

12/3/2018

MNSW Statement

re. City Of Penrith MCC

Recently the Board of Motorcycling NSW, on the recommendation of the CEO, issued the City Of Penrith Motorcycle Club with a disaffiliation notice. This notice gave the club 30 days to meet a number of conditions set down by MNSW in order for the club to remain affiliated so that their motorcycling activities can continue.

This is certainly not an action we take lightly, and thankfully is extremely rare.

The reason for the issuing of the disaffiliation notice was information that was brought to my attention by a number of people, which shed more light on the criminal activity and fraudulent behaviour that had gone on within that club in the recent past, mostly without the knowledge of the vast majority of members.

It became clear that the club had, in its response to the fraud, also potentially breached a number of laws. In failing to take appropriate steps to report the crime to police, the club had itself potentially committed a crime, as failing to report a serious indictable offence is also an offence.

The Club was also in breach of the Incorporated Associations Act as its President had a material conflict of interest on the matter of the club's response to the fraud due his relationship with the person involved. The President had not removed himself from the committee, continued to make decisions on behalf of the club relating to the matter, and continued to participate in committee decisions relating to the Club's responses to the fraud, all of which is a breach of the Act.

Given the above, it was my view that MNSW had no alternative but to act to ensure the club complied with all relevant legislation in order to protect the members, the club itself, MNSW, and the good name of the sport as a whole.

I am pleased to report the club has elected a new committee, who are all free of conflicts of interest in dealing with cleaning up these issues, and MNSW will work hard with that committee to ensure the successful future of the club. On that basis, the Disaffiliation Notice has been rescinded and the club is free to race while it now goes through the process of sorting out its extremely difficult financial situation and ensures its legal obligations are carried out.

The lesson to come from all of this is that as incorporated associations, our clubs have obligations under the law, with ramifications for not only the Club Committee members, but the entire sport, when those obligations are ignored.

Motorcycling NSW will, wherever required, do whatever we need to do firstly to help clubs avoid finding themselves in these types of situations, but secondly to take action to force clubs to act appropriately to protect their members, and the sport. Corruption in the sport can never be ignored, or accepted. Where it is found, it must be dealt with by the appropriate legal channels. Failure to do so puts all of us at risk.

There have been numerous rumours about other possible reasons for the action we have taken in this instance, as often happens when we are limited in what we can announce at the time. Those rumours have been generated by people with either no knowledge of the facts, or with a reason to create obfuscation around the truth for their own benefit. I can ensure you that the ONLY reasons MNSW took the action we did was due to what is written above. Our only motivation was the

welfare of the club, its members, our other affiliated clubs, and the sport as a whole. Anything else you may have heard is a fabrication, as evidenced by the fact that the Disaffiliation Notice has been lifted by a few simple actions by the club to rectify the possible legal breaches and appoint a committee free of conflicts of interest.

I congratulate the new committee for volunteering to take on the formidable task of rebuilding the club, and I commit to working with them to ensure they are successful.

Kind Regards

A handwritten signature in black ink, appearing to read 'H. Paul', with a long horizontal flourish extending to the right.

MNSW Chief Executive Officer