

MEDIA RELEASE

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Norths issues legal challenge to ANZAC Club

North Sydney Leagues Club has issued a legal challenge to North Sydney ANZAC Memorial Club after the ANZAC Club rejected its submission for an amalgamation in favour of a rival bid from a southern Sydney club.

Norths will be forced to seek a Supreme Court injunction unless the ANZAC Club cancels its meeting planned for 2 April, where it is due to put a recommendation to members that it amalgamate with Ramsgate RSL Memorial Club.

The ANZAC Club earlier this year called for Expressions of Interest from other clubs for amalgamation, as it faces an uncertain future with North Sydney Council contemplating terminating the lease on the club's Council-owned ANZAC Avenue premises when it expires in October 2011.

Norths submitted a comprehensive 30-page Expression of Interest in late February. Its submission received strong support from a number of key organisations, including North Sydney RSL Sub Branch, North Sydney Council, Kirribilli Ex Services Club and Kirribilli RSL Sub branch who were all in favour of the ANZAC Club and its assets remaining in the North Sydney community.

However, on 7 March the ANZAC Club Board indicated it would recommend to members that the club amalgamates with Ramsgate RSL Memorial Club.

Norths Group Chief Executive Officer Hans Sarlemyn said the club had been forced to act because it didn't believe the ANZAC Club had given its submission a fair hearing,

"Norths believes the ANZAC Club did not give 'reasonable or proper consideration' to our Expression of Interest for amalgamation," Mr Sarlemyn said. "We believe that the ANZAC Club Board was determined to recommend amalgamation with Ramsgate regardless of the merit of submissions from other clubs.

"We are advised that this maybe in breach of the Corporations Act 2001, as well as being unfair to Norths and our members. Therefore, we decided to act before the ANZAC Club puts its recommendation to members.

"We believe our submission was a very strong one, with great merit, outlining our financial strength and our very strong record of successful amalgamations," Mr Sarlemyn said. "ANZAC Club members – the majority of whom are also members of Norths – deserve to know why their Board wasn't interested in joining forces with a strong

neighbour committed to keeping the club's assets and services securely in the North Sydney district."

Mr Sarlemyn said Norths considered the Board's decision would be a disaster for the ANZAC Club and the North Sydney community generally.

"We think that the majority of ANZAC Club members agree with us, so we are determined to fight it," he said.

Some key points of the Norths submission were:

- **Retaining control of community assets in the local community.**
- **Norths' integrity as an amalgamation partner.** The club has maintained amenities and employment at North Sydney Bowling Club (amalgamated 1992) and Seagulls Club at Tweed Heads (amalgamated 1998) and honoured all pre-amalgamation commitments.
- **Honouring the ANZAC tradition in North Sydney.** Norths has undertaken to amend its Constitution to include a provision "to maintain a fitting memorial to all who served the nation in time of War in the Armed Services."
- **Continuing welfare work with veterans and their families.** Norths has undertaken to provide facilities for the RSL sub-branch to continue its very important work with the district's returned servicemen and women, and their families.
- **Retaining club operations at ANZAC Avenue.** Norths would, in good faith, seek to retain club operations at the existing club premises in ANZAC Avenue, Cammeray when the current lease expires in October 2011. Council has not yet made any decisions about the future of the ANZAC Memorial Club site itself. However, should Council terminate the lease, the club has facilities at Norths and Norths Bowlo to cater for the needs of ANZAC Club members.
- **Ownership of club premises.** Questions about the future of North Sydney ANZAC Memorial Club have arisen, in part, because the club operates from leased premises. It is worth noting that Norths owns its club premises (land and buildings) in Cammeray and at Seagulls at Tweed Heads.
- **Norths' underlying financial strength.** Norths has substantial financial strength, with Group assets of \$46.3 million after taking into account all bank loans, liabilities, employee entitlements and creditors. In 2007 the aggregate bar sales and poker machine net revenue of the group was \$44 million.
- **Shared membership, shared future.** Independent market research commissioned by Norths indicates that at least 75% of the members of North Sydney ANZAC Memorial Club and 80% of the North Sydney RSL Sub-Branch are already members of North Sydney Leagues Club.

- Ends -

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