

## **ILLAWARRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LTD**

### **(THE ILLAWARRA STEELERS)**

#### **ANNUAL REPORT 2017-18 – PETER NEWELL OAM, CHAIRMAN**

We've all heard of the supposed old Chinese saying: "May you live in interesting times". At the Steelers we have concluded what certainly has been an interesting 2017-18 year. Among many things in the year under review in this report:

- The company has posted a small profit, a pleasing result given some of the financial and other challenges we faced, many flowing from the so-called "Miles saga" discussed elsewhere below;
- The Steelers registered club performed well under general manager Sharon Arrow and her team, auguring well for the new year;
- The Steelers' joint venture shareholding in the St George Illawarra Dragons was acquired by Mr Bruce Gordon's Wollongong-based WIN Corporation;
- After a thorough review of challenges faced by the Illawarra Rugby League Division, plans were put in place to launch a ground-breaking Club Sustainability Program in 2019. Among other improvements, this will include a salary cap style initiative;
- Steelers directors Ian Neill, John Borgo and Kevin Felgate were re-elected unopposed for a three-year term in December. The board will take to February's annual general meeting its unanimous support for director Graeme Gulloch to receive club life membership;
- Former general manager Scott Miles was jailed after pleading guilty to a significant theft from the club, and after a formal inquiry was banned for life from holding a position of secretary or a member of the governing body of any club. As a result of Miles' activities during this time, which were unknown to the board, the club also incurred a financial penalty;

I congratulate general manager Sharon Arrow, operations manager Luke Barker and all the Steelers staff for their efforts in the year under review and ongoing. Sharon has discharged her role with gusto since her appointment at the end of July last year and that is showing results. She leads a committed team by example. I have said and written it a hundred times before, but it is a

pleasure to walk into the Steelers club to be greeted by smiling, welcoming faces and quality service.

After a 20-year association with St George, towards the end of the year the Steelers' joint venture shareholding in the St George Illawarra Dragons was acquired by WIN Corporation with whom we have had a close relationship for many years. The change ensures the continuation of Dragons NRL games on WIN Stadium, maintaining the Steelers charter of keeping world class rugby league in Wollongong, with no change to the team's name. It extinguishes any future claim on the Steelers with regard to Dragons financial grants in previous years, and frees the club of funding such grants if required in future years. The new arrangement required the consent of five parties – the Steelers, St George District RLFC, the St George Illawarra Dragons, the NRL and WIN. It has resulted in WIN Corp chairman Andrew Gordon filling the role of Dragons chairman, with the company's other appointed directors being WIN CEO Andrew Lancaster, solicitor Craig Osborne, and Steelers director Graeme Gulloch. Graeme has been a Dragons alternate director since 2011 and a director since 2012. His appointment by WIN helps maintain the Steelers link with the Dragons.

I should place on record my thanks to past and present Steelers directors who have served with me on the Dragons board over the last 20 years in Bob Millward, Sean O'Connor, Richie Hetherington, Graeme Gulloch, John Borgo and John Brannon. Thank you also to our St George colleagues Doug McClelland, Warren Lockwood, Brian Johnston, Peter Doust, Peter Black and Craig Young, ably supported by leagues club CEO Danny Robinson. The change also coincides with the planned retirement of Dragons executive director Peter Doust and the appointment of Brian Johnston as his CEO successor. I acknowledge Peter's many years in the Dragons hot seat and wish him well. Likewise, congratulations to Brian who also takes my best wishes into the job.

The Dragons under coach Paul McGregor performed well in 2018 after a blistering start to the NRL competition, winning 12 of the opening 15 matches. They were joint competition leaders until Round 20 but were battered by injuries late in the year and, after hammering Brisbane 48-18 in the opening week of the finals, lost a semi-final 13-12 to Souths and were eliminated, paying the penalty for not finishing in the top four. Congratulations to backrower Tariq Sims for winning the Dragons player of the year medal, while backrower Holli Wheeler was named the club's inaugural NRL women's player

of the year. I wish stalwart Jason Nightingale well in his retirement after a 266-game career.

In Illawarra, under Division chairman Ian Neill and manager Chris Bannerman, 2019 will mark the start of a “new era” in the local competition with a program specifically aimed at the sustainability of all clubs and the game’s wellbeing generally. The clubs deserve acknowledgement, particularly those with greater financial backing than others, for agreeing on this initiative. Thank you to former NRL salary cap auditor Ian Schubert for his valuable input.

Congratulations to the Western Suburbs Red Devils in taking out the 2018 Illawarra Division first grade premiership after repelling a second half charge by Thirroul to win 18-16, as well as defeating Collegians to win the Under 18 title, defeating Windang in the Illawarra Shield decider, downing Thirroul in the open Leaguetag grand final, and taking out the club championship. In second grade Collegians defeated Dapto, Corrimal won the open women’s competition against Helensburgh, while Berkeley defeated Milton-Ulladulla to take the Under 18 women’s title.

Congratulations to Joel Johnson of Thirroul for being named the 2018 Hardware Man Player of the Year. Jye Richards was the second grade player of the year, with Cameron Fettell the best in Under 18s, Corey Honan in the Illawarra Shield, Shakiah Tungai in the women’s open league, and Emily Andrews in the women’s Under 18s. Junior rugby league from Under 6 to Under 16 had another big year and thank you to all involved.

Congratulations to colleagues Ian “Chook” Neill, John Borgo and Kevin Felgate on being re-elected unopposed as Steelers directors for the next three years. I regard this as a positive vote of confidence after the trials of the last two years. It is fitting that Graeme Gulloch should be the club’s next life member, and the sixth currently on the Steelers board. Graeme has been a tower of strength in many areas critical to the club’s wellbeing and, after joining the board in November 2001, this recognition is much deserved.

I reported to members at last year’s annual general meeting on matters involving the former Steelers general manager Scott Miles and a significant fraud he had perpetrated against the club. The theft was detected in late January 2017 at which time Mr Miles was suspended from duty and then his employment terminated. Miles later that year appeared in the Wollongong District Court where he pleaded guilty to the theft of club funds and was

sentenced to four years' imprisonment, with two years non-parole, dating from 18 December 2017.

Following an investigation upon his dismissal, the club's board became aware of two operational practices promoted by Miles involving the provision of free liquor to patrons, including gaming patrons, and allowing some patrons to use credit cards to access cash by facilitating transactions portrayed as legitimate sales of goods. These were breaches of regulatory requirements which the club, upon their being known, self-reported to the NSW Liquor and Gaming regulator who then began an investigation. Following this inquiry Liquor and Gaming lodged a complaint with the Independent Liquor and Gaming Authority which released its final decision on 3 October 2018.

ILGA found the complaint arose from the conduct of Scott Miles and accepted the club's directors were unaware of such conduct. The Authority found Miles was not a fit and proper person to hold the position of secretary or a member of the governing body of a club, not having the requisite honesty, character or integrity, and banned him for life. (Miles has apologised for his actions in a letter which will be received as correspondence at February's Steelers annual general meeting). With regard to a complaint about Miles' contract of employment, ILGA was not satisfied the club had contravened the Clubs Act and took no action.

The Authority found the club had contravened the Gaming Machines Regulation 2010 and that a responsible person for the club's license, Scott Miles, had contravened a section of the Liquor Act 2007. ILGA found Miles had coerced staff to facilitate the credit card transactions. It said that even though the club had not committed any offence against the Liquor Act, it was contravened by the club's appointed "responsible person" in respect of the license and the club, as licensee, was ultimately responsible for compliance and licensing matters. ILGA imposed a \$100,000 penalty on the club and ordered it reimburse the NSW Department of Industry for costs in carrying out the Liquor and Gaming investigation.

I hope this now brings us to the end of the so-called "Miles saga". I thank the Steelers' loyal members, staff, board, supporters and legal, financial and operational advisors for standing by us through this extremely trying two years. I would particularly like to thank John Saunders, David Findlay, and Candice Gilchrist of Warren Saunders Insurance Brokers and insurer Chubb for their co-operation and professional diligence.

Thank you to all of our corporate supporters and sponsors this year, noting in particular WIN Corporation and the Gordon family who once again have stood shoulder to shoulder with the club. On the rugby league field, thank you to sponsors The Hardware Man, Inspirations Paint, Carlton and United Breweries, Bendigo Bank, Print Media, Cleary Bros, the St George Illawarra Dragons, Hello Harry and University of Wollongong College. Thanks to the NSW and Country Rugby Leagues for their support this year, noting that an agreement is being forged to merge the two organisations and bring our game under the one administration in this State. Thank you also to our media colleagues headed by WIN and the Illawarra Mercury. I acknowledge the support and good work of my board colleagues during the year in Sean O'Connor, Graeme Gulloch, Bob Millward OAM, Ian Neill, John Borgo, Kevin Felgate, John Brannon and Col Markham, and ex-officios Andrew Lancaster and Sean O'Shannassy (retired). Thanks to Bob Elvy for chairing the club's Risk and Audit Committee and to Michael Jennett for also giving of his time as an independent committee member.

I convey my condolences to all in our club and wider rugby league family who have lost loved ones during the year, noting with sadness the untimely passing of Maureen Neill, wife of Steelers life member and board colleague Ian Neill, Dallas "Joe" Simon, John "Ned" Neden, Noel Hockey, Kelly Cassidy, Brian Hodges, Barry Humble, Tory Brunning, Brad Russell, Max Ninness, Brian Rudd, Graham Brooks, John Cox and John Jolliffe.

Thank you all for your support and friendship over the past year. Roll on the 2019 season.

PETER NEWELL OAM

Chairman