

Resolved:

that the Board conscientiously believes that it is responsible for the continuous and active promotion of junior, school and district Rugby League Football but that two other responsibilities also have very high priority. These are:

- (a) the responsibility to the Commonwealth Bank of ensuring that adequate funds will be available over the next five years to meet all commitments arising from building extensions which cost \$1½ million, and
- (b) the responsibility to all members to ensure that the money they put into the club is used in such a way that it gives reasonable benefits and amenities to the greatest possible number of members.

If these responsibilities are to be given their due consideration it is imperative that the Board maintains absolute control over all its finances and it cannot be expected to continually come to the rescue of organisations which suddenly find that they require large sums of money to balance their budgets.

Penrith District Rugby League Football Club is to be notified, therefore, that the Board will not agree to meeting their increased deficit this year, nor will they agree to raising the allocation for next season. In fact the amount to be paid to the District Club for the 1971 season will be calculated in the manner specified in the Articles of Association of the Licensed Club. It is estimated that this allocation will amount to approximately \$96,000 and under no circumstances will further funds be made available for any reason whatsoever.

It should be noted that this particular article refers to the Balance Sheet of the preceding year as the means of calculating the amount to be donated for each season, and, from this, it could be reasonably assumed that the donation should become due after the adoption of the balance sheet at the Annual Meeting. Obviously, the District Club, with its huge liability, could not exist if this were the position, without obtaining other financial assistance. The Board will therefore

increase its loan to the District Club from the present level to the sum of seventy thousand dollars this November, and the remainder of the allocation will be made as soon as the Board is certain of the nett surplus for 1970.

Reference is also made in this article to the fact that no money will become payable to the District Club until a satisfactory budget is compiled by representatives from both committees and submitted to the Board of Directors. This year the Board is willing to accept any budget proposed by the District Club provided it is within the obvious financial limitations and that allowance is made to pay to the District Junior Club all money designated for them by N.S.W. League, within 30 days of its receipt.

Following the suggestion of the District Club executive, the Board is willing to take over the financial control of school and junior football and grants will be made to these bodies by the Licensed Club, at no cost to the District Club.

It is doubtful that the District Committee will recognise the seriousness of its position even now and, no doubt, further commitments will be made without the necessary, careful calculation of their long-term effects (as they have in the past). On the other hand the Board is convinced that the District Club is in a desperate position financially, and urges that strong steps be taken by members of the Committee to rectify it.

THE PRACTICE OF LEAVING AS MANY PAYMENTS AS POSSIBLE UNTIL EACH NOVEMBER, TO BE PAID FROM THE FOLLOWING YEARS ALLOCATION IS AN EXTREMELY DANGEROUS ONE. IT TAKES NO ACCOUNT OF THE FACT THAT THIS CLUB IS AT PRESENT RETAINING A PERCENTAGE OF SURPLUS TO TURNOVER OF ALMOST DOUBLE THAT OF ANY OTHER DISTRICT RUGBY LEAGUE CLUB AND THAT THIS COULD BE VERY SERIOUSLY AFFECTED BY THE EXTENSIONS AS HAS BEEN THE CASE IN EVERY OTHER CLUB WITHOUT EXCEPTION. IF THIS HAPPENS THE SURPLUS COULD FALL BELOW THAT OF OTHER CLUBS BECAUSE OF OUR SMALLER TURNOVER.

If it does happen, it will happen next year, when interest payments are highest and turnover not sufficiently increased to meet extra overheads. On present trends the District Club will owe at least £105,000 next November. If the licenced club makes a surplus of £130,000 (about equivalent to other leading clubs in similar building circumstances) the District Club's allocation will be about £60,000.

The disaster course being followed by the District Club is obvious to the Board. In fact it is so obvious that it seems most unlikely that members of the District Committee are not also fully aware of it. It could be assumed, then, that the District Committee willingly follows this course knowing that it is against the best interests of the Club.

This assumption lends further weight to the Board's decision to make a stand strong enough to prevent the position from deteriorating any further.

Since it has been repeatedly and forcefully emphasised that H.S.W. Rugby Football League is responsible for the debts of all District Clubs, that they will take over the administration of clubs in difficulties and that the licensed club cannot interfere in District Club administration, the Board is confident that their decision will not prevent the District Club from functioning. It is disappointing, though, to know that the District Club have allowed the November commitment to rise almost to the extent that the following year's allocation will be required to meet it, even though the Licensed Club has donated very nearly £300,000 in the last 3 years.

Should the Licensed Club's profits drop the District Commitment in November will exceed the following year's allocation

The Board realised that many members of the District Committee believe that this matter of overspending is out of their control, but many of them indicate that decisions are made without regard to their cost or to the general financial position.

The decision to hold a Player's Reunion this year is a typical example.

It is also true that the monthly accounts to the end of July indicated that the District Club would finish within its \$105,000 allocation without increasing the November liability. The fact that between \$14,000 and \$29,000 extra expenses have been found since then is alarming, and the fact that representatives of the District Club Committee believe this to be attributable to last years taxation is even more alarming since it exhibits a lack of knowledge and understanding of their own affairs.

The Board has always attempted to keep the control of Rugby League within this club, but its offers to take complete control of the financial administration of the District Club have been refused on the grounds that the present administrators are quite capable. The results indicate otherwise, but, nevertheless, it is time that the administrators were given full opportunity to show their abilities with full knowledge that they cannot appeal to the Licensed Club for financial assistance if it becomes necessary.

The Board regrets that no better solution is forthcoming but hopes that this decision will force the District Club Committee to revise its attitudes to its financial operations, and to take the necessary steps to establish firm control before it becomes necessary for N.S.W. Rugby Football League to institute some form of control.

A copy of this resolution is to be published in the next issue of the Penrith Rugby League Club Journal, posted to the Secretary of N.S.W. Rugby Football League and to the Manager of the Commonwealth Bank of Penrith. Copies are also to be made available for all members of the Penrith District Rugby League Football Club Committee.