

# **Central Coast Motel Association**

P.O. Box 5012

CHITTAWAY POINT NSW 2261

8 December 1998

Mr. Jim Lloyd

Member for Robertson

GOSFORD NSW 2250

## **Re: Registered clubs -Unfair trading and Taxation policy**

Dear Jim,

I refer your attention to the attached articles from recent local publications.

Our association is extremely concerned at the impact of developments of this nature on the future prospects for our members, most of whom own and operate small family businesses.

Our membership welcomes improving tourism facilities and investment on the Central Coast, however the advantages enjoyed by registered clubs with regards to income and taxation allows these organizations to compete unfairly with genuine business operators.

Registered clubs are clearly trading and promoting their services and facilities in competition with local businesses in many areas of enterprise including restaurants, gymnasiums, butcher shops, hairdressers etc. Bona-fide operators in the local area are impacted with regard to their volume of trade and margins, particularly when clubs provide these services at rates lower than normal (often less than cost) due to cross subsidization from gambling revenue.

A registered club's fundamental reason for operating is to provide for local residents with club "members" and "guests" supposedly utilizing "in house" facilities and services. Hence the procedures of signing in and providing proof of residential address etc. as required by the Registered Clubs Act.

**It is impossible to believe that clubs now need to provide their locally based membership with resort style motel accommodation for overnight use.**

Registered clubs, provided with an exclusive and inexhaustible income stream from gambling revenue coupled with taxation advantages are unashamedly expanding their activities into areas that are none of their business, not for the direct benefit of their members as described by the Act and are clearly removed from their original reasons for establishment.

The problem is further compounded by the requirements under the Act to re-invest profits for the mutual benefit of all members, resulting in misallocation of capital into excessive development of club facilities. An excursion into the opulent surrounds of any large club demonstrates this point.

The Government must acknowledge that most Registered Clubs are operating as a business, promoting their services and facilities as a business and are openly and unashamedly competing with bonafide operators large and small .

It is totally unfair that these organizations, developed with gambling revenue, subsidized by gambling revenue in their daily trading activities and afforded taxation concessions due to special status as a "club" are allowed to operate and expand their activities in competition with genuine operators who are not allowed or afforded the same advantages.

The federal government must attend to this matter urgently and commence collection of income tax from these organizations at the same rates that apply to their competitors in the contestable market for their commercial activities. A full review should be conducted of all club activities, to define and limit operations to the provision of genuine community services, rather than the inappropriate empire building that is currently clearly occurring.

We draw your attention to the supporting attachments which provide more detail of our concerns. We would also be grateful for your assistance in presenting this submission to your federal cabinet for consideration during the current review of taxation policy.

Alan Evans,  
President, Central Coast Motel Association

# 540 New 4 Star Rooms Available for the Olympics

Major construction of luxurious hotel accommodation is taking place on the Central Coast to be ready for the Olympics in the year 2000.

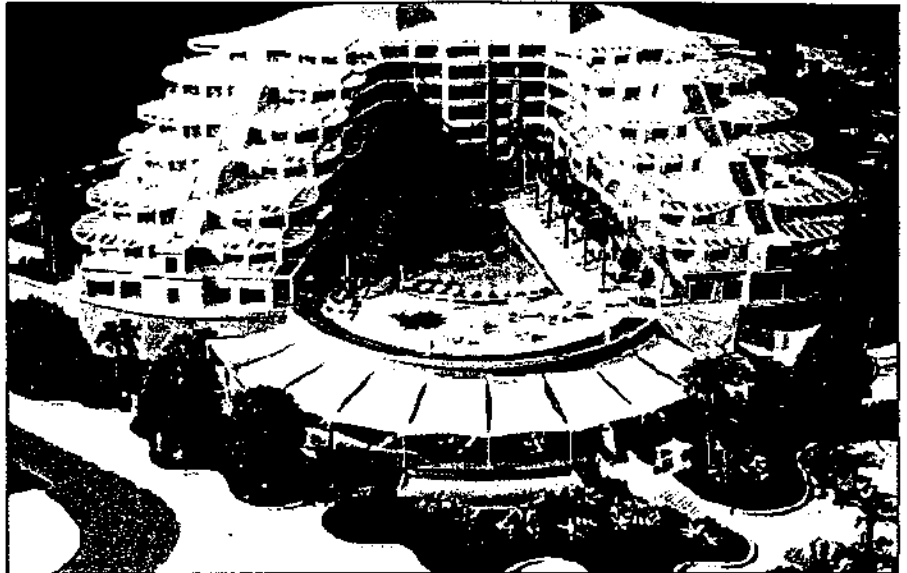
The Central Coast, the closest tourist destination to Sydney, is only 65 km (or less than one hour's drive) from Sydney's CBD. Accessibility is via the Freeway (Highway No. 1), hourly trains and even by a Fast Ferry service from Sydney's Darling Harbour, making the Central Coast the #1 accommodation choice for the Games outside the Sydney area.

Construction of the **Ettalong Beach Resort** (a hotel with 250 apartment-style rooms and conference/function facilities) will commence in late 1998. It is anticipated the resort will open in the latter part of 1999, just in time for the 2000 Olympics.

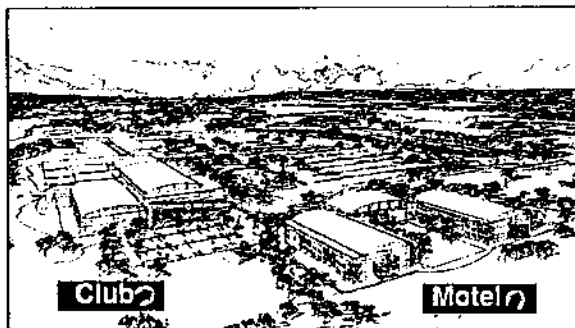
Ettalong is located in the southern part of the Central Coast overlooking magnificent waterways including Pittwater and Palm Beach.

At present Central Coast Charters is operating a Fast Ferry service between Sydney's Darling Harbour and Ettalong.

The beachfront position of the integrated Resort, with access to sporting facilities and extensive waterways, will offer excellent facilities just one hour's drive from Sydney. The Resort will have



*The Ettalong Beach Resort development*



*The proposed Mingara development*

extensive food and beverage outlets offering a wide variety of informal and casual dining and an a la carte restaurant plus gaming and entertainment.

On the northern part of the Central Coast, at The Entrance, a \$20 million resort development will be constructed this year, to be operational by mid 1999, again in time for the Olympics. Operated by

Pacific International, six storeys of the resort will contain 140 luxury apartments with kitchen and cooking facilities. The ground floor will be dedicated to restaurants and fashion outlets. The location is hot and the position is

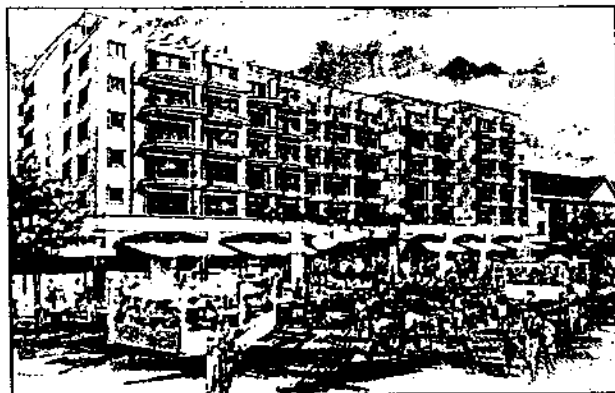
sensational taking advantage of the recently completed \$13 million facelift given to The Entrance Waterfront.

**Mingara Recreation Club** in Tumbi Umbi on the Central Coast also gets into gear for the year 2000 with a motel development attached to their already existing club and leisure facilities. The construction of the 4 star hotel complex with 150 serviced rooms will start in late 1998 with completion expected in



*The proposed Mingara development motel with covered walkway to club*

1999. Mingara has already been targeted - by overseas sporting organisations for pre Olympic training. The Centre already boasts an ultramodern indoor swimming complex (the best one outside Sydney's Olympic pool), outdoor lawn bowls on 2 championship quality synthetic greens and an outdoor amphitheatre. An athletic track field will soon be added to the complex.



*\$20 million resort for The Entrance*

# CENTRAL COAST Business Review

BUSINESS INFORMED

1998 Review Issue

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December 1998

## Scene set for strong growth in 1999

**W**ith more than half a billion dollars in major projects underway, or about to begin, the Central Coast can expect strong economic growth right through 1999.

These projects, combined with many smaller projects that are planned, or underway, should maintain both consumer and business confidence through next year.

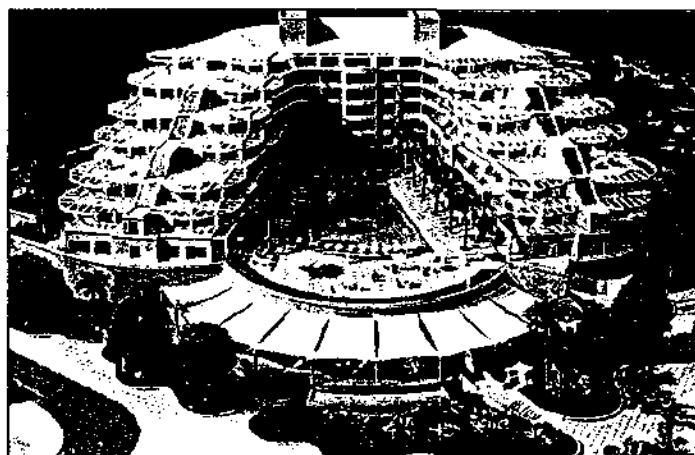
In its September quarter Economic Indicators, the Central Coast Research Foundation reported that their surveys had shown 44% of residents expected the Coast economy to be better over the next year, 29% expected it to be the same and only 14% expected it to be worse.

At the same time, 44% of Central Coast businesses expected their performance to improve, 38% expected things to stay the same and only 5% expect a deterioration; 13% didn't know.

This confidence is underpinned by the following major projects announced during 1998:

- In 1999 Gosford Council will continue with their \$70 million financial strategy to improve Woy Woy, Umina, Ettalong, Erina and Terrigal town centres. Council will start work on the Caroline Bay Arts Centre extensions and Laycock Street Theatre extensions. Surf Clubs and Youth Clubs will also be upgraded.
- The \$30 million Graham Park Stadium in Gosford will be completed by mid 1999.
- Central Coast Leagues Club will complete their \$25 million refurbishment program by the end of the year.
- Central Coast Leagues Club expects to move on their 350-room hotel during the year.
- Work is expected to start on a \$30 million Marina at Gosford Boat Harbour.

*Artist's impression of the new Ettalong Resort*



- Ettalong Memorial Club will start work early in 1999 on their 227 apartment hotel and club facilities which will cost around \$56 million.
- Work will start on Glengara Retirement Village at Tumby Umbi. A joint venture between the Stevens Group and Tarragal Glen Retirement Village at Erina will see development of a new retirement village that will comprise 300 retirement villas and serviced apartments at a cost of around \$60 million.
- Mingara Recreation Club will start construction of their 3-storey 150 room motel early in 1999. To be built at a cost of \$15 million, this will add to the \$24 million already invested by Mingara in their clubhouse at Tumby Umbi.
- Megatrend Corporation will start construction of Stage 1 of their \$120 million tourist related development at The Entrance early in the New Year.
- Dooralong Resort in the Dooralong Valley is planning a \$40 million expansion of their eco-tourism

resort. This will include an additional 190 accommodation cabins and an international standard golf course.

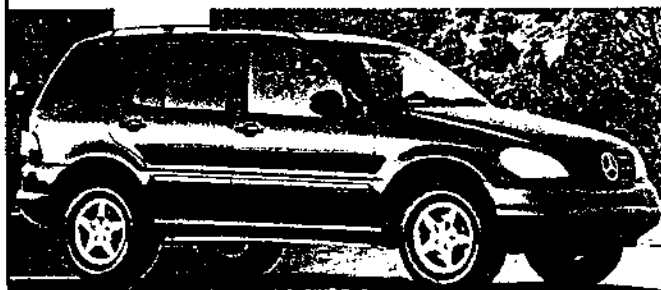
- Two groups are vying to operate fast ferry services to Sydney.

Fast Ships Pty Ltd are planning to establish an Ettalong to Sydney service.

Streamliner Supershuttle Ferries are planning a Gosford to Sydney commuter service using three 450 seat vessels.

Throughout the region a number of developers have multi-unit residential sites under construction and are planning further construction during 1999.

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## **TAXATION POLICY FOR REGISTERED CLUBS**

The attached accounts are the published financial statements of Central Coast Leagues Club limited. Analysis with regard to the profitability of the club and the current rate of income taxation remitted to the federal government is provided as an example to demonstrate the preferential taxation treatment that would be of concern to any business in competition with this club. Our association does not have access to the accounts of other registered clubs, nor the resources to provide extensive analysis of trading data, and can only assume that the results are typical of a large registered club.

It would appear that the club is not paying taxation at rates appropriate to earnings. The profit shown of \$2,790,757 is after all outgoings, including sporting grants and donations and all state duties and taxes including poker machine duty. **The actual income tax paid was only 11.2% of earnings. The funds available for reinvestment in more club facilities are very significant.**

The appropriate taxation policy would be to levy income taxation at the full corporate rate on all profits. Consideration could also be given to allowing clubs to distribute franked dividends to members instead of the unnecessary renovation projects and inappropriate developments that club profits are increasingly applied to.

### **Note 1 Poker Machine profits**

Duty is payable to the Liquor Administration Board on profits from all poker machines kept by a registered club during a 12 month duty period.

Profit less than \$100,000.00 pays duty at the rate of 1% i.e. 1 cent in the dollar.

Profits in excess of \$100,000.00 duty is paid at 22.5%.

### **Note 2 Income taxation**

Income tax is only payable on the non-mutual portion of the club's profits. In the example provided **net income tax payable is calculated at an effective rate of only 11.2%.**

# Central Coast Leagues Club Limited

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1998

	Note	1998 12 months \$	1997 16 months \$
Operating profit before income tax	2	2,790,757	135,703
Income tax expense	3	260,946	552,072
<b>OPERATING PROFIT/(LOSS) AFTER INCOME TAX</b>		<b>2,529,811</b>	<b>(416,372)</b>
Loss on extraordinary items	4	-	(6,000,000)
Income tax attributable to loss on extraordinary items	4	-	(6,000,000)
<b>Operating profit/(loss) after income tax and extraordinary items</b>		<b>2,529,811</b>	<b>(6,416,372)</b>
Retained profits at the beginning of the financial year		24,330,547	30,746,919
<b>RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR</b>		<b>26,860,358</b>	<b>24,330,547</b>

The accompanying notes form part of these financial statements.

## BALANCE SHEET

AS AT 30 JUNE 1997

<b>CURRENT ASSETS</b>			
Cash	6	7,558,597	6,864,581
Receivables	7	37,166	12,438
Inventories	8	264,824	252,274
Other	9	141,589	248,990
<b>TOTAL CURRENT ASSETS</b>		<b>8,002,176</b>	<b>7,378,283</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	22,100,876	20,779,844
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,100,876</b>	<b>20,779,844</b>
<b>TOTAL ASSETS</b>		<b>30,103,052</b>	<b>28,158,127</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	11	1,650,244	2,260,658
Borrowings	12	72,358	-
Provisions	13	1,036,024	1,079,276
Other	14	199,649	245,040
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,958,275</b>	<b>3,584,974</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	284,419	242,606
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>284,419</b>	<b>242,606</b>
<b>TOTAL LIABILITIES</b>		<b>3,242,694</b>	<b>3,827,580</b>
<b>NET ASSETS</b>		<b>26,860,358</b>	<b>24,330,547</b>
<b>MEMBERS' FUNDS</b>			
Retained profits		26,860,358	24,330,547
<b>TOTAL MEMBERS' FUNDS</b>		<b>26,860,358</b>	<b>24,330,547</b>

The accompanying notes form part of these financial statements.



# Central Coast Leagues Club Limited

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 1998

	Note	1998 12 Months \$	1997 16 Months \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		41,927,626	55,329,303
Payments to suppliers and employees		(38,201,799)	(52,670,458)
Income tax paid		(304,404)	(726,660)
Interest received		316,963	565,135
Interest paid and borrowing cost		(681)	(2,299)
Net cash provided by/(used in) operating activities	22(a)	3,737,705	2,495,021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,180,890)	(1,960,535)
Proceeds from sale of property, plant and equipment		64,843	67,016
Net cash provided by/(used in) investing activities		(3,116,047)	(1,893,519)
Net increase in cash held		621,658	601,502
Cash at beginning of year		6,864,581	6,263,079
Cash at end of year	6	7,486,239	6,864,581

The accompanying notes form part of these financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

### 1. SUMMARY OF ACCOUNTING POLICIES

#### Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Law, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

#### Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events are reported.

In addition to the accounting policies prescribed by Applicable Accounting Standards and Urgent Issues Group Consensus Views, the following significant accounting policies have been adopted in the preparation and presentation of the financial report.

#### (a) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense shown in the profit and loss account is based on the operating profit before income tax adjusted for any permanent differences.

In assessing its income tax

liability, the Company applies the principle of mutuality to its revenue and expenses. Revenue in the form of receipts from members represents mutual income and is not subject to income tax. Such expenses associated with mutual activities are not deductible for income tax purposes. All other receipts and payments of the Company are classified for income tax purposes in accordance with income tax legislation.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of pre-tax accounting profit and taxable income are brought to account as either provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that

the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

#### (b) Inventories

Inventories are measured at the lower of cost and net realisable value.

#### (c) Property, plant and equipment

Property, plant and equipment are brought to account at cost or independent or Directors valuation, less where applicable any accumulated depreciation and amortisation. The carrying amount of property, plant and equipment reviewed annually by Directors ensure it is not in excess of the recoverable amount from the assets. The recoverable amount assessed on the basis of expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

During the annual review by Directors in 1997, it was estimated that the carrying amount of property, plant and equipment possibly exceeded the recoverable amount by \$6,000,000. An extraordinary loss resulting from



# Central Coast Leagues Club Limited

this review has been provided for in the profit and loss statement.

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line or diminishing basis over their useful lives to the Company, commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings and improvements	2%
Poker Machines	20-25%
Plant Equipment, Furniture & Fittings	7.5-40%

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the

operating profit before income tax of the company in the year of disposal.

## (d) Employee entitlements

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Company to an award-based superannuation fund for all employees and a Company retirement fund for employees who qualify for acceptance. All contributions are charged as expenses as they occur.

The Company has no legal

obligation to cover any shortfall in the Funds' obligations to provide benefits to employees on retirement.

## (e) Members' Subscriptions Received in Advance

Amounts received from members in respect of subscriptions for the period July 1998 to February 1999 are included in the Balance Sheet as Other Current Liabilities.

## (f) Limitation of Members' Liability

In accordance with the Memorandum of Association, the liability of members in the event of the Company being wound up would not exceed \$5 per member.

## (g) Cash

For the purpose of the statement of cash flows, cash includes:

- (i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments with less than 14 days to maturity.

## 2 OPERATING PROFIT BEFORE INCOME TAX HAS BEEN DETERMINED AFTER:

	Note	1998 12 months \$	1997 16 months \$
(a) Crediting as Income			
Sales revenue		31,354,104	37,688,154
Poker machine clearances (gross)		6,014,688	7,402,192
Bar sales		3,217,940	4,582,723
Catering sales		335,827	487,544
Sports Complex sales		1,243,158	1,462,208
Entertainment sales		42,165,717	51,614,221
Other operating revenue:			
Bowling club green fees		65,103	81,310
Function fees		139,728	220,216
Commissions received		372,679	511,221
Interest received		351,341	501,135
Rent and outgoings received		105,548	463,624
Members' subscriptions		314,917	443,315
Proceeds on disposal of property, plant & equipment		64,843	67,016
Insurance recoveries		-	12,767
Other income		37,939	85,088
		1,452,098	2,465,193
Total operating revenue		43,617,815	54,081,424
(b) Charging as expenses:			
Movements in Provisions:			
Depreciation of property, plant and equipment		1,669,651	2,066,873
Employee entitlements		639,449	899,357
Net expense resulting from movement in provisions		2,309,100	2,966,230
Bad debts	5	250	2,175
Rental expense on operating leases		8,605	8,605
Interest Paid		738	2,299
(c) Sales of Non-Current Assets			
Sales of non-current assets in the ordinary course of business have given rise to the following:			
Profits on disposal of property, plant and equipment		81	25,726
Losses on disposal of property, plant and equipment		64,673	415,626





# Central Coast Leagues Club Limited

	Note	1998 12 months \$	1997 16 months \$
<b>4 INCOME TAX EXPENSE</b>			
(a) The prima facie tax on operating profit is reconciled to the income tax provided in the accounts as follows:			
Operating profit before income tax		2,790,757	135,7
Income tax expense calculated at an effective rate of 11.2% of operating profit. The effective tax rate is calculated by applying the non-mutual percentage proportion of 31% to the income tax rate of 36% for twelve months to 30 June 1998		311,448	13,0
Add tax effect of mutual permanent differences:			
Depreciation of buildings		33,856	40,8
Non-allowable legal/professional expenses		69,020	388,2
Non-allowable members only expenses		16,651	12,2
Non-mutual expenses		113,561	157,1
		544,536	612,1
Less tax effect of mutual permanent differences:			
Legal expenses		2,589	2,1
Land tax payment		-	3,0
Non-assessable members' subscriptions		35,145	44,0
Non-mutual income		92,487	156,0
		414,315	405,0
Income tax expense on mutual income			
Adjusted for the effect of non-mutual income and expense calculated at 36%. Add/(less) tax effect of permanent differences:			
Non-mutual income		298,345	558,0
Non-mutual expenses		(364,941)	(547,0)
Abnormal item in the calculation of income tax:			
Adjustment of deferred income tax for change in mutual rate		4,498	2,0
		352,217	418,0
Income tax expense attributable to the operating profit			
(b) The income tax expense comprises:			
Current income tax payable		333,542	429,0
Increase/(Reduction) in provision for deferred income tax		14,177	(12,0)
Adjustment of deferred income tax to take account of change in mutual rate		4,498	2,0
Income tax paid in respect of prior years		3,327	133,0
Over provision prior year		(94,598)	
		260,945	552,0
Attributable to:			
Operating profit		352,217	418,0
<b>4 EXTRAORDINARY ITEMS</b>			
Provision for diminution in the value of property, plant and equipment as a result of the carrying out in the future of the fire safety works	I(c)	-	(6,000)
<b>5 BAD AND DOUBTFUL DEBTS</b>			
Bad debts written off to profit and loss account:			
Trade debtors		250	
<b>6 CASH</b>			
Cash		708,597	61,0
Deposits at Call		6,850,000	1,25,0
Term Deposits		-	5,00,0
		7,558,597	6,86,0
<b>RECONCILIATION OF CASH</b>			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:			
Cash		7,558,597	6,86,0
Bank Overdraft		(72,358)	
		7,486,239	6,86,0
<b>7 RECEIVABLES</b>			
CURRENT			
Trade debtors		36,870	
Other debtors		296	
		37,166	



# Central Coast Leagues Club Limited

	Note	1998 12 months \$	1997 16 months \$
<b>8 INVENTORIES</b>			
Bar stock		188,791	160,456
Catering stock		72,197	80,819
Sporting goods, trophies and prizes		3,836	10,999
		<u>264,824</u>	<u>252,274</u>
<b>9 OTHER ASSETS</b>			
CURRENT		53,833	57,429
Insurances prepaid		36,317	110,123
Liquor license prepaid		51,439	81,438
Other prepayments		<u>141,589</u>	<u>248,990</u>
<b>10 PROPERTY, PLANT AND EQUIPMENT</b>			
Land at cost		2,390,329	2,390,329
Building and improvements at cost		24,364,631	24,364,631
Less: Accumulated depreciation		(6,144,361)	(5,656,982)
		<u>18,220,270</u>	<u>18,707,649</u>
Poker machines at cost		3,902,112	3,516,379
Less: Accumulated depreciation		(1,937,687)	(1,661,480)
		<u>1,964,425</u>	<u>1,854,899</u>
Plant, equipment, furniture and fittings at cost		9,856,511	9,686,861
Less: Accumulated depreciation		(6,517,236)	(6,175,829)
		<u>3,339,275</u>	<u>3,511,032</u>
		<u>25,914,299</u>	<u>26,463,909</u>
Less: Provisions for diminution in value	4,1 (c)	(6,000,000)	(6,000,000)
		<u>19,914,299</u>	<u>315,935</u>
		<u>22,100,876</u>	<u>20,779,844</u>
Total Property, Plant and Equipment			
<b>11 ACCOUNTS PAYABLE</b>			
CURRENT			
Unsecured liabilities		1,326,848	1,810,784
Trade creditors and other accruals			
Accruals:		189	133,999
In-house link and stand-alone poker machine jackpots accrual		323,207	315,875
Poker machine tax accrual		<u>1,650,244</u>	<u>2,260,658</u>
<b>12 BORROWINGS</b>			
CURRENT			
Bank Overdraft		<u>72,358</u>	-
<b>13 PROVISIONS</b>			
CURRENT			
Employee entitlements	13(a)	869,858	850,977
Income tax		166,166	228,299
		<u>1,036,024</u>	<u>1,079,276</u>
NON-CURRENT			
Deferred tax liability		74,259	55,584
Employee entitlements	13(a)	210,160	187,022
		<u>284,419</u>	<u>242,606</u>
		<u>1,080,018</u>	<u>1,037,999</u>
(a) Aggregate employee entitlements liability			
<b>14 OTHER LIABILITIES</b>			
CURRENT			
Membership fees received in advance		199,649	205,993
Deposits for travel		-	39,047
		<u>199,649</u>	<u>245,040</u>



# Central Coast Leagues Club Limited

## 15 CAPITAL AND LEASING COMMITMENTS

### (a) Operating Lease Commitments

Lease of Gosford City Bowling Club:

Payable:

not longer than one year  
longer than one year but not longer than 2 years  
longer than 2 years but not longer than 5 years  
longer than 5 years

Note

1998  
12 months  
\$

1997  
16 months  
\$

8,605	8,60
8,605	8,60
25,815	25,81
77,445	86,05
<b>120,470</b>	<b>129,07</b>

Lease rental subject to review each 5 years from 1 May, 1991.

### (b) Capital Expenditure Commitments

Contract with the Travis McEwen Group Pty Limited for the provision of management and supervisory services in relation to the fire safety works to be carried out to the club premises:

Payable:

not longer than one year  
longer than one year but not longer than 2 years  
longer than 2 years but not longer than 5 years

207,000	257,00
10,000	207,00
-	10,00
<b>217,000</b>	<b>474,00</b>

The Club has commenced the fire safety works in accordance with consent orders issued by the Land and Environment Court in 1997.

Estimated Cost of Project

Less: Paid to date

25,702,000
1,029,123
<b>24,672,877</b>

## 16 CONTINGENT LIABILITIES

(a) The Company is involved in proceedings in the Supreme Court of New South Wales seeking a contribution to the cost of remedial fire safety works flowing from building works undertaken in 1978 and 1987. The defendants in this action are Gosford Council and the former architect, Smith Thompson Dalton & Williams. A decision in these proceedings was handed down by the court on 9 June, 1998 by Giles J to the effect that the Company was partly successful in respect of the 1987 works but unsuccessful in relation to the 1978 works. The issue of damages and costs will be subject to further hearings later in the year. If the company is unsuccessful in these hearings it may be required to pay the costs of the defendants which are presently estimated to be \$4.5 million.

(b) The company has commenced fire safety works in accordance with Consent Orders issued by the Land and Environment Court in 1997. The estimated cost of this work is \$25 million.

## 17 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### (a) Director — related entities:

Legal services provided by the firm Tapperell Rutledge of which Mr P A Reynolds is a partner  
Sponsorship of Central Coast Tourism Inc. of which Mr L J Maher was a Director  
Sporting sponsorship to the Central Coast division of Country Rugby League of which Mr R J Allen was President  
Sporting sponsorship to Surf Life Saving — Central Coast of which Mr P D James is Chief Executive Officer

3,065	2,
-	38,
-	58,
9,000	18,

### (b) Balances with related parties

Entities in which Directors have an interest:

Payable — current

Trade

1,000	1
1,000	1

## 18 REMUNERATION OF DIRECTORS

The names of the Directors who have held office during the financial year are:

R J Allen, R P Clark, B R Cook, J T Harpur, P D James, L J Maher, R G Maher, I W Pannowitz, P A Reynolds  
Income paid or payable to all Directors of the Company

Nil

## 19 AUDITORS' REMUNERATION

Remuneration of the auditor of the Company for:

Auditing the accounts

Other services

23,000	2
14,000	1

## 20 GUARANTEES

The National Australia Bank has provided Bank Guarantees for \$10,000 in respect of the TAB Agency.

## 21 FINANCIAL REPORTING BY SEGMENTS

The Company operates predominantly in one industry. The principal activity of the Company is that of a Licensed Club registered under the Registered Clubs Act, 1976. The Company operates predominantly in one geographical area, being Gosford, New South Wales.



# Central Coast Leagues Club Limited

	Note	1998 12 months \$	1997 16 months \$
<b>22 CASH FLOW INFORMATION</b>			
(a) Reconciliation of Cash Flow from Operations with			
Operating Profit after Income Tax		2,529,811	(416,372)
Operating Profit/(Loss) after Income Tax			
Non-cash flows in operating profit		1,730,424	2,148,194
Depreciation		42,018	181,628
Charges to provisions		64,592	389,899
Loss on sale of property, plant and equipment		(62,133)	(162,412)
Movement in income taxes payable		18,675	(10,527)
Movement in deferred taxes payable			
Changes in assets and liabilities		(24,728)	43,988
Trade and other debtors		(12,550)	26,085
Inventories		107,401	96,469
Prepayments		(610,414)	215,822
Trade creditors and accruals		(45,391)	(17,753)
Other liabilities			
Cash Flows from Operations		3,737,705	2,495,021
(b) Standby Credit Arrangements with Banks			
Credit facility		1,400,000	2,135,000
Amount utilised			
Unused credit facility		1,400,000	2,135,000
The major facilities are summarised as follows:			
(i) Bank Overdrafts			
Bank overdraft facilities are arranged with a bank with the general terms and conditions being set and agreed to annually.			
Interest rates are variable and subject to adjustment.			
(ii) Bank Guarantees			
In favour of the Liquor Administration Board, the Totalisator Agency Board		10,000	285,000
(iii) Payroll Direct Debit Facility			
Ongoing facility to cover electronic processing of payroll for staff		150,000	150,000
(iv) Cash Delivery Service			
Ongoing facility to cover cash delivery to Easycash lobby machine		300,000	300,000

## ADDITIONAL FINANCIAL INFORMATION

### PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 1998

#### INCOME

<b>Poker Machine Trading</b>			
Gross clearances	31,354,104	37,680,564	
Less payouts and bonus prizes	(14,277,365)	(15,894,707)	
Net clearances	17,076,739	21,785,857	
<b>Bar Trading</b>			
Sales	6,014,688	7,423,192	
Less cost of sales	(2,315,863)	(2,691,436)	
Gross profit	3,698,825	4,711,756	
% of sales	61.5%	63.6%	
<b>Catering Trading</b>			
Sales	3,217,940	4,582,723	
Less cost of sales	(1,071,535)	(1,707,213)	
Gross profit	2,146,405	2,875,510	
% of sales	66.7%	62.7%	
<b>Other Income</b>			
Bowling Club green fees	65,103	81,310	
Entertainment sales	1,243,158	1,462,208	
Interest received	351,341	565,135	
Commissions received	372,679	518,021	
Members' subscriptions	314,917	443,316	
Profit on disposal of assets	81	25,726	
Rent/outgoings received	105,548	468,524	
Sports complex income	335,827	497,544	
Sundry income	177,668	321,771	
	2,966,322	4,373,655	
NET INCOME	25,888,291	33,746,778	

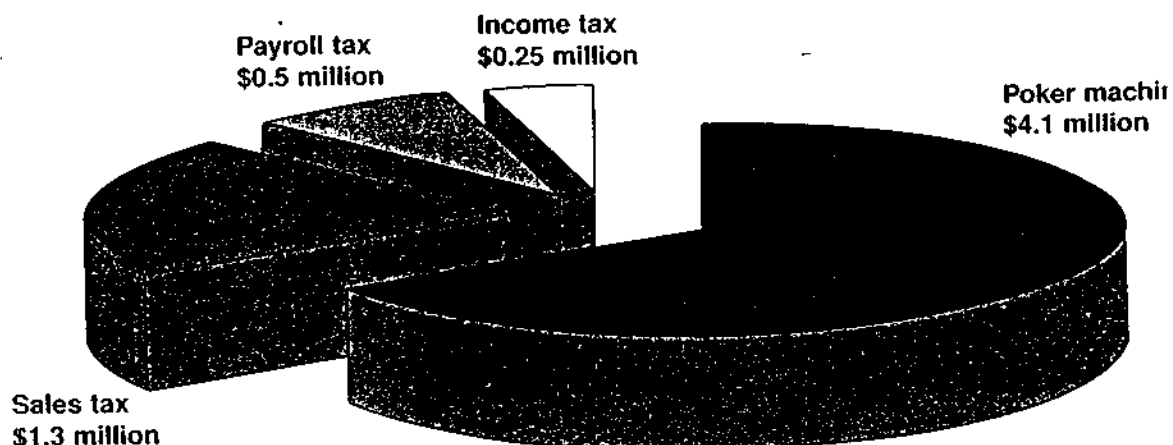


# Central Coast Leagues Club Limited

## EXPENDITURE

	1998 12 months \$	1997 16 months \$
<b>Trading expenses</b>		
Advertising and publicity	269,100	352
Annual leave	517,558	725
Auditor's remuneration	37,000	31
Bank charges and duties	71,089	98
Cleaning, laundry and uniforms	232,652	315
Computer expenses	199,373	47
Contract wages — entertainment	1,466,586	1,569
Contract wages — other	227,859	107
Consumables	92,643	129
Cost of goods sold — sports complex	27,740	29
Depreciation	1,669,651	2,066
Entertainment, promotions, amenities and trophies	1,603,923	1,672
Freight and cartage	517	
Fringe benefits tax	16,661	20
General expenses	166,675	192
Insurances	554,530	821
Legal/professional fees	618,459	3,854
Light and power	419,588	664
Liquor and sundry licenses	46,295	316
Long service leave	118,139	168
Loss on disposal of assets	64,673	415
Members only expenses	149,202	124
Payroll tax	489,613	680
Poker machine licences and duty	4,121,400	4,953
Printing, postage and stationery	131,110	153
Property expenses	126,624	140
Repairs and maintenance	591,589	865
Replacement of glasses and crockery	46,130	70
Security expenses	776,071	1,021
Sick pay	3,752	5
Staff training (excluding wages)	51,218	65
Superannuation	478,430	644
Telephone	52,333	66
Trade subscriptions	23,486	30
Wages, salaries and allowances	7,173,245	10,324
<b>Total trading expenses</b>	<b>22,634,914</b>	<b>32,748</b>
<b>Non-trading expenses</b>		
Donations	15,007	15
Interest paid	738	2
Sporting grants — Youth Club	48,000	6
Sporting grants — general	245,721	504
Members Directed Allocations	18,192	40
Rented property expenses	134,962	220
<b>Total non-trading expenses</b>	<b>462,620</b>	<b>86</b>
<b>TOTAL EXPENSES</b>	<b>23,097,534</b>	<b>33,61</b>
<b>OPERATING PROFIT BEFORE INCOME TAX</b>	<b>2,790,757</b>	<b>13</b>

## THE GOVERNMENT'S SLICE OF THE PIE



## **REGISTERED CLUBS CONCERN AT HIGHLY VISIBLE PROFITABILITY**

Registered Clubs are sensitive to the visible profitability of their trading. Media opportunities and advertising are regularly taken to emphasize the "community benefits" of their activities.

Developments that are undertaken highlight employment opportunities and never mention the economic wastage of resources displaced elsewhere in the community and the unemployment generated in the private sector as a result of the unfair competition.

The social and economic cost of gambling is never mentioned as an issue, nor is any analysis presented to indicate to what better yield of taxation to government would be achieved if gamblers spent elsewhere.

We draw your attention to the following articles to illustrate these points and respectfully request that earnest consideration should be given to the following question.

**Could the revenue currently directed by the community into poker machines and endless development of club facilities could be better applied for the common good if spent elsewhere?**

# General Manager's Report

## ANNUAL REPORT

This has been quite an amazing year for the club industry – and especially for Panthers.

The thing that makes the NSW club industry unique, like no other in the world, is that club profits cannot be distributed. They can be spent only on the objectives of the club or on community support.

Until fairly recently, NSW Governments had always supported the concept that the benefits of gaming should be preserved for the community. That is why clubs had exclusive rights to poker machines for a very long time.

There was some gradual whittling away of that exclusivity by allowing privately owned hotels to have some access to gaming. Until this year those concessions were only a minor threat to clubs.

This year there has been a significant transfer of gaming income from the club industry to the hotels.

The significance of that transfer has not yet been properly measured but it will be most surprising if the small to medium sized clubs are not badly affected. These include those which supply community activities at affordable prices – such as golf, bowling and other special interest clubs.

In their endeavours to win this concession from the State Labor Government, the Australian Hotels Association (AHA) issued a number of media releases designed to discredit Panthers. They targeted us because we are Australia's largest and most successful club. This attack was supported by statements made in Parliament and in the media, which were incorrect.

Soon after the hotels got their poker machines, the club industry was hit by an enormous increase in poker machine tax – made even more surprising because there had been another substantial increase in tax only a few months before.

Once again Panthers high standing in the club industry was used as a means of justifying the tax increase. Again, that attack on Panthers included gross distortions of the truth. Again, statements were made in Parliament which were totally untrue.

When statements are made in Parliament they must influence the thoughts of a lot of people.

There is therefore a high probability that a number of our members are having some doubts about their club.

This review of the year's activities will address many of the issues raised by those who have attempted to besmirch Panthers name to pursue their own agendas.

## COMMUNITY SUPPORT

Various people have – for their own reasons – tried to belittle the support given by Panthers to the community.

It is interesting to note comments by one of the world's most prominent business writers, Charles Handy in his book 'The Empty Raincoat'. In talking about social and community responsibilities of big business, Handy estimates that if every public company in the United Kingdom were to donate just half a percent of their annual profits, the needs of every charity in the UK would be fully satisfied. He is saying that big business falls far, far

short of giving even half a percent of its profit to community support.

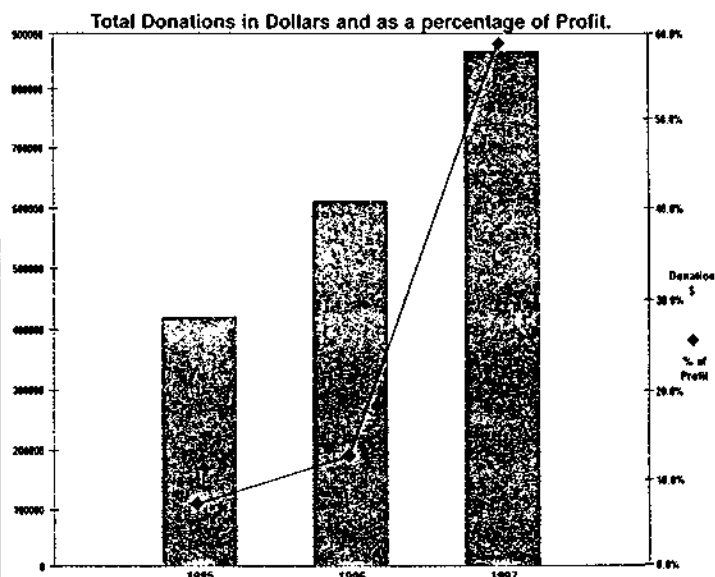
It is obvious why this would be true for large public companies. They have a responsibility to their shareholders to maximise dividends. It would be extremely difficult for a large company

to make any substantial donation in one area without committing itself to all other areas. For instance, it would be ridiculous to expect the National Australia Bank to sponsor the Penrith Netball Association without offering similar sponsorship to every netball association in Australia.

So let's look at what Panthers does for the community, the contribution which the AHA and some politicians consider to be paltry.

A full list of the organisations supported by Panthers appears on the back cover.

The following graph shows the percentage of Panthers profit which was distributed in the name of community support over the last three years compared to the vision Charles Handy has of half a percent for big business.



For those more interested in numbers than pictures the fact is simple.

Last year Panthers donated \$876,346 to community and sporting organisations

This does not include major funding for junior and senior Rugby League. If it were not for Panthers there would be no first class Rugby League played in Penrith. If that is not a great community benefit, what is?

## TOURISM

Panthers is a major attraction for tourists from other parts of Australia and overseas. While here, they visit other parts of the area and spend money with other busi-



# General Manager's Report

nesses, so the wider community benefits.

Last year 30,000 tourists from Asia alone stayed at Panthers. We actively seek out that business by attending trade shows at home and overseas. Had Panthers not sought these tourists, and been able to accommodate them, they would have stayed in Sydney or some other city. Most cities are very keen to chase the tourist business.

The AHA even tried to make capital out of our popularity with overseas tourists, making claims about preferential treatment and tax. In response let me say that:

a) Panthers pays exactly the same income tax on revenue from tourists as any other organisation in Australia. No club tax advantages apply to tourists.

b) Of course individual tourist operators get a lower rate for the rooms they buy, because they commit to the purchase of thousands of rooms. The discount is far outweighed by other advantages gained by Panthers and the Penrith community.

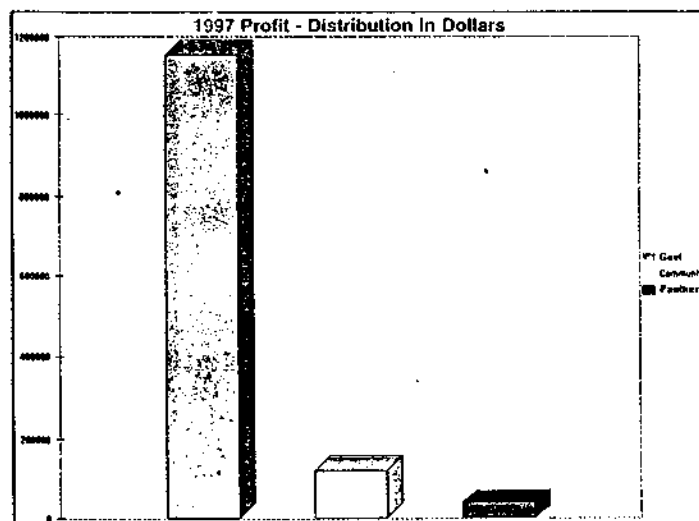
## SUMMARY OF THE FINANCIAL RESULT FOR THE YEAR

Panthers does not make enormous profits despite comments made in Parliament and repeated in the newspapers. It is true that by club standards, Panthers enjoys a very high turnover. But turnover should not be confused with profit. As every businessperson knows, profit is what is left over after you have paid taxes and all legitimate business expenses.

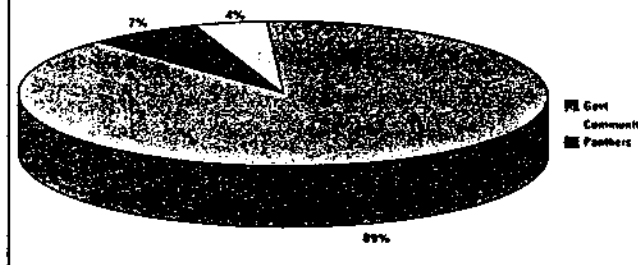
The profit made by Panthers is shared three ways:

1. The State Government through taxes.
2. The community through donations from Panthers.
3. Panthers through profit retained for borrowings and providing for the future.

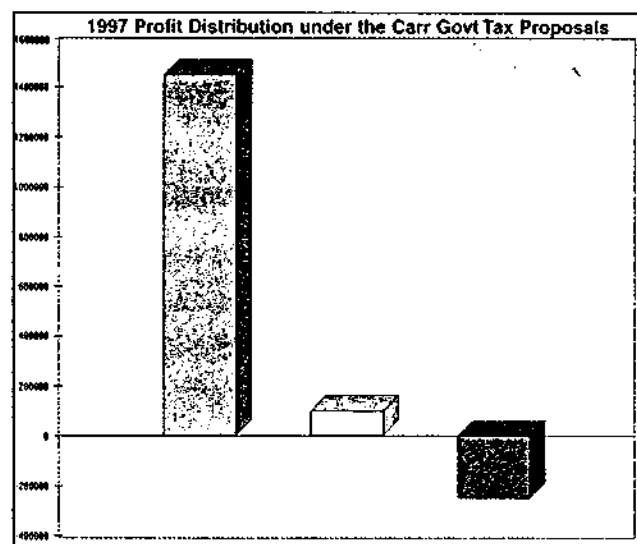
This is how those three shares compared in the year under review.



1997 Profits - Percentage Distribution



This is how the three shares would have been had proposed increases in tax been in place.



The final profit retained by Panthers was \$500,000. The commitment to the bank to reduce loans was \$3.8m.

## RUGBY LEAGUE

At the time of writing, the future of Rugby League is uncertain.

During the year, there has been a lot of emotional comment from both sides and the criticism of Super League has not been fair.

Even in hindsight, there appears to be no good reason why Panthers would have remained in the ARL competition. We do not believe Panthers was being treated fairly. It is a shame that the game was split – and it is even more of a pity that there were good reasons for it to happen. It is true that the ARL competition seemed to be on a downhill roll at the time the split developed. Appearances can be deceiving. ARL crowds were up as has so often been reported, but the Sydney based clubs were suffering from falling attendance.

Controls on the game, especially the salary cap, were disintegrating and only a few clubs seemed to be in control. There is evidence to suggest that a move was underway to reduce the number of teams in Sydney, not all clubs knew about it. A contract for the sale of Rugby League to pay television was in place which now know was unrealistically low. It was becoming n



# General Manager's Report

and more difficult for the Sydney based clubs to compete with the out of Sydney clubs.

The healthy appearance of the ARL before the split developed was more the result of propaganda than a recognition of the facts.

## CURRENT CONSTRUCTION PROGRAM

Many of you will have wondered about the amount of work in progress around the club.

This is part of our overall plan to improve the club and includes a new sports bar, arcade games area, a motion-based simulator, and a Hungry Jack's franchise restaurant.

A brand new glass lift is being installed as part of this development.

Dominiques and the Lakeview Bar are being given a facelift.

We also have approval for a second road entrance and are negotiating with Council on its exact location and details.

## FUTURE DEVELOPMENT

In this age of high gaming taxes, we must seek other sources of revenue if we are to grow for the benefit of our members and continue to support the community.

To some members, it might seem paradoxical that we have cut some development plans while actively pursuing others.

In this climate, it is more important than ever that we correctly assess the risks involved in any proposed venture – and this is the basis on which we are planning and making choices.

For instance, we dropped plans for a second discotheque because under the higher tax regime it was a greater risk. Conversely, we are going ahead with the cinema complex and other projects because risk assessment shows us they will provide that all important non-gaming revenue.

Some of the projects we are pursuing include:

- Cinema complex – the proposal is for a 12 screen complex – including an IMAX screen. It would be the most modern and sophisticated cinema complex in Sydney, breaking new ground in seating, projection and audio technology and with excellent facilities for those with disabilities.

- Golf Course – this proposal is for an 18-hole, par 3 course which would be open to both members and the public. It would be built on land behind the club and would also have positive environmental outcomes for the nearby Nepean River. Our prospective partner in this cannot yet be named.

- Expanded Motel – we are investigating the possibility of adding another 200 rooms to the Resort, in time for the Sydney Olympics. Several companies have shown an interest in partnering us in such a project.

- Outdoor Recreation Area for children and teenagers – with attractions such as playground equipment, giant chess and draughts boards and bicycle track.

- External Facade Lighting – to give the club a better

image at night.

These major projects – together with a range of smaller ones – will enable us to expand and increase our amenities for members and their guests.

## SECURITY

We have spent almost \$2-million to improve security for the benefit of members and their guests. The system includes 200 video cameras and a better-trained security staff which is more customer focused.

We have evidence which shows that since our new security system was put in place, recorded incidents at the club are at their lowest level in 13 years and that motor vehicle theft has dropped by 60 per cent. We have also experienced increased customer satisfaction in the way cash disputes are settled – all cash transactions are now video taped and can be replayed at any time.

## SALE OF BENDALONG

As you will know, for some time we have been proposing the sale of Bendalong.

There will be some disappointment among the membership about this. But the fact is, Bendalong has never been used by the majority of members and over the last several years has been a constant drain on the club. Last financial year, for instance, there were only 20 member bookings.

We will use money from the sale to increase amenities for the majority.

## STAFF

I would like to take this opportunity to express my thanks to the staff of Panthers for their performance over the past year. As I said earlier, it has been a difficult time, but the enthusiasm and dedication of staff has helped to keep us in a strong, competitive position.

## THE DIRECTORS

My thanks, too, to our Board of Directors for their dedication and support over the year.

Members can have every confidence that we have a strong Board which is working diligently to improve their club.

The year has seen more change on the Board than we are used to, with the untimely death of Vern Mychael and the retirement through ill health of Leigh Mawhood. Their loss has been sorely missed.

## THE MEMBERSHIP

Finally, my thanks to all members for their loyalty and patronage over the year.

With your continued help and support we will ensure that Panthers remains Australia's top licensed club.

Roger Cowan

General Manager



Nicole Hackett, 1997 Sports Star of the Year.

## Encouragement of sport

IN MAY Central Coast Leagues Club received the Encouragement of Sport Award at the RCA's Club of the Year presentations.

A key feature of the club's commitment to all codes of sport is the annual Central Coast Sports Star of the Year Award, for which the club offers a total of \$12,000 of cash sponsorship to a senior and junior winner.

The 1997 winner, triathlon champion, Nicole Hackett of Terrigal has used her prizemoney to pay for expenses to train and compete in Europe. In a letter of thanks to the Club, Nicole said:

"...Without the weekly sports star award many young athletes would go unrecognised, therefore without this award the opportunity to gain further

experience within ones chosen field is limited. My grant will allow me to further my sporting experience within Australia and Internationally as well as better my sporting equipment.

I leave for France on the 13th of May where I will race as part of a French team for ten weeks before meeting up with the rest of the Australian team in Switzerland.

Thank you again for this great opportunity which would never be possible without the support of the club and the community."

Follow the progress of the 1998 Sports Star of the Year on the board located in the foyer as you enter the lounge bar. Weekly winners are announced on 2GO, and in the Express Advocate.

# RCP

Registered Clubs' Party

## YOUR POLITICAL VOICE

THE Registered Clubs' Party (RCP) has been formed to protect the interests of NSW Clubs, their employees and the communities they serve.

Its formation follows the passage through the NSW Parliament of several critical pieces of Legislation, including tax increases, which were detrimental to the future of Clubs.

The RCP will contest a number of seats in the NSW Upper House, or Legislative Council, at the State election on March 27th, 1999.

Your support for the Registered Clubs' Party is a vote for your voice to be heard. The long term viability of our Club is vital, not just to you as a member or employee, but to all small business, sporting organisation and community service group on the Central Coast.

The Party will not take sides on issues where the Government of the day has a mandate to deliver. However, it will fight any policies or legislation that detrimentally impacts on Clubs or their communities.

The NSW State Election on the 27 March 1999 will see a record number of parties standing for election in the Upper House. Many will claim to bring back the old days, but unfortunately we cannot go backwards in time. It is up to us collectively to have our voices heard in the highest forum in the State to ensure that the next chapter of NSW history reflects the beliefs and values of the people of NSW.

# RCP

Registered Clubs' Party



## **REGISTERED CLUBS NON-COMPLIANCE WITH THE SPIRIT AND INTENT OF THE REGISTERED CLUBS ACT**

### **The Good Intention**

Historically, Registered Clubs have been formed to provide membership and funding for the development and maintenance costs of community facilities that the private sector generally cannot establish economically, such as bowling greens, golf courses and playing fields.

The facilities and services provided are supposedly for the *benefit of members and their guests*. The Registered Clubs Act 1976 is very clear in the requirements that residents in the area must be members of the club to gain continuing access to the club's facilities.

The Registered Clubs Act 1976 states in Section 10, - Requirements to be met by clubs  
1(a) *"The club shall be conducted in good faith as a club"*

The reasons for establishment include:

*"(i) for social, literary, political, sporting, or athletic purposes or for any other lawful purpose, and (ii) for the purpose of providing accommodation for its members and their guests"*

The *"profit, benefit or advantage from the club"* are to be *"offered equally to every full member of the club"*

The clear intent of the act is to provide for establishment of local facilities for the benefit of local members, with only incidental use associated with visitors to the local area. The club should operate in *"good faith as a club"* and for this purpose *"regard shall be had as to the nature of the premises of the club"*.

### **The Reality**

Registered Clubs extensively promote their facilities and services in print, radio and television media formats. In almost all cases the expense of regular advertising would be far more than providing comprehensive newsletters to members detailing forthcoming events. There can be no doubt that despite the inclusion of the statutory *"Information for the benefit of members and guests"* that clubs are actively recruiting new patrons continuously from wherever they can be found. The distribution of most advertising is far greater than what would be reasonably required to inform members in the local area.

Our organization is of the opinion that the Registered Clubs Act has not being complied with in intent or reality in many demonstrable cases. The requirement to operate in *"good faith as a club"* for *"the benefit of members and their guests"* is regularly mocked by registered clubs in both trading activities and promotional material.

An example of a recent advertising campaign conducted by Penrith Panthers for the purported *"Information of Members and their guests"* is attached for further consideration.

This promotion was distributed in the TV NOW television guide inserted in every Sun Herald newspaper distributed throughout NSW.

**Advertising Details:**

Copies printed:	610,000
Limit of distribution:	Tweed Heads to Eden & Albury ,Broken Hill
Adult population readership	1,405,000
National Adult Population reached	10.3%
Cost (as supplied -see attached)	Between \$2830 and \$2420 per advertisement

This club is clearly being operated as a tourist and entertainment business and is advertising extensively throughout the state for potential customers.

Note the inclusion of the statutorily required "*Information for members and their guests*". This advertisement is an expensive and effective promotion professionally prepared to target a huge audience of potential customers. It is impossible to believe that it is information for members who could be reached far more economically utilizing the membership records required to be kept by the Club.

# Do Panthers Now!

The complete  
entertainment  
destination!



Call 1800 061 911 for information.  
Mulgoa Road, Penrith NSW 2750  
[www.panthersworld.com.au](http://www.panthersworld.com.au)  
Information for members and their guests

# Finally the \$1

# DIGA

## PHILIPS diga™

Here's what you get with  
this Diga deal.

- FREE** leather case and  
vehicle power  
adaptor  
(normally \$92).
- FREE** connection to  
Network Vodafone  
(normally \$65).
- FREE** delivery to your door.



- Low cost FonePlans  
from as little as \$20  
a month!
- Powerful! Up to  
2 hours talk time,  
85 hours standby.
- Covered by First Choice.  
Next working day  
replacement.
- Choose from one of these  
four colours:



Blue



Black



Terracotta



Metallic  
Grey

## Order now while stocks last.

\*This offer is available to credit approved, credit card purchases only. You will need to enter into a minimum 15 month contract with Mobile Innovations, connecting you to Network Vodafone at no extra charge. You'll have the choice of connecting to one of our FonePlans starting from as little as \$20 per month access fee. Your minimum contract commitment could be as little as \$301 for 15 months, plus calls.

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Unit 1, 2 Aquatic Drive, Frenchs Forest NSW 2086.  
A.C.N 063 582 990. [www.mobileinnovations.com.au](http://www.mobileinnovations.com.au)

Limited offer,  
call our hotline now 1300 305 305.

Weekdays 8.00am to 8.00pm. Weekends 9.00am to 3.00pm EST.

# Do Panthers Now!

An action-packed holiday with your choice of accommodation!



Nepean Shores

Enjoy four star style and luxury, or relax at Nepean Shores in our 1 or 2 bedroom self-contained units.

With over 200 acres of recreational facilities, Panthers is a tourist destination in its own right.



4 Star Accommodation



ACN 000 533 398

Call 1800 061 911 for information.

Mulgoa Road, Penrith NSW 2750

www.panthersworld.com.au

Information for members and their guests

"Scientists hail Vitamin C as the anti-aging skin miracle of the decade!"



Potent-C+ Triple Strength Serum and Nourishing Accelerator. The Ultimate weapons in the battle against skin aging.

## Beauty Discovery of the Decade.

Topical Vitamin C is being touted by experts all over the world as being the "beauty discovery of the decade". An eighteen month scientific study has now proven beyond any doubt that Vitamin C not only prevents premature aging, but actually reverses past damage and visibly reduces existing wrinkles!

The aging of our body and skin is caused by oxidation. Including high doses of antioxidants such as Vitamin C in your diet, can have amazing benefits for your health. Now you can do the same for your skin.

Amazing "skin" results 20-40 times faster.

Potent-C+™ is a high potency serum that delivers super-doses of Vitamin C directly into your skin - delivering 20-40 times more Vitamin C than can be achieved through your diet! In fact, Potent-C+™ contains the HIGHEST CONCENTRATIONS of topical Vitamin C available.

The high grade Vitamin C in Potent-C+™ fights free-radicals and stimulates the production of collagen, "plumping out" lines and wrinkles from deep within your skin and resulting in firmer, younger-looking skin in as little as 6-8 weeks! Results have been nothing short of astounding!

Made in Australia for our Unique Climate

Australia has the highest incidence of sun damaged skin in the world. Potent-C+™ products are made in Australia and have been

specifically formulated to counteract the effects of the harsh Australian environment. It not only repairs past damage, the Vitamin C also helps prevent further damage by protecting the skin from UVA and UVB rays.

The amazing twin bottle system that is being called the "face lift in two bottles!"

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This twin bottle system is the ultimate defence against skin aging. Immediately your skin will look and feel better and in as little as 6-8 weeks you'll see an amazing visible reduction in lines and an overall firmer, more youthful complexion. Bring back the skin of your youth with Potent-C+™ (and keep it that way too!)

And not only is Potent-C+™ the most potent topical Vitamin C formulation around, it's also the best value! The Triple Strength serum is only \$99 for 30ml and the Nourishing Accelerator only \$70! To order Potent-C+™ please call Beauty News now on the number below or contact one of our professional salon representatives listed below.

Call Now! 1300 655 377

## Now also Available at these leading Beauty Salons:

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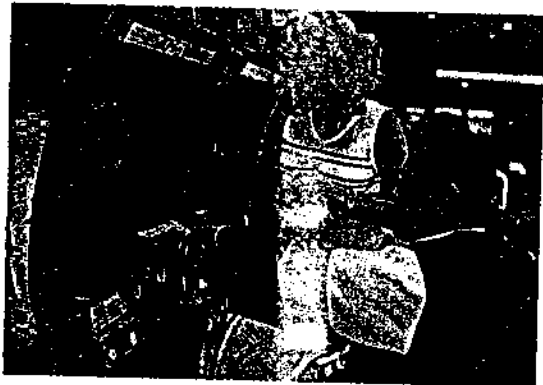
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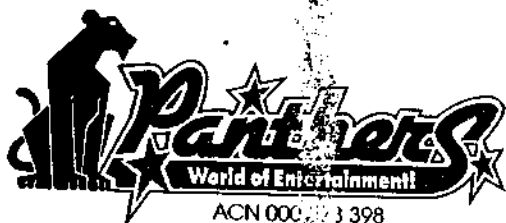


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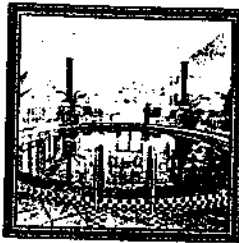
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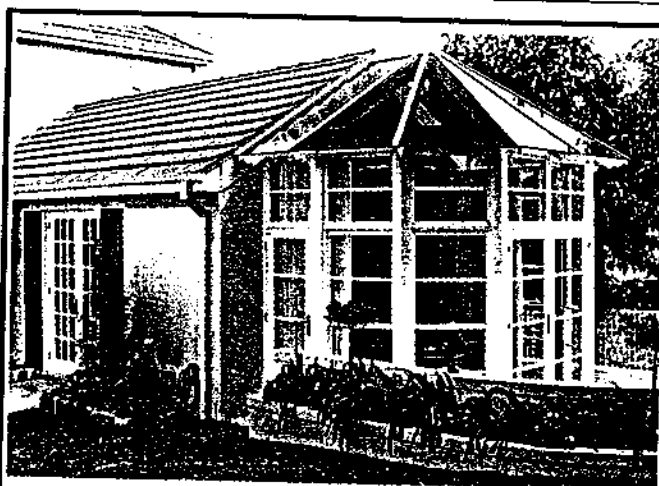
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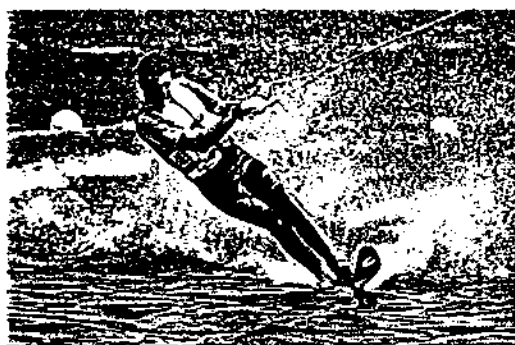
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L.Moodie, Kensington

"Finally, after a lifetime of wearing pants everywhere because of my ugly spider veins, I can now wear shorts, skirts and my bikini without embarrassment for the first time this summer! It even worked on Dad's broken capillaries on his nose! Thanks a million Beauty news!"

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**Yes! Yes! Yes!** I would love to make my veins disappear! Please rush me

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Come and see **Brentwood Village** for yourself at Scaysbrook Drive, Kincumber. Send for details to Brentwood Village Limited at P.O. Box 60 Kincumber 2251 or call toll free at **Brentwood Village**

**1800 80 4855**

- (2A) If the rules of a club provide for the admission of honorary members or temporary members, the rules are taken also to include a rule that there is to be prominently displayed at all times at each entrance on the club premises at which members and guests are permitted to enter:
- (a) a map that clearly shows the limits of the area within which an ordinary resident of the area is not eligible for temporary membership otherwise than under section 30 (10), and
  - (b) the rules of the club that relate to temporary membership of the club, and
  - (c) a copy of section 30 (10), unless the rules of the club provide that the provisions of that subsection do not apply to the club, and
  - (d) a copy of the definition of *guest* in section 4.
- (3) A rule referred to in subsection (1), (2) or (2A) has effect notwithstanding the provisions of any other law except a provision of this section.
- (3A) The rules of a registered club may not provide for a person to be an honorary member of the club unless the person holds office as a patron of the club or is a prominent citizen or local dignitary.
- (3B) A person whose ordinary place of residence is in New South Wales and is not more than 5 kilometres from the premises of a registered club (in this subsection referred to as *the host club*) is not eligible for admission as a temporary member of the host club unless the person is:
- (a) a member of another registered club with similar objects to those of the host club, or
  - (b) a member of another registered club who is attending the host club as provided by subsection (10).
- (4) The provisions of subsection (1) (a) and (g) do not apply in respect of any club while:
- (a) a person is acting in a capacity referred to in section 41 (1) in respect of that club, and
  - (b) that club does not, as a result of a person having been appointed so to act, have a governing body.