



SPORT | Issue No. 25 | *Loans to mates*

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So what actually did happen at the New South Wales Rugby Union when ex-test backrower Jim Williams was lent \$56,000? The new New South Wales Rugby Union Chairman, ex-Wallaby Roger Davis, is papering over the cracks and assuring that won't happen again.

"Not to say it was wrong or right. We just would not do it. We have other needs more worthy."

It seems very strange that someone would need to say that something will not be done again if it was indeed right. It seems very obvious that at the very least the decision of the Chairman and the CEO to make a loan without the approval of the Board was an example of bad governance.

Nick Farr-Jones, the ex-Wallaby captain, resigned as New South Wales Rugby Union Chairman three months after he and the CEO signed off on the loan. It may be that there is no correlation between the loan and the subsequent resignations of Farr-Jones and the CEO.

Farr-Jones himself, with another unidentified individual, repaid the loan. It is alleged that the \$56,000 may have come from funding provided by the Federal Government for an indigenous program known as Learn Earn Legend! This is denied by Mr Davis.

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For Chairpersons of not-for-profit state sporting organisations in concert with the CEO to be making significant loans to an employee without the authority or knowledge of the Board is poor governance. If indeed the funds were taken from a Government grant, which is denied, it would be unlawful.

Either way the fact that the loan has now been repaid, apart from balancing the books, adds nothing to address the abject lack of governance and good judgment that led to the loan being made in the first place.

The Australian newspaper reports that the Department of Prime Minister and Cabinet, which are responsible for the Learn Earn Legend! Program, is investigating the circumstances surrounding the loan. It will be interesting to see whether we hear anything further.

In any event, sometimes it is difficult to find good governance and sometimes the easiest way of defining good governance is to illustrate bad governance. This, in my view, was a classic example of bad governance and a complete failure of good governance.



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