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NCOSS REVIEW INTO CLUBGRANTS SCHEME ROLE

Following a review of its role in the ClubGRANTS scheme, NCOSS has advised the NSW Government that it can play no further role in its operations.

Established in 1998, the scheme allows registered Clubs in NSW to claim dollar-for-dollar tax rebates on poker machine profits over $1 million (capped at 1.85% of those profits) when they make grants to eligible community projects.

NCOSS has had a role in the scheme from its beginning to ensure community benefits from the scheme were maximised.

The NCOSS review explored how the governance, transparency and accountability mechanisms in the scheme could be improved, and found, among other things, that:

- The governance frameworks guiding the scheme fall short of community expectations.
- There is a failure of many Clubs to engage properly with the Local Committee process.
- Overall reporting requirements are lax.
- Without resourcing to properly perform its role, NCOSS involvement in the scheme has been in name only for many years.

As a result, NCOSS has advised the NSW Government that NCOSS involvement in the scheme must cease.

NCOSS CEO Joanna Quilty said the review had highlighted a range of deficiencies in the scheme that needed to be addressed.

"This review has been a long time coming and we are pleased to have provided it to the NSW Government and thank them for supporting us in conducting this work," Ms Quilty said.

"It is clear that there are range of governance, accountability and transparency issues that need to be addressed, and we've made a number of recommendations to address them.

"This is a scheme which ultimately needs greater oversight if we are to ensure optimal outcomes for the community.

"Additionally, NCOSS has never been resourced to fulfill its function as originally envisaged. Even if the changes to the governance framework we're recommending are made, we can't have a role in the scheme if we have no resources to do the job. We also have made that clear to the government."

Ms Quilty added that community organisations should have more reliable streams of funding available to them.

"Community organisations have proven the essential nature of their work during this pandemic. They should be adequately funded to meet demand, not expected to go cap in hand to Clubs who can bypass them anyway," she said.

The NCOSS review has recommended reforms that will bring the scheme into the 21st century, once L&GNSW conducts a broader review.

In the meantime, NCOSS recommends that the NSW Government:

- Consider alternative arrangements for independent community sector representation in the scheme.
- Amend the Guidelines to incorporate the important monitoring and oversight role envisaged for Local Committees under the Gaming Machine Tax Act 2001, so Local Committees can assist the regulator meet its statutory obligation to ensure tax rebates are not granted where a Club has failed to comply with the requirements of the Guidelines.
- Pending the L&GNSW review of the Guidelines, require the regulator to actively enforce the Guidelines as they stand, including ensuring that Clubs fund projects that meet the eligibility criteria for CAT 1 grants; participate in Local Committees; and meet, at minimum, their existing reporting obligations to the public and to Local Committees.
- Should any Club decide to withdraw from participation in what is a voluntary scheme, the Minister commit to hypothecating the 1.85% of profits over $1 million the Club would have otherwise been entitled to claim, and make it available to local Councils to disburse to projects that would be eligible for CAT 1 and CAT 2 grants under the Guidelines, with input to grant decisions from local community representatives.

The full review and summary of the review into the ClubGRANTS scheme can be found here.

For more information about NCOSS, visit www.ncoss.org.au

Media contact: Nick Trainor – 0407 078 138