015 ('the Regulation'). Requirements relating to club de-amalgamations are specified under Division 1B of Part 2 of the Act and Part 3 of the Regulation.

Related provisions also exist under section 60 of the *Liquor Act 2007* to facilitate the transfer of a club licence, which is the last step in the club amalgamation and de-amalgamation processes. Provisions also exist under the *Gaming Machines Act 2001* and Gaming Machines Regulation 2010 to facilitate gaming machine entitlement transfers to amalgamated and de-amalgamated club premises.

## Common terms used in this paper

Authority means the Independent Liquor and Gaming Authority.

Dissolved club means the club whose club licence is, or will be, transferred under section 60 of the Liquor Act to another registered club.

Main premises means the premises that are, in the opinion of the Authority, the main premises of the club.

Parent club means the registered club to which the club licence of another club – known as a 'child club' – is, or will be, transferred to another club under section 60 of the Liquor Act.

# Club amalgamations

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Amalgamation is an option that clubs can consider to help improve their financial viability by consolidating their activities, membership and assets with another club or other clubs.

Section 17AB of the Act provides that an amalgamation of two or more clubs occurs when:

- each of the clubs are dissolved and a new club is formed that owns or occupies the same premises (or part of the same premises) of at least one of the dissolved clubs; and
- the club licences held by the dissolved clubs are transferred to the newly formed club in accordance with section 60 of the Liquor Act;

or,

- one club continues and the other club(s) is/are dissolved; and
- the club licence(s) held by the dissolved club(s) is/are transferred to the continuing club (i.e. the parent club) in accordance with section 60 of the Liquor Act.

## Limitations on club amalgamations

### 50km radius rule

Section 17AH(1) of the Act provides that two or more clubs may only amalgamate if they are located in the same area, which is defined under section 17AC(1) of the Act as an area within a 50km radius of the main premises of the parent club.

However, if this is not possible, the Authority may allow an amalgamation with:

- a) another club which has similar objects and activities (s.17AH(2)(a)), or
- b) any other club (s.17AH(2)(b)).

The intent of this requirement is to give any nearby clubs an opportunity to negotiate an amalgamation proposal first, thereby increasing the likelihood that both clubs will remain financially viable with the assets belonging to both clubs remaining accessible to members and local communities.

### *Key issues:*

- ▲ Does the 50km radius rule effectively encourage amalgamations between nearby clubs so club assets remain available to members and the local community? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

### 10 club amalgamation limit

Section 17AF of the Act provides that a club may only amalgamate with up to 10 other clubs over any period of time.

A limit on amalgamations was initially introduced in 2002 to deter clubs from pursuing an excessive number of amalgamations so that club groups did not get too large or lose touch with their local communities. The limit was increased from four to 10 in December 2007 in recognition that many club groups that had reached the previous cap were operating very well and may be in a position to amalgamate with additional clubs.

### *Key issues:*

- ▲ How effective is the 10 club amalgamation limit in ensuring clubs do not become disproportionately large and that they continue to operate in the interests of their

members and their local communities? To what extent does this policy objective remain valid?

- ▲ What improvements, if any, could be made to achieve the policy objective?

## **Club amalgamation process**

For the purpose of the review, the requirements relating to the club amalgamation process are detailed across the five distinct steps necessary for an amalgamation to occur.

### Step 1: Calling for expressions of interest (EOI)

Clause 4 of the Regulation requires a club seeking to amalgamate to first call for EOI from other clubs situated within a 50km radius of its premises. It also provides that the Secretary, Department of Industry, may direct clubs in relation to this process and that any such direction must be complied with.

The operation of this provision is consistent with the above-mentioned requirement for clubs to, in the first instance, seek an amalgamation partner located within the same area (i.e. within a 50km radius). However, if an amalgamation partner cannot be found, a call for EOI from clubs in other areas may then be made.

As with the 50km rule noted earlier, the intent of the EOI process is to increase the likelihood that club assets will remain accessible to its members and the local community, following an amalgamation.

#### *Key issue:*

- ▲ Do the requirements for issuing expressions of interest (EOIs) adequately ensure nearby clubs are informed about proposed amalgamations and help attract amalgamation proposals from nearby clubs within the 50km radius? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

### Step 2: Notifying club members of the proposed amalgamation

Section 17AE of the Act requires clubs proposing to amalgamate to notify their members in accordance with the regulations. Clause 5 of the Regulation requires notification to be provided via a notice displayed at the premises and on the websites of each club proposing to amalgamate. This transparency measure is intended to ensure that members are informed that their club is intending to undertake an amalgamation.

#### *Key issues:*

- ▲ How effective are the notification requirements in ensuring club members are informed of any proposal to amalgamate? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

### Step 3: Entering into an Memorandum of Understanding (MoU)

Clause 7 of the Regulation requires clubs that are proposing to amalgamate to enter into an MoU, which must state each club's position on the proposed amalgamation. MoUs are required so that all club members are aware of critical elements of an amalgamation proposal, in turn helping them make an informed decision about the future of their club. Each MoU must address the following:

- a) the manner in which premises and other facilities of the dissolved club(s) will be managed and the degree of autonomy that will be permitted in the management of those premises and facilities;
- b) a list of the traditions, amenities and community support that will be preserved or continued by the amalgamated club;
- c) intentions for the future direction of the amalgamated club;
- d) the extent to which employees of the amalgamated club will be protected;
- e) the intention regarding the following assets of the dissolved club:
  - any core property of the club,
  - any cash or investments held by the club, and
  - any gaming machine entitlements held by the club;
- f) the circumstances that would permit the amalgamated club to cease trading at the dissolved club or to substantially change the objects of the dissolved club; and
- g) the agreed period of time before any action in paragraph (f) can be taken by the amalgamated club.

Once finalised, the MoU must then be made available:

- a) to ordinary club members at least 21 days before any meeting is held to vote on the proposed amalgamation; and
- b) for viewing at each of the amalgamating clubs' premises and on their websites at least 21 days before any meeting to vote on the proposed amalgamation.

*Key issues:*

- ▲ Do the MoU requirements adequately promote awareness among club members of the key details of any proposal to amalgamate, so they can make an informed decision on it? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

#### Step 4: In-principle approval of the proposed amalgamation by club members

Registered clubs are run for the benefit of members, and it is important to ensure that any amalgamation proposal is supported by club members. To enable this, section 17AEB(d) of the Act requires the proposed amalgamation to be approved in-principle by the members of each club at separate extraordinary general meetings. The Authority must be satisfied that this has occurred otherwise it cannot approve the transfer of the licence of the dissolving club(s) to the parent club.

*Key issues:*

- ▲ How effective are the requirements for obtaining in-principle approval from club members in ensuring an amalgamation will be in the interests of the members? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

#### Step 5: Establishing members of the dissolved club(s) by the parent club

Section 17AC(2) of the Act provides that before an amalgamation can occur, the parent club must establish the members of the dissolved club(s) as a separate class of members. These members must be identified by the parent club as the 'members of the dissolved club'. This delineation is intended to assist when a dissolved club later wishes to de-amalgamate, so that the membership of the de-amalgamating club can be more readily identified.

### *Key issues:*

- ▲ Are current requirements sufficient to enable the membership of the child club to be easily identified in future (for example, to facilitate de-amalgamation)? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

### Step 6: Applying to transfer the licence of the dissolved club(s) to the parent club

The final step in the amalgamation process is for an application to be made to the Authority under section 60 of the Liquor Act to transfer the licence of the dissolving club(s) to the parent club.

However, before the Authority can approve the transfer, it must be satisfied that the parent club constitutes a registered club, is financially viable and that the amalgamation is in the interests of members.

The Authority must be satisfied that Division 1A of Part 2 of the Act and Part 2 of the Regulation have been complied with (s.60(6) of the Liquor Act). This includes matters under section 17AEB of the Act:

- a) the parent club will meet the requirements set out in section 10(1) of the Act (i.e. the requirements that must be met by all clubs in NSW);
- b) the parent club will be financially viable;
- c) the proposed amalgamation is in the interests of the members of each of the clubs; and
- d) the proposed amalgamation has been approved in-principle by the members of each club at separate extraordinary general meetings (refer to step 4).

To demonstrate this, the licence transfer application should be accompanied by supporting documents – such as a copy of the EOI, MoU, financial statements, and notices and minutes of the separate extraordinary general meetings, as well as a legislative checklist that explains how the relevant provisions of the Act and Regulation have been complied with.

### *Submissions in relation to a proposed amalgamation*

Section 17AEA of the Act facilitates the making of written submissions to the Authority about a proposed amalgamation, in accordance with the regulations. It also requires the Authority to take any such submission into account before deciding whether to transfer the licence of the dissolved club(s) to the parent club.

Clause 6 of the Regulation requires the submission to be made within 30 days of the date that the licence transfer application is made. It also allows the Authority to extend the submission making period where it thinks fit.

The intent of these provisions is to ensure that the public can have its say on a proposed amalgamation. The period of 30 days is consistent with similar provisions for the making of submissions under the liquor and gaming laws.

### *Key issue:*

- ▲ How effective are the existing controls for the transfer of a licence (the final step in approving an amalgamation) in ensuring the approved amalgamation will be viable and in the interest of the club members and local communities?
- ▲ Do public submission requirements provide reasonable opportunity for the community to have their say about a proposed amalgamation?
- ▲ To what extent do these policy objectives remain valid? What improvements, if any, could be made to better meet policy objectives?



## Assets of the dissolved club(s)

Following an amalgamation, section 17AI of the Act requires the major assets of the dissolving club(s) to be kept intact for a period of three years, unless the disposal of those assets is approved by the Authority. It also provides that the Authority may approve the disposal of major assets only if it is satisfied that:

- a) the disposal is necessary to ensure the financial viability of the parent club; and
- b) a majority of members of the dissolved club have approved of the disposal.

The major assets of a dissolved club are defined under clause 8 of the Regulation as being any core property of the club. Core property is prescribed under section 41J of the Act as being any real property owned or occupied by the club that comprises:

- a) the premises of the club; or
- b) any facility provided by the club for the use of its members and their guests; or
- c) any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club

However, this does not include any property referred to above that is declared not to be core property of the club – by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club. The intent of this provision is to ensure that the assets of a child club are preserved for the benefit of club members and the local community.

### *Key issues:*

- ▲ Do the restrictions on the disposal of a dissolved club's assets effectively ensure its major assets are preserved for the benefit of club members and the local community? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

# Club de-amalgamations

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De-amalgamation is an option that an amalgamated club can consider to return the club to its original membership and re-establish under its own auspices.

Section 17AJ of the Act provides that a de-amalgamation occurs when:

- a new club is formed (i.e. the de-amalgamated club);
- the title to (or right to occupy) the relevant premises (or any part of the premises) is transferred from the parent club to the de-amalgamated club; and
- the club licence held by the parent club is transferred to the de-amalgamated club in accordance with section 60 of the Liquor Act.

## Club de-amalgamation process

For the purpose of the review, the requirements relating to the club de-amalgamation process are detailed across the five distinct steps necessary for a de-amalgamation to occur.

### Step 1: Notifying club members of the proposed de-amalgamation

Where an amalgamated club is proposing to de-amalgamate, section 17AK(1) of the Act requires the club to notify its members in accordance with the regulations. Clause 9(1) of the Regulation requires notification to be provided at least 21 days before separate extraordinary general meetings are held to vote on the proposed de-amalgamation.

Clause 9(3) of the Regulation requires notification to be provided via a notice displayed on the amalgamated club's premises and website(s) (if any). The intent of this provision is to provide transparency to club members about a proposed de-amalgamation.

*Key issues:*

- ▲ How effective are the notification requirements in ensuring club members are informed of any proposal to de-amalgamate? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

### Step 2: Statement relating to proposed de-amalgamation

Section 17AL of the Act requires an amalgamated club that is proposing to de-amalgamate to prepare a statement detailing the information prescribed in the regulations. The statement must also be made available in the manner required by the regulations.

Clause 11 of the Regulation requires the following information to be included in the statement:

- a) details of the de-amalgamating club's premises (including the title reference);
- b) whether the premises will be transferred or leased to the de-amalgamated club and the amount of consideration or rent (if any) to be paid in respect of the transfer or lease;
- c) the gaming machine entitlements intended to be transferred to the de-amalgamated club;
- d) details and estimated values of other property, plant and equipment that will be transferred to the de-amalgamated club and the consideration (if any) to be paid for the transfer;
- e) the steps to be taken to protect and preserve the leave and other entitlements of those employees of the amalgamated club who will become employees of the de-amalgamated club;

- f) where a copy of the constitution of the de-amalgamated club can be inspected,
- g) details of the composition (including members' names) of the governing body of the de-amalgamated club;
- h) the anticipated effect of the de-amalgamation on the financial viability of the amalgamated club;
- i) where a copy of a report prepared by an independent accountant on the future financial viability of the de-amalgamated club can be inspected; and
- j) an outline of the steps to be taken to give effect to the de-amalgamation, including the assignment of contracts of the amalgamated club to the de-amalgamated club.

Once finalised, the statement must be sent to all the members of the amalgamated club and displayed on a notice board on each of the amalgamated club's premises and websites (if any), at least 21 days before separate extraordinary general meetings are held to vote on the proposed de-amalgamation.

Like an amalgamation MoU, the intent of the statement relating to a proposed de-amalgamation is to help members make an informed decision about key aspects of a proposal to de-amalgamate.

*Key issues:*

- ▲ Do the requirements for formal statements about proposed de-amalgamations adequately promote awareness among club members of the key details of any proposal to de-amalgamate, so they can make an informed decision on it? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

Step 3: In-principle approval of the proposed de-amalgamation by club members

Registered clubs are run for the benefit of members, and it is important to ensure that any amalgamation proposal is supported by club members. To enable this, section 17AM(d) of the Act requires the proposed de-amalgamation to be approved in-principle by the members of the parent club and the members of the dissolved club at separate extraordinary general meetings. The Authority must be satisfied that this has occurred otherwise it cannot approve the transfer of the licence held by the parent club to the de-amalgamating club.

*Key issues:*

- ▲ How effective are the requirements for obtaining in-principle approval from club members in ensuring a de-amalgamation will be in their interests? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

Step 4: Notifying club members of the licence transfer application and making of submissions

Where the proposed de-amalgamation has been approved in-principle, clause 9(2) of the Regulation requires the amalgamated club to notify its members:

- a) of the date that an application will be made to the Authority to transfer the licence held by the parent club to the de-amalgamating club in accordance with section 60 of the Liquor Act; and
- b) that submissions on the proposed de-amalgamation can be made to the Authority within 30 days of that date.

Clause 9(3) of the Regulation requires notification to be provided via a notice displayed on the amalgamated club's premises and website(s) (if any).

The intent of notification requirements is to ensure that members are informed about, and have the opportunity to provide feedback on, a proposed de-amalgamation.

*Key issues:*

- ▲ Do the notification requirements adequately ensure members are aware of a club's intention to seek approval of a proposed de-amalgamation and provide reasonable opportunity for them to prepare any public submission relating to that approval? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

Step 5: Applying to transfer the licence held by the parent club to the de-amalgamating club

The final step in the de-amalgamation process under the NSW registered clubs laws is for an application to be made to the Authority under section 60 of the Liquor Act to transfer the licence held by the parent club to the de-amalgamating club.

As with amalgamations, the Authority must be satisfied that the parent club constitutes a registered club, is financially viable and that the de-amalgamation is in the interests of members.

In particular, it must be satisfied that the requirements of Division 1B, Part 2 of the Act and Part 3 of the Regulation been complied with (s.60(6) of the Liquor Act). This includes the matters under section 17AM of the Act:

- a) the de-amalgamated club will meet the requirements set out in section 10 (1) of the Act (i.e. the requirements that must be met by all clubs in NSW);
- b) the de-amalgamated club will be financially viable;
- c) the proposed de-amalgamation is in the interests of the members of the parent club and the dissolved club; and
- d) the proposed de-amalgamation has been approved in-principle by the members of the parent club and members of the dissolved club at separate extraordinary general meetings (refer to step 3).

To demonstrate this, the licence transfer application should be accompanied by supporting documents – such as a copy of the statement, financial statements, notices and minutes of the separate extraordinary general meetings, as well as a legislative checklist that explains how each of relevant provisions of the Act and Regulation have been complied with.

*Submissions in relation to a proposed de-amalgamation*

So that club members or the public may provide feedback about a de-amalgamation, section 17AK of the Act facilitates the making of written submissions to the Authority about a proposed de-amalgamation in accordance with the regulations. It also requires the Authority to take any such submission into account before deciding whether to transfer the licence held by the parent club.

Clause 10 of the Regulation requires the submission to be made within 30 days of the date that the licence transfer application is made. It also allows the Authority to extend the submission making period where it thinks fit.

As for amalgamations, the intent of these provisions is to ensure that the public can have its say on a proposed de-amalgamation. The period of 30 days is consistent with similar provisions for the making of submissions under the liquor and gaming laws.

*Key issue:*

- ▲ How effective are the existing controls for the transfer of a licence (the final step in approving a de-amalgamation) at ensuring the approved de-amalgamation will be viable and in the interest of the club members and local communities?
- ▲ Do public submission requirements provide reasonable opportunity for the community to have their say about a proposed de-amalgamation?
- ▲ To what extent do these policy objectives remain valid? What improvements, if any, could be made to better meet policy objectives?

## Transfer of gaming machine entitlements

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Registered clubs in NSW are permitted to operate gaming machines on their premises.

There are restrictions around the number of gaming machine entitlement (GMEs) each club can hold, referred to as their Gaming Machine Threshold (GMT). There are also restrictions on the transfer of entitlements between clubs, with a portion having to be forfeited as a mechanism to reduce the number of GMEs in NSW over time.

Depending on the circumstances, a venue may need to undertake a Local Impact Assessment (LIA) when looking to increase its GMT. The rigour of assessment required will depend on the risk profile of the Local Government Area (LGA) where it is located. The Authority classifies each LGA in NSW into one of three 'bands':

- ▲ Band 1 – low gaming machine density, low gaming machine expenditure, high Socio-Economic Indexes for Areas (SEIFA) score;
- ▲ Band 2 – moderate gaming machine density, moderate gaming machine expenditure, moderate SEIFA score; and
- ▲ Band 3 – high gaming machine density, high gaming machine expenditure, low SEIFA score.

There are certain concessions available where clubs are seeking to amalgamate or de-amalgamate in recognition that the LIA process and forfeiture requirements can act as barriers to a merger or de-merger.

### Transfers between amalgamated club premises

Section 21(2) of the Gaming Machines Act provides that where entitlements are transferred between the premises of an amalgamated club, the forfeiture of one entitlement per transfer block (i.e. two or three entitlements) to the Authority is not required.

This provision aims to reduce costs and provide greater flexibility to amalgamated clubs by making it more viable to move entitlements between amalgamated club premises situated in different LGAs. However, all transfers are still subject to approval by the Authority, including approval to increase the GMT following a LIA process.

*Key issue:*

- ▲ Is the removal of gaming machine entitlement forfeiture requirements for amalgamating clubs effective in facilitating mergers by reducing costs and increasing flexibility? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

## Transfers to a de-amalgamated club premises

Under Section 21(3) of the Gaming Machines Act the forfeiture of one entitlement per transfer block does not apply where the entitlements of a de-amalgamating club are transferred to its new club licence. The intent of this provision is to remove entitlement forfeiture as a disincentive to club de-amalgamations.

Section 37C of the Gaming Machines Act also assists entitlement transfers by removing the need for an LIA to accompany a gaming machine threshold increase application in certain lower risk circumstances. A de-amalgamating club does not have to provide an LIA if its premises are:

- a) situated in the same LGA as the premises of the amalgamated club from which gaming machine entitlements are proposed to be transferred, or
- b) situated in a Band 1 LGA, and its gaming machine threshold will not increase by more than 20 over any period of 12 months, or
- c) situated in a Band 1 or Band 2 LGA, and the gaming machine threshold of the de-amalgamated club is not greater than the threshold it had before amalgamating with the parent club.

However, should an LIA be required, Section 37C of the Act further simplifies de-amalgamations by requiring a Class 1 LIA, rather than Class 2 assessment.

These concessions aim to reduce costs, make it easier to transfer gaming machine entitlements back to a de-amalgamating club, and help restore the number of entitlements the club held prior to the amalgamation.

### *Key issues:*

- ▲ Is the removal of gaming machine entitlement forfeiture requirements for de-amalgamating clubs, as well as the narrowing down of circumstances where an LIA is required, effective in facilitating de-mergers by reducing costs and increasing flexibility? To what extent does this policy objective remain valid?
- ▲ What improvements, if any, could be made to achieve the policy objective?

# Key questions for consideration and comment

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As part of this review, feedback is sought on club amalgamations and de-amalgamations, with specific consideration given to the questions below – including whether the related policy objectives remain valid and what improvements (if any) might be made.

## Limitations on club amalgamations

### 50km radius rule

- ▲ Does the 50km radius rule effectively encourage amalgamations between nearby clubs so club assets remain available to members and the local community?

### 10 club amalgamation limit

- ▲ How effective is the 10 club amalgamation limit in ensuring clubs do not become disproportionately large and that they continue to operate in the interests of their members and their local communities?

## Club amalgamation process

- ▲ Do the requirements for issuing expressions of interest (EOIs) adequately ensure nearby clubs are informed about proposed amalgamations and help attract amalgamation proposals from nearby clubs within the 50km radius?
- ▲ How effective are the notification requirements in ensuring club members are informed of any proposal to amalgamate?
- ▲ Do the Memorandum of Understanding (MoU) requirements adequately promote awareness among club members of the key details of any proposal to amalgamate, so they can make an informed decision on it?
- ▲ How effective are the requirements for obtaining in-principle approval from club members in ensuring an amalgamation will be in their interests?
- ▲ Are the current requirements sufficient to enable the membership of the child club to be easily identified in future (for example, to facilitate de-amalgamation)?
- ▲ How effective are the existing controls for the transfer of a licence (the final step in approving an amalgamation) in ensuring the approved amalgamation will be viable and in the interest of the club members and the local community?
- ▲ Do public submission requirements provide reasonable opportunity for the community to have their say about a proposed amalgamation?

## Assets of the dissolved club(s)

- ▲ Do the restrictions on the disposal of a dissolved club's assets effectively ensure its major assets are preserved for the benefit of club members and the local community?

## Club de-amalgamations

- ▲ How effective are the notification requirements in ensuring club members are informed of any proposal to de-amalgamate?
- ▲ Do the requirements for formal statements about proposed de-amalgamations adequately promote awareness among club members of the key details of any proposal to de-amalgamate, so they can make an informed decision on it?
- ▲ How effective are the requirements for obtaining in-principle approval from club members in ensuring a de-amalgamation will be in their interests?

- ▲ Do the notification requirements adequately ensure members are aware of a club's intention to seek approval of a proposed de-amalgamation and provide reasonable opportunity for them to prepare any public submission relating to that approval?
- ▲ How effective are the existing controls for the transfer of a licence (the final step in approving a de-amalgamation) at ensuring the approved de-amalgamation will be viable and in the interest of the club members and local communities?
- ▲ Do public submission requirements provide reasonable opportunity for the community to have their say about a proposed de-amalgamation?

## **Transfer of gaming machine entitlements**

### Transfers between amalgamated club premises

- ▲ Is the removal of gaming machine entitlement forfeiture requirements for amalgamating clubs effective in facilitating mergers by reducing costs and increasing flexibility?

### Transfers to a de-amalgamated club premises

- ▲ Is the removal of gaming machine entitlement forfeiture requirements for de-amalgamating clubs, as well as the narrowing down of circumstances where a Local Impact Assessment (LIA) is required, effective in facilitating de-mergers by reducing costs and increasing flexibility?