



**PRODUCTIVITY COMMISSION INQUIRY INTO
AUSTRALIA'S GAMBLING INDUSTRY 2008**

**SUBMISSION BY
BANKSTOWN DISTRICT SPORTS CLUB LTD**

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Executive Summary

Bankstown District Sports Club was formed in 1958 by a group of sport representatives who shared a common interest of providing a communal meeting place for various sports in the local community. Clubs have always been community institutions focused on their charter and their local communities.

Poker Machines were first introduced into Clubs in 1956 by the NSW Government. To this day there is no better form of community gaming in the world with all revenue derived from club gaming going towards tax, the clubs' charter or purpose, and towards improving the facilities of the club for its members within the community.

Gaming in clubs or community gaming is very different to gaming in hotels which was first introduced in the early 90's where other than paying tax there is no obligation by hotels to invest into their local community.

Bankstown Sports Club has been in existence for over 50 years and has used this gaming revenue to provide millions of dollars towards sport, today representing over 40 individual sporting clubs and over 6000 individuals who participate in sport. This funding assists thousands of families in the community by subsidising registration fees, uniform costs and sporting field hire etc.

Community gaming has also helped the club support hundreds of local charities ranging from assisting local schools to provide first class facilities for their students, to funding larger institutions such as Aged Care to the tune of \$3 million over the last 10 years.

Although Registered Clubs are required to spend 1.5% of total gaming revenue on relevant community projects/charities, Bankstown Sports Club has invested an average of 5% of total gaming revenue every year to worthwhile charities. This difference, which was over \$2.5 million in 2008, provides benefits to many schools and worthwhile charities in the local area that normally would not receive funding from State or Federal Governments. Furthermore the club does not receive tax benefits for providing this extra funding.

The club today covers a total floor space of over 70,000 square metres and employs 500 staff, the majority of whom live in the local area. In the financial year 2007/2008 Bankstown Sports Club achieved total revenues of \$79.8 million while spending \$75.3 million to run club operations, this includes \$19.3 million in State and Federal Taxes. \$2.9 million was invested into sport and welfare leaving the remaining funds to invest in club facilities.

Bankstown Sports Club is a member of the ClubsNSW Responsible Gaming Program "ClubSafe" and ensures strict compliance of all regulatory requirements to ensure gaming is operated responsibly and sensibly. Annually we invest over \$3 million to provide the best security for our patrons, which include closed circuit television, security personnel and 24 hour CCTV monitoring. This investment also covers the employment of a Compliance Manager whose responsibility is to ensure strict compliance of Responsible Conduct of Gaming, Responsible Service of Alcohol and OH&S policies to name a few.

For over 50 years the club has worked closely with Bankstown City Council partnering with many council events such as Australia Day, the BUZZ, seniors concerts and countless sporting projects. Bankstown Sports agreed to manage the Dunc Gray Velodrome (Sydney 2000 Olympic Velodrome) in a 21 year sublease as part of its commitment to the Bankstown Council and sport in the community. This has cost the club an average annual cost of \$750k or \$6 million since 2000. This funding has meant the Velodrome has not needed taxpayer funds to operate since the Sydney 2000 Olympics.

In September 2004 large increases to the NSW Governments gaming machine tax were phased in, finally peaking in September 2008. This tax increase has meant that in 2008 state tax amounted to just over 32% of the clubs total expenditure. The increase has meant that clubs like Bankstown Sports Club have limited resources at the end of the day to improve member facilities and forced clubs to reduce community investment. Being a hospitality venue, clubs not investing and improving their facilities will end in financial stress and possible closure.

Because of its charter and philosophy, Bankstown Sports plays a vital role in the Bankstown Local Government area by contributing much needed funds into local sport and a wide spectrum of community facilities. With the ever increasing demands on both State and Federal Governments the Club helps complement the funding of services and programs at the grass roots level of the community. If this was not done, it would bring additional pressure on the various levels of Government.

Once again it needs to be emphasised that this model of Community Clubs is unique to Australia and there is no other system in the world where every cent of revenue derived from gaming goes back into the community one way or the other.

Preamble

Bankstown Sports wishes to thank the Productivity Commission for being given the opportunity to lodge a submission for consideration into an important inquiry on gaming in Australia.

The Bankstown District Sports Club is a non-profit organisation that was established 50 years ago. The club's operations comprise of the Bankstown District Sports Club, Baulkham Hills Sports Club, Bankstown City Bowling and Recreational Club the Dunc Gray Velodrome (the indoor cycling venue for the Sydney 2000 Olympic Games) and the Handle Bar Tavern at this Velodrome.

Clubs are an Australian Way of Life and have been so for more than half a century. There are some 4,000 clubs spread across the country with 45% in regional Australia with a cumulative membership of 10 million or more.

Clubs cover a wide range of sporting, social, political and cultural pursuits, encompassing bodies such as RSL and service clubs, football, bowling and golf clubs, workers', labour and catholic clubs. Many clubs were formed by Diggers returning from the wars, entrenching in the very fabric of these clubs the Anzac spirit of courage, endurance, mateship and sacrifice.

Clubs in Australia employ 70,000 people and provide a framework for 65,000 volunteers who contribute 7 million hours annually working for the good of the community. The national economic contribution of clubs is more than \$7.3 billion a year or 0.5% of Gross Domestic Product on top of an annual social and community contribution of well over \$1.25 billion. Clubs play a key role in most natural disasters assisting the community with emergency accommodation, hospitality and funding. **(Source: IPART Review of the Registered Clubs Industry in NSW June 2008)**

In keeping with the vision set out by its founding fathers 50 years ago, Bankstown Sports has evolved as a true community club that helps nurture young sporting talent, schools, hospitals, aged care facilities, community groups and people in need.

Introduction

Poker machines were first approved in Australian community-owned clubs in 1956 – more than half a century ago – when the New South Wales Cahill Labor Government passed legislation for their introduction. This is an activity distinct from poker machines in privately operated hotels where they were progressively introduced from the early 1990s. Today, clubs operate approximately 60% of Australia's gaming machines.

By law, registered clubs are not permitted to operate for private gain. Under our unique community-owned gaming model, any surpluses after operating costs must go into the communities we serve or into the provision of facilities or services for our members. Clubs are organisations based on the principle of mutuality and there is no other model like this anywhere else in the world. The distinction of gaming in community clubs to gaming in hotels and pubs is that the revenue from gaming in clubs is directed to benefit services for its members and support the local community.

The genesis of Bankstown District Sports Club goes back to 1958 when members of The Bankstown District Cricket Association along with individuals from other sporting disciplines saw a need to have a meeting place to assist in the management and promotion of sporting activity in the local area. The club was officially registered under the companies act in August 1958. In keeping with this vision Bankstown Sports remains focussed on the task of nurturing young sporting talent but, also plays a significant role in building community and assisting a variety of projects in the Local Government Area and beyond. As one of the leading registered clubs in NSW Bankstown Sports provides services for 50,000 members and employs 500 people.

Over the past five decades the club has traded successfully with an encouraging growth of membership. This has been achieved by creating safe, comfortable and secure facilities for our members and their families. It is a true family and community club that provides good value for money to its members in every aspect of service, whether it is entertainment, promotions or the food on offer in a variety of dining facilities. The organisation strives to be constantly innovative, fresh and dynamic.

Over 20 years ago the Club's Board of Director's encouraged the Executive Management to focus on alternative revenue streams to reduce the reliance on gaming revenue. This has been actively pursued over the years. As a community organisation, the Club is mindful of its obligations and responsibilities and manages the use of gaming machines on its sites to ensure strict adherence to all regulations. This refers to responsible gaming practices introduced by the NSW government, ClubsNSW, Clubs Australia and our own standards of self regulation.

Key Facts

Bankstown Local Government Area

The City of Bankstown covers 78 square kilometres and is conveniently located approximately 22 kilometres south west of the Sydney CBD. The City is bounded by Parramatta City and the Auburn and Strathfield Council areas in the north, Canterbury and Hurstville Cities in the east, Liverpool City and Southerland Shire in the south and Fairfield City in the west. The City's boundaries are the Prospect water supply pipeline in the north, Roberts Road, Juno Parade, Koala road, Punchbowl Road, Canterbury Road and Salt Pan Creek in the east, the Georges River in the south and the Georges River, Prospect Creek, the Hume Highway and Woodville Road in the west. There are 25 different suburbs in the City of Bankstown.

The population comprises of 179,657 people. The annual growth in Bankstown at 1.6% was higher than the average for both the Sydney Region and New South Wales at (0.8%). Population projections to the year 2031 show that the City of Bankstown's population is expected to increase by 0.7% per annum to a level of approximately 210,055 individuals. By comparison, Sydney's population growth is forecast to increase by 0.8% per annum.

The City has a diverse, dynamic economy that supports a thriving business community. It has a large multicultural community and workforce with a comprehensive and integrated rail and bus commuter network.

In the 2006 Census 35.9% of the population was born overseas and 32.3% were from a non-English speaking background. The top ten overseas birthplaces are Lebanon, Vietnam, China, United Kingdom, New Zealand, Greece, Italy, Macedonia, India and Egypt.

The estimated number of employed individuals living in the City increased by 0.4% to 78,883 in the June Quarter 2008. The unemployment rate in Bankstown remained unchanged at 6.0% in the June Quarter.

Bankstown District Sports Club - History

Bankstown District Sports Club was formed to provide off-field amenities and support for sports men and women in the growing City of Bankstown. In February 1958, The Bankstown District Cricket Association took the initiative and passed a motion to call a meeting to discuss the idea of a community club with other interested sporting bodies. Delegates met for the first time on April 23, 1958 and born out of that meeting was a decision to officially register Bankstown District Sports Club Ltd under the Companies Act in August 1958.

The Club's charter was to sponsor sports and foster it. Naturally, it was a prerequisite that members and their children be actively involved in sport, the intention being that members' children go on to become members themselves, carrying on the tradition of promoting sports in the area. Even today this core purpose has never wavered.

In the early years, the major competitive sports were cricket, rugby league, soccer and tennis. Today, Bankstown Sports supports over 40 different sporting clubs and invests much needed funds to all those sporting clubs.

The first premises for Bankstown Sports was a weatherboard building that was formerly used by the Church of Jesus Christ of the Latter Day Saints, located at 8.Greenfield Parade. The Directors of the day were responsible for the majority of roles around the club and after finishing work at their day job, they would commence club duties including bar tending and counting the day's takings.

Bankstown Sports – Precinct

50 years on and still located at 8. Greenfield Parade, on a main street in the heart of the CBD, Bankstown Sports covers 70,000 square meters. It now a true community institution and is constantly being updated and upgraded to provide its members with facilities that are safe, secure, comfortable and innovative.

These facilities include:

Bankstown Sports Club

- 1200 Underground car spaces
- 1 Bistro (seats 400 persons)
- 1 Fine Dining Restaurant (seats 100)
- 1 Chinese/Thai Restaurant (seats 200)
- 1 Italian Piazza/Restaurant (seats 350)
- 1 Coffee Shop and Cafe (seats 120)
- 12 Function Rooms that can be joined to create larger rooms (Total conference centre capacity 2186)
- Showroom (seats 700 at tables)
- 4 Meeting rooms (seats 100 total)
- Bottle Shop
- Sports Bar
- 5 general bars/entertainment (seats 548)
- Shuttle Bus Service (Car park)
- 665 Gaming Machines
- TAB
- 109 Room Hotel (Operated by Travelodge)
- 413 Employees

Baulkham Hills Sports Club

- 170 Car spaces (Above ground)
- 1 Restaurant (seats 160)
- 1 Function Room (seats 220)
- 2 Meeting rooms (seats 100)
- 1 General Bar Area (seats 160)
- 1 Coffee Shop (seats 60)
- TAB
- 73 Gaming Machines
- 46 Employees

Bankstown Bowling Club

- 20 Car spaces
- 1 Bistro (Seats 60)
- 27 Gaming Machines
- 1 General Bar Area
- 2 Bowling Greens
- 11 Employees

Handle Bar Tavern

- 35 Car Spaces
- 1 Bistro (Seats 170)
- 15 Gaming Machines
- 1 General Bar Area
- TAB
- 30 Employees

Dunc Gray Velodrome (Sydney Olympic Velodrome)

- 200 Car Spaces
- Seating for 2000
- 1 Kiosk
- Rental Space

At the end of February 2009 Bankstown Sports had a total of 50,000 members.

Responsible Conduct of Gambling Program

Bankstown Sports is a member of ClubSAFE which is the NSW club industry's Responsible Conduct of Gambling Program. ClubSAFE, which was developed by ClubsNSW with significant input from the Australian Institute for Gambling Research, is a comprehensive package designed to assist registered clubs manage responsible gambling operations that meet legislative requirements and community expectations.

Responsible gambling management goes beyond simple compliance with legislation and regulation. It can be defined as decisions and actions taken by the Bankstown Sports that are desirable to the values and objectives of the community. Responsible gambling management practices by the club seek to minimise the harm that may occur as a result of problem gambling.

Harm Minimisation

Harm minimisation refers to reducing the effects of problem gambling and emphasising the promotion of community interests.

Our Best Practice Guidelines include the implementation of responsible gambling practices, consumer awareness and protection measures and the best standards of business practice. Most importantly, our Guidelines indicate to club patrons and staff the high standards to which our club aspires. They also demonstrate to our local community that our club takes its gambling responsibilities seriously.

Best Practice Guidelines

By adhering to the Best Practice Guidelines Bankstown Sports:

1. Provides gambling services and practices that conform to all applicable Acts and Regulations.
2. Promotes responsible gambling practices that conform to local community standards and expectations.
3. Established a patron complaint resolution process.
4. Implements policies to encourage responsible practices in advertising and promotions related to gambling and ensure compliance with relevant legislation.
5. Developed a policy that ensures all legislative requirements related to cheque cashing, payment of winnings and financial transactions are implemented and encourages patrons to develop responsible practices in the use of finances for gambling purposes.
6. Introduced procedures for handling personal information relating to gambling patrons in a club to protect their rights of privacy.
7. Established a pleasant and safe gambling environment.
8. Informs and trains staff on legislative requirements, harm minimisation issues, the risks of not complying with legislative requirements or not adopting and practising harm minimisation strategies and taking appropriate steps to promote patron and employee care.
9. Encourages patrons to take responsibility for their gambling activity through an effective self-exclusion procedure or other mechanisms.
10. Informs patrons and staff of the club's responsible gambling policy and program, the nature of gambling products and the availability of support services for problem gamblers.
11. Builds links between the club and relevant community organisations that will provide support and advice for problem gamblers and their families.

Bankstown Sports Club has previously and continues to take all responsible gaming measures seriously. Approximately 5 years ago the club created the role of "Compliance Manager" who is responsible for all compliance related matters within our group of clubs.

The areas of responsibility include the total management and control of the Responsible Gaming Program “ClubSafe”, Responsible Service of Alcohol and compliance of all responsibilities within the Registered Clubs Act (NSW) to name a few.

Gaming

The Club has 780 gaming machines in operation over all its sites and this includes 665 machines at the main club on 8.Greenfield Parade.

In the year 2007/2008 the total revenue for the Company, Bankstown District Sports Club was \$90,605,705.

Gaming contributed \$67,268,333 while food and beverage contributed \$16,048,475.

Gaming accounted for 74% of the Club’s revenue, down 5% from the previous year and down 24% from the year 1999/2000.

For the financial year ended 2007/2008 the Club paid \$18,250,981 in gaming tax, \$6,029,520 in GST and \$904,141 in payroll tax.

In addition to this, the Club’s contribution of \$1,047,190 to sporting clubs is substantial.

Sporting Clubs

Over the years, Bankstown Sports has actively supported some 40 sporting clubs.

This assistance helps pay for registration fees, sports clothing, ground maintenance, the installation of lighting, fees for sports persons attending state and national events and training camps and administration costs. This helps reduce the burden on families who want to encourage and support young talent pursue a variety of sporting activity.

In 2007/2008 the club contributed \$1,047,190 to sport in the local community. This equates to supporting a total of 32 individual affiliated sporting bodies and approximately 5 non-affiliated sports. This investment benefits approximately 5000 individuals.

Sports affiliated to Bankstown Sports Club must meet several important criteria before they can use the club name and seek funding. This includes:

- Handing over financial records yearly for inspection and ensuring funds are spent appropriately.
- Ensuring all paid employees and volunteers associated with their specific sport follow the clubs Child Protection Policy. This includes the club performing background checks on all personnel.
- Recently this has including registering all sporting clubs in the “Good Sports Program” which ensure all clubs follow responsible service and consumption of alcohol and ensures relevant training is completed for all its volunteers.

Affiliated clubs can request funding from Bankstown Sports Club and must provide evidence of its use and benefit to the sport. I use two examples of the contribution Bankstown Sports Club makes to two very different sports, Bankstown Cricket Club and Bankstown Bruins Basketball.

In 2007/2008 Bankstown Sports Club invested \$173,673 with the Bankstown Cricket Club as well as committing \$300,000 over 5 years towards building an indoor cricket/sporting complex at the Bankstown Oval. The cricket club investment covers items such as ground fees, uniforms and equipment. Currently there are approximately 800 players at the cricket club all of whom benefit from the club's annual investment. Funding over the years has helped Bankstown Cricket Club achieve goals such as being the top ranked cricket club in NSW (a number of times) to producing talent like Mark and Steve Waugh.

The Bankstown Sports Bruins have been associated with the club for many years. Their support for 2008 totals \$60,000 which directly subsidises the registration cost for 2500 children.

If Bankstown Sports Club did not exist our associated sporting clubs would be left to run their individual sports alone. There would be no authority to ensure that fraud is kept to a minimum and those persons both paid and volunteers working with the children follow a Child Protection Policy. More importantly there would be minimal funding available to assist families by subsidising registration fees and sporting uniforms.

Since 2001 the club has invested \$6,318,945 in direct funding to sport in the community, funding includes subsidised registration fees, uniforms, field maintenance and lighting costs and money used for coaching and or competitions around the world. At the Beijing Olympics the club had 4 persons representing Australia in the Olympic Team who are/were directly supported by sporting clubs associated with Bankstown Sports Club. The team members were walker Luke Adams, steeplechase competitor Youcef Abdi, and water-polo players Rebecca Rippon and Melissa Rippon.

Community Development Supports Expenditure Scheme (CDSE)

Bankstown Sports, with the support of the Board of Directors has actively pursued a policy of contributing an average of 4% or more of gaming revenue back into the community, while legislation determines that 1.5% must be paid back. This is done although the Club does not receive any tax benefit as a result of this policy.

In 1998 the Registered Clubs Association and the NSW State Government agreed on a scheme to invest a percentage of gaming income each year on the their local communities. Majority of clubs prior to this arrangement had already been investing money in their local communities however this arrangement meant that all clubs must participate or pay the amount directly to the State Government as a Tax.

The Community Development Support Expenditure Scheme (CDSE) allows a club to invest a minimum of 1.5% (0.75% on category 1 and 0.75% on category 2) of annual gaming income on the local community. Category 1 covers specific community welfare and social services, community development, community health services and employment assistance activities. Category 2 covers other community development and support services. Many of the CDSE recipients do not currently receive public funding from the State Government.

In the CDSE year ending August 2007 Bankstown Sports Club contributed to the community a total of \$654,166.32 in category 1 and \$2,468,562.51 in category 2. This is \$2,154,921.83 over what is required by law and again the club does not receive any tax benefit for contributing this excess amount.

An example of one of our larger contributions is to Bankstown Aged Care. Bankstown Sports Club has been the major contributor to Bankstown Aged Care with donations of \$2,500,000 over the last 10 years.

Some of the other organisations that benefited recently from this approach to community support are:

- Sydney South West Area Health Service, Bankstown Hospital
- Bankstown Hospital Oncology Department
- Multiple Sclerosis Limited (MS Society NSW)
- Westmead Hospital - Millennium Foundation
- Wheelchair Sports NSW
- Ted Noffs – A Foundation for Life
- Learning Links
- Disability Services Australia
- Foster Parents Support Network
- St Johns Ambulance

Name of Organisation	Name of Project	Amount
Sydney South West Area Health Service, Bankstown Hospital	Cancer Survivors Retreat	\$1,000
	Nurse Scholarship scheme	\$200,000
Multiple Sclerosis Limited (MS Society NSW)	Multiple Sclerosis Services Program	\$50,000
	Website establishment	\$75,000
Westmead Hospital	Millennium Foundation	\$100,000
Wheelchair Sports NSW	Basketball Girls Program - National League	\$20,000
Ted Noffs Foundation – A Foundation for life	Street University Project	\$30,000
	Financial Assistance	\$5,000
Learning Links	Cerebro-Costa Mandibular Syndrome	\$7,500
	Tip Sheets for parents-production	\$2,558
	Fundraiser – Winter Night of Jazz	\$10,000
Disability Services Australia	Employee awards Day	\$12,000
	Function	(IK)
	Function	\$14,360
		(IK) \$3,290 (IK)
Foster Parents Support Network	Function	\$15,000
	Assistance to fund a trainer	(IK) \$1,500
St John Ambulance	Two Cardiac Defibrillators	\$6,000
	Training – First Aid Classes	\$1,615
Bankstown City Aged Care	Development of Infrastructure	\$430,000

Recent contributions to schools and child care through CDSE

Name of School	Name of Project	Amount
Condell Park High School	Cricket nets and pitch for junior cricket	\$50,000
Bankstown Girls High School	Air Conditioning purchase and installation	\$30,000
	Academic and Sporting Scholarships	\$14,400
	Sister City Youth Delegation to Suita, Japan	\$2,000
Bankstown Public School	Security fencing and Playground upgrade	\$35,000
Bankstown North Public School	70 students to a camp at Myuna Bay	\$10,000
	Sport and Recreation Camp in June 2008	\$15,000
Bankstown Grammar	Outdoor passive learning area	\$42,000
Birrong Boys High	Development of school gym	\$10,000
Punchbowl Boys High	Leadership and Team Building Camp	\$4,000
	Outdoor educational program	\$7,000
Picnic Point Public School	Educational Speech Pathologist	\$7,500
Christ the King School - Bass Hill	Items 1, 3, 5 & 6 - full cover. 2, 4 & 7 50%	\$18,975
White Dove Children's Centre	Shade Cloth and Grass	\$10,000

Historically Bankstown Sports has assisted local schools and child care centres whenever there was a need. Every year from September to December the main auditorium and other conference rooms are provided free to the schools for their annual days, presentation days and arts festivals. This policy prevails as part of the Club's commitment to helping develop young people in our local community.

Although the contribution made by Bankstown Sports Club to the community via CDSE cannot be underestimated the real contribution to our community is by way of employment.

Employment

Over the past decades as the Club has evolved and grown, it has been a significant centre of employment for people living in the City of Bankstown.

The Club has a policy of recruiting and training young people in the many facets of hospitality. Every member of staff is given the opportunity to access traineeships and is exposed to a variety of other training programmes related to the industry.

Most of them stay on and as the Club has expanded and diversified they have moved up to supervisory and managerial levels.

Some of the staff who moved on after a period of training and development have experienced success in various facets of hospitality and club management elsewhere.

The club as at 2007/2008 directly employed 500 people which equates to \$13,533,066 in wages, \$1,026,010 in superannuation with a total employment bill of \$16,706,554. The majority of our employees live in the city of Bankstown.

The Club has actively pursued a policy of recruiting both male and female employees. While the club recruits and develops young people it has encouraged a significant number of older employees to stay working and contribute either on a full time or part time basis.

Where possible people with disabilities are given an opportunity and encouraged to work in the club. Recently a full time Car Park Attendant with cerebral palsy was recognised for his ongoing service to the Club and was awarded a 5 year service pin.

A part time Bistro Attendant was employed through job support and is on a wage subsidy due to her severe disability.

A past employee with a mild learning and memory disorder was lacking in confidence when he joined the Club

A part time employee, working in the Bistro, completed 5 years of successful service last December and received her pin for 5 years of service.

These are only some of the individuals, with disabilities or special needs, working in the Club.

The number of staff employed currently are 500 – (274 male 226 female)

- Permanent staff -156
- Casual staff - 229
- Part time staff - 126

Contributing to the Local Economy

Bankstown Sports with its associated venues make a significant contribution both directly and indirectly to the local Bankstown economy as well as the State and National economies.

In the year end June 2008 the Club's total payments for services/products provided by suppliers was a total of \$65,178,320.

Our largest creditor is our builder, Paynter Dixon who received payments totalling \$23,268,184 last year (2007). Over the past two years Paynter Dixon has employed staff and contractors to the value of 25,000 person days.

The club has a mortgage facility of \$50 million with actual total liabilities as at June 2008 of \$33.5 million.

Last year the Club completed an \$8 million dollar renovation at our Baulkham Hills Site. Bankstown Sports amalgamated with Baulkham Hills in 1998 while the club was in the hands of an Administrator. The club was formed with the same core values as Bankstown Sports Club. It represents and supports many sporting clubs and sporting persons in Baulkham Hills.

Recently Bankstown Sports amalgamated with Bankstown City Bowling and Recreational Club, a club that would not be celebrating their 80th birthday in February 2009 if it had not amalgamated.

Without the club borrowing and investing in its premises the club would not exist today. The majority of the successful registered clubs in NSW remain successful because they invest in their premises. Clubs are a general hospitality and entertainment venue; gaming is just one part of this activity with clubs now offering a variety of restaurants, bars and entertainment for children and families.

It is important to note that there are remarkable differences between registered clubs across NSW in terms of quality of premises and financial viability. There is no doubt that clubs today are finding it harder than ever to remain financially viable. This has been caused by an increase in state gaming taxes, recent changes to smoking legislation which has affected gaming revenue and, in some cases poor management.

Today the few number of clubs that are still trading profitably are doing so because they have invested in their premises and facilities.

Bankstown Sports Club has over the past 10 years and more invested heavily in developing alternate revenue streams to increase patronage and reduce the clubs reliance on gaming. While gaming is still a very important part of the clubs product mix, it was considered financially prudent that the club look at other revenue streams to remain viable over the next 50 years and beyond. However, with gaming revenue slowing and gaming taxes increasing it has become increasingly difficult to be able to invest in the development of new revenue streams.

To explain this in 2001 total gaming revenue was \$49,202,129 and tax on gaming (including GST) was \$13,208,158 or 27%. In 2008 total gaming revenue was \$67,268,333 and tax on gaming (including GST) was \$24,280,501 or 36%. This is an increase of 84% in gaming tax while gaming revenue increased 37% during the same period.

Planned Investments in Development

The clubs primary commitment over the past 10 years was to complete an underground 1200 space car park. Without car parking the club simply would not be able to grow. Including land costs the car park has been a \$60 million investment.

Conferencing is an important part of the clubs future bringing in people from all over the country (and the world). Apart from being its own profitable revenue centre, conferencing has a positive effect on trade in the other club facilities such as our hotel, restaurant, gaming and beverage areas.

To further enhance and increase revenue in our conferencing centre we needed to expand the venue to be able to cater for larger conferences, trade shows and events. Our first stage (\$10 million) investment on a new Ball Room will open in August 2009. This Ball Room will consist of over 3000 square metres and will be able to hold large conferences/banquets and trade shows.

Stage 2 will expand the area to over 7000 square metres of convention/exhibition space that will hold up to 2500 persons in the one room and will cater for larger trade shows and conferences.

When the events centre is complete in 2011 the club will be a unique facility offering state of the art conferencing and event facilities located in the heart of Sydney, just 100 metres from the Bankstown train and bus stations with parking for 1200.

The club currently has a development application with Bankstown Council to build a 9 story office tower to be leased and/or sold as part of the club property. We will be targeting Corporate/Government offices to provide a steady stream of rent and of course patronage to our catering and event facilities. The building is estimated to cost up to \$40 million.

Working with Bankstown City Council

The Club and the local Council have had a good working relationship over the last 50 years. This is best illustrated through the Club's investment and participation in a variety of infrastructure projects such as the following:

1. Cricket practice nets at the Crest Sporting Complex at Bass Hill
2. The water based hockey fields at the Crest Sporting Complex
3. The installation of lighting on field #4 of the Crest Sporting Complex
4. The Athletics field at the Crest Sporting Complex – construction of the clubhouse and purchase of equipment.
5. Installation of shade cloth for the stands at the athletics field at the Crest Sporting Complex.
6. Lighting at the Ted Howarth Reserve
7. The pavilion at the Ted Howarth Reserve
8. Clubhouse at Jensen Oval
9. Clubhouse at Bankstown City Sports Complex
10. All furnishing and fittings at the Grandstand - Memorial Cricket Oval – Cost - \$100,000
11. Players' pavilion at the Bankstown Memorial Cricket Oval – Cost- \$300,000
12. Installation of protective PVC blinds for the cricket players' pavilion the Oval
13. Funding of \$200,000 towards the Indoor Sports Centre at the Oval.
14. Dunc Gray Velodrome, the cycling venue for the Sydney 2000 Olympics.
15. Bankstown Basketball Stadium, infrastructure and administration - \$100,000.

In addition to the Club partnering Council in a variety of infrastructure projects, the Club, on a regular basis, over the years has supported Council in hosting a series of community and sporting events such as:

- Providing fish and chips to the seniors every Friday afternoon at the Bankstown Community Centre.
- Supporting Australia Day celebrations with an annual assistance of \$25,000
- Supporting the BUZZ, the Olympic Community Spectacular at the Dunc Gray Velodrome with \$100,000 in cash and services in kind, to welcome the US Olympic Committee officials.
- A Seniors' Concert on the first day of Seniors' Week every year.

A good example of collaboration between Council and Bankstown Sport, in the common interest of community safety, is the CCTV system that operates in the Town Plaza. Council took the initiative of funding cameras that are fed back to the Club's monitoring facility that is safe and secure. This ensures that all the cameras are monitored 24 hours a day (at the club's cost) and any faults or issues are attended to immediately.

This unique collaboration between Council and the Club gives police immediate access to historical and live CCTV (Closed Circuit Television) footage anytime, as and when the need arises.

Managing the Olympic Velodrome (Sydney)

The Sydney Olympic Velodrome (Dunc Gray Velodrome) was built in 1998, 18 months before the Sydney 2000 Olympics. As part of the negotiations between Bankstown Council and Sydney Olympic Park Authority this \$40 million facility would be handed to Bankstown Council at the completion of the event.

Due to the cost and complexities of running such a facility Bankstown Council approached Bankstown Sports Club and offered the club management rights to the facility in a 21 year lease. This effectively meant tax payer funds both local and state would not be used to maintain the facility for 21 years.

The club agreed on the condition it could build a Tavern (Hotel License) on the site which included 15 gaming machine entitlements. We proposed that any profit made from the running of the tavern would be used to subsidise the cost of the Velodrome and surrounding sporting precinct. The Tavern was setup to exist simply to support the maintenance costs of the Velodrome.

As part of this arrangement the club would also make available rental space for both NSW Cycling and Cycling Australia at a maximum of 75% of the commercial market rental rate for the area. Currently both cycling bodies remain in the venue and are paying well below the 75% of market rental rate.

During the construction of the Tavern a state cap was placed on gaming machines and it took 4 years (and a cost of \$200k) to eventually receive 15 gaming machines. The club has run the whole facility (Tavern and Velodrome Complex) at a loss costing the club in excess of \$7 million over the past 8 years. To date, not one dollar of tax payer funds have been used to maintain the facility.

To promote the facility the club successfully bid for 8 consecutive UCI Cycling World Cups starting in 2001. There are 4 such events a year around the world with 1 of those each year (for the 8 years) being exclusive to Sydney.

The NSW State Government assisted the event by contributing funds to hold the event, the funding given was 5 times less than what had in the past been given to the organisers in other Australian States. Without adequate Government funding the event was a huge expense. The event costs the club approximately \$150k per year until ultimately we were forced to hand back the event to the UCI (World Cycling Body). Cycling Australia and Cycling NSW took on the event in 2007 but they too were forced to hand the event back after losing over \$200k. The event has since been held in Victoria.

In 2006 we successfully bid for the World Master Track Cycling Cup which had been successfully run for the previous 12 years in Manchester England. The World Master Track Cycling Cup was seen to be a better event as all the competitors payed their own transport and accommodation fees. The competitors must be over the age of 30 and often bring their families, so it was expected to have a positive economic benefit to the local community.

In 2007 we successfully attracted 420 riders many of whom travelled from the other side of the world. In 2001 we were granted \$10k from the NSW State Government increasing to \$12.5k in 2008. So far the two events have cost the club over \$60k. Bankstown City Council assisted the club by granting \$10k and \$30k respectively for the two years of holding this event.

It is also important to note that during the weeklong event every hotel in the immediate Bankstown area ran at 100% occupancy. The event attracts over 1000 people made up of competitors and their family/trainers.

In 2009 the final World Master Track Cycling Cup will be held, if we do not successfully win an extension there will be no further world class cycling events booked at the venue.

Other examples of the club working with the Community

In the period 2001-2008 the club invested \$9,638,609 in welfare which includes funding for local, state and national charities. The charities that benefited from this funding range from local community assistant groups, state hospitals to direct funding for world disasters such as the Boxing Day Tsunami.

Roselands Sports and Aquatic Centre is a charity which specifically looks after handicapped children by offering these children a place to get involved in sport. They were located in a small area of the Bankstown Bowling Centre until the centre was taken over by a conglomerate and they were asked to leave. We have since provided them space in a building the club owns, rent free.

Disability Services Australia is a company that provides work for persons with disabilities. They operate a factory near Bankstown Airport and perform jobs such as winding chux onto rolls and packaging the plastic knives and forks used by Qantas domestic flights.

Many of their employees have worked in this factory for majority of their adult life and the company provides transport for each employee to and from their homes. By chance we discovered that their employees were often taken home on extremely hot days because the factory simply became too hot to work, the club and our builder Paynter Dixon contributed \$200k to the installation of air conditioning for the entire factory.

Bankstown Sports Club operates its Youth Club from the Olympic Velodrome. This club provides exercise and training for over 300 children annually with many of these children going on to represent the state and nation in major events. The youth club has operated at a loss for its entire 38 years since it was first formed by providing affordable coaching for children in the Bankstown area. Since 2001 the club has invested \$1,228,683 in running this club.

It has been reported in the media that gaming operators run their other facilities (restaurant/beverage) at a trading loss in a bid to attract patronage and increase gaming revenue. In the year end June 2008 Bankstown Sports Club made \$279,777 from catering operations and \$1,719,915 from beverage operations, yet our catering and beverage pricing is substantially lower than what would be found outside the club.

This pricing enables everyone in our community in any social and financial category, to dine out for a reasonable price; in itself this is a huge benefit to the community.

Conclusion

Registered clubs make a huge contribution both to the local community and the state economy. Gaming is just one part of our entire product mix but the single most important and gaming has been legal in NSW since the late 50's. Without gaming the club would not be where it is today and could not provide the facilities and support the community as it has done for the past 50 years.

In other jurisdictions across the world gaming predominately is operated by private conglomerates with no real requirement to re-invest back into the community. In NSW, every cent derived from club gaming is either used to expand and improve club facilities for members, transfers to the State Government in the form of gaming tax, used to foster and support the clubs core purpose, invested in the community in the form of community grants or spent as part of the clubs operation in the form of wages or payments to suppliers.

Australia has always been a sporting nation that stops work on grand final days for both the National Rugby League and Australian Football League. In old footage shown about our nation's proud history, memories flood back when the country won the Americas Cup and recently when Australia lost to Italy in the Soccer World Cup.

Many of these sporting moments can be linked in some way to having benefited from gaming. In Bankstown Sports Clubs case, 4 persons who competed in the Beijing Olympics have been supported at least through part of their career by Bankstown Sports Club. Our support for Bankstown Cricket Club has flowed through to players like Mark & Steve Waugh, Graham Thomas and the more recent players like Dave Freedman, Steve Small, Steve Smith and Corey Richards.

We are one club and we could safely assume that every club would have their own stories about their own sports stars that they have assisted to achieve greatness.

The industry realises that some harm can be derived from gaming for some people, harm can come from many things we do day to day, whether it is drinking, driving, smoking or simply walking down the street. As an industry we are working with State Governments to ensure harm resulting from gaming is kept to an absolute minimum.

Gaming is a form of entertainment for many in our population who do not have a gaming problem and gaming does have a benefit to the community. This view was recently supported by the Independent Pricing and Regulatory Tribunal who recently reported that registered clubs contribute to the social infrastructure by \$811 million (2008)*.

**This figure does not take into account the costs associated with problem gambling or problem drinking*

We are certain that along with the State Government gaming and the other forms of entertainment that operate in clubs can be operated responsibly and can play a positive role in the community.

Mark Condi
Assistant Secretary/Manager
BANKSTOWN DISTRICT SPORTS CLUB LTD



BANKSTOWN
City of Progress

4 March 2009

Mark Condi
Assistant Secretary / Manager
Bankstown Sports Club Ltd
P O Box 213
BANKSTOWN NSW 1885

Dear Mark

I commend the submission prepared by the Bankstown Sports Club to the Productivity Commission's inquiry on gaming in Australia and am pleased to offer Council's support for your submission. Bankstown Sports Club and Bankstown City Council have shared and enjoyed the benefits and results of working in partnership over the past 50 years to enhance and provide facilities and services for the local community and I look forward to that partnership continuing for many years to come.

Bankstown Council is of the firm view that provision of sound and strong partnerships with local organisations, and particularly with local clubs such as Bankstown Sports, delivers considerable public benefit via providing and improving facilities, promoting healthy lifestyles, enhancing community services, cost sharing and contributing positively to social cohesion in our diverse multicultural community. Without the assistance, co-operation and in particular, the substantial financial contribution made by Bankstown Sports to Council's services, facilities and events, Council and the 180,000 residents of the Bankstown Local Government area, for which it is responsible, would be the poorer.

Bankstown Sports has been at the forefront in contributing to the local community, especially through its focus on supporting a wide range of sporting activities and ventures. To put the Club's contribution into context, I would like to briefly outline some of the sporting achievements that the Bankstown Council/Bankstown Sports partnership has delivered over the years:-

- There is no question that without its partnership with Bankstown Sports, Bankstown Council may not have been successful in its bid to have the Olympic Velodrome built in Bankstown. There is no doubt also that the Dunc Gray Velodrome would not be operating as it is - cost free to the taxpayer - without the ongoing direct management of the velodrome by Bankstown Sports. Bankstown Sports has made a multi-million dollar investment in this venture and if this support were to be withdrawn, it would immediately place a significant burden on Bankstown Council, its ratepayers, every competitive cyclist and ultimately, the State Government to pick up the shortfall. This simply cannot be allowed to occur.

- Bankstown's premier hockey facility at The Crest was upgraded to a high standard water based synthetic surface with a direct cash contribution of \$400,000 by Bankstown Sports towards its construction cost. Similarly, the Bankstown Cricket facilities at Memorial Oval only proceeded due to the significant financial contribution made by Bankstown Sports. Without these funds, these facilities would not have been upgraded to the standard that they have been.
- Bankstown Sports has also provided direct support to around 40 local sporting clubs, facilities and programs many of which operate on and from Council owned facilities, sports fields and clubrooms. As a direct result of the contributions to sporting clubs, Bankstown Sports has been instrumental in facilitating and accelerating ground improvements (such as sports field lighting), building improvements (including improved club rooms, grandstands and amenities) and promoted and supported sporting teams, events and sporting activities. This support has relieved the pressure Bankstown Council has been asked to bear to assist the many sporting groups active in the LGA. Without the support provided willingly by Bankstown Sports, our community would not have been able to achieve the high standards that it has in athletics, cricket, hockey, rugby, soccer, basketball and many other sports.

While sport has naturally been Bankstown Sports' focus, the contributions made to the wider community need special mention. It is the Club's "community" contributions that make the difference to organisations, communities and individuals' quality of life in Bankstown. In this regard, a few of Bankstown Sports community contributions warrant particular mention:-

- Bankstown Sports ongoing considerable financial sponsorship and support for community events co-ordinated by Bankstown Council has contributed to making events such as the annual Australia Day event at Garrison Point, attended by over 50,000 people this year, a positive community-building experience and event that would rival the best in the state. This event is just one of the many that our partnership delivers for community benefit.
- Bankstown Sports has for years supported Bankstown's ageing community and offset Council's costs through its provisions of a weekly fish meal at the Bankstown Seniors Centre; via sponsorship of its annual seniors' week activities; and most significantly provided support and funding of around \$2.5 million to Bankstown Aged Care over the years. These contributions small and large really have made a difference to people's lives and lifestyles and help Council reach and support its ageing community that would otherwise be well beyond our means.
- The CDSE obligations of all clubs are mandated, but Bankstown Sports has taken its "obligation" to support its community well beyond that of most other clubs. The contributions they make, in consultation with Council staff, exceed their obligations by millions of dollars annually and this can only be done while the Bankstown Sports has the capacity and means to deliver and fund the projects supported. It is of great concern to Council that these "extra" contributions may be in jeopardy.

- The partnership entered into between Council and Bankstown Sports to improve community safety in Bankstown, made at a time when community perceptions of crime were particularly high, is one activity of which Council - and no doubt Bankstown Police Local Area Command - are particularly appreciative. The installation of CCTV cameras in the Bankstown City Plaza directly linked to, monitored and managed inside the Club facilities at Bankstown Sports has provided the Bankstown community with enhanced safety outcomes and directly lead to the apprehension of a number of persons involved in crimes from the petty to the extreme.

While Bankstown Sports continues to thrive and prosper and work closely with Council, the future of our shared community is bright. Apart from the obvious financial benefits, it is projects like the innovative CCTV partnership that epitomises how a real community club like Bankstown Sports has made a difference. I share your concerns that Bankstown Sports future level of community support and financial contributions may be compromised if the Club's resources continue to be challenged and diverted due to decisions made on taxes associated with gaming.

I am pleased to offer Bankstown Council's support for your submission and offer any assistance required to ensure that our future partnerships can continue and prosper.

Yours faithfully



Klaus Kerzinger
Acting General Manager
Bankstown City Council