



TRACY VILLAGE SOCIAL & SPORTS CLUB INC.

28 Tambling Terrace, LYONS PO Box 40369, Casuarina NT 0811

Telephone (08) 8980 4777 Facsimile: (08) 8945 1511

Email: manager@tracyvillage.com.au Web address: www.tracyvillage.com.au

SUBMISSION TO PRODUCTIVITY COMMISSION INQUIRY INTO AUSTRALIAS GAMBLING INDUSTRIES, 2008



Tracy Village May 2008

ABOUT TRACY VILLAGE SOCIAL AND SPORTS CLUB

- Built in late 1975 as a Club for workers involved in the reconstruction of Darwin following the destruction caused by Cyclone Tracy and later became an incorporated association under the management of a Committee.
- Currently managed by a full time Manger who reports to a committee and is responsible for the day to day operation, performance and development of the Club.
- **The main facilities are:**
 - Clubrooms: Lounge bar, bistro/functions, games room (darts and eight ball), gaming room (with maximum allowed 45 machines), childrens playroom, childrens outside playground, covered beer garden, grassed open beer garden.
 - Playing fields: A national standard floodlit baseball / softball field, a senior and two junior baseball / softball fields, cricket / football(AFL) oval, practice synthetic and turf cricket wickets, a small demountable sports clubroom, change rooms and public toilets, baseball field kiosk, shaded spectator mini stands, six large sheds for storage of grounds maintenance plant and sports clubs equipment. There is also a sealed 250 space car park for the clubrooms and playing fields.
- **Core purpose.** To provide, maintain and improve sport and social amenities for the residents of Darwin and their children.
- **Affiliated Clubs** Eight Clubs play in local competition under the Tracy Village name and colours: Baseball, basketball, cricket, darts, eight ball, football, netball and softball. The Club is also home to Softball NT and all Darwin softball competition, Baseball NT and the majority of Darwin baseball competition, Top End Darts Association, the Port Adelaide Football Club Top End Supporters Group and Darwin Kiwanis Club.

- **Membership** Nearly 5000 financial adults. The sports clubs have many hundreds of under 18 children who can not be members of the licensed club under the Liquor Act.
- **Main services provided** Sport, food, liquor, gambling (gaming, NT Keno, TAB), sports viewing, entertainment and functions.
- **Re-development of facilities**
Current: Stage 1 (underway) - New commercial kitchen, renovation of existing hall for a 250 capacity function and entertainment centre with a large beer garden. – estimated cost \$2.8mill
 Stage 2 – Demolition of existing bistro and kitchen to be replaced with a 250 seat bistro, 80 seat restaurant, café, gaming room, staff offices, toilets, walk-in bottle shop and reception foyer plus 80 additional car parks. – estimated cost \$3.2mill.
Future: Eight floodlit tennis courts, an indoor multi purpose sports court and gymnasium, flood lighting of football / cricket oval, new oval sports clubroom, grandstand over change rooms.

SUMMARY OF GAMBLING ACTIVITIES (2008 financial year)

- **Gaming** 45 machines (maximum allowed in the NT),
 Money gambled - \$53,122,469
 Player loss - \$5,339,436 (10.05% of money gambled)
 GST paid - \$485,182
 Gaming tax -\$2,044,342
 Total tax – \$2,529,524 (47% of player loss)
 Net to Club - \$2,809,911 (53% of player loss)
- **Keno** **Agency of NT Keno on commission**
 Money gambled - \$1.83mill
 Commission - \$146,710
- **TAB** **Agency of Unitab on commission**
 Money wagered - \$1.7mill
 Commission - \$33,963

SUMMARY OF CLUB FINACIALS (2008 financial year)

Income

- Total income - \$7,463,637
- Gaming - \$4,854,253 – 65% of income
- Keno - \$146,710 – 1.97% of income
- TAB - \$33,963 – .046% of income
- Total gambling - \$5,034,926 – 67.5% of income
- Sales income (liquor & food) - \$2,237,859 – 30% of income
- Other income - \$190,852 – 2.5% of income

Expenditure

- Gaming machine tax - \$2,529,524 (33.9% of income)
- Employment costs - \$1,774,620
- Cost of goods sold - \$1,256,114
- Depreciation and amortization - \$529,912
- Gaming expenses - \$261,907
- Prizes, sponsorship and entertainment - \$233,539
- Repairs and maintenance - \$214,029
- Electricity - \$170,513
- Other running costs - \$157,608

Operating profit - \$336,271

Economic contribution to the Community

- The total number of people employed is fifty, 60% full time and remainder part time and casual. The wages were over **\$1.77k** in 2008. The casual staff are mainly students and partners supplementing household income.
- Taxation paid was over **\$2.5mill**. Much of the taxation paid to The NT government by clubs is distributed back to the Community in the forms of cash grants for sporting Clubs and Associations and into major Sports infrastructure.
- Our Club has invested over **\$3.5mill** in recent years in developing sports fields and facilities such as toilets, change rooms, clubrooms, canteen etc. This development would usually be funded by taxes and probably would not have happened if the Club did not self fund.
- The money spent on infrastructure supports the local building industry and the portion of income spent on purchases, running costs and repairs goes to many small and medium sized local businesses.
- An estimated \$50,000 has been raised by the Club and Members in recent years for a wide range of Community organizations such as Schools, Kiwanis, Shave for a cure, SIDS, Red Cross etc.
- Clubs are a focal point for raising funds for disasters demonstrated recently by the **\$201,000** raised by NT clubs in several days for the Red Cross.
- Over the years our Club has also raised thousands for individual Members or their kids who have life threatening illnesses and have to get treatment interstate.

Social contribution to the Community.

- Club room facilities to socialize and have food, drink and entertainment at affordable prices, particularly for families.
- Sports facilities provided for all ages but particularly for kids generally at well below the cost of providing them.
- Very affordable meals for the less wealthy, pensioners and retirees.
- Clubs contribute to the tourism industry, particularly for backpackers and many thousands who travel around the country on a budget.
- Clubs support the participation in sport and higher levels for adults and kids by sponsoring events and peoples interstate travel costs.
- Clubs help mobilize volunteers to run sports and community who in turn put something back into the community.

Summary

None of the social and economic benefits to the Community would be possible without the revenue derived from gambling and the figures above show that Clubs like ours would not exist without it.

We sincerely believe the benefits far out way some of the problems attributed to gambling which afflict a small percentage of those who participate. Our view is that Governments can reduce the impact of Gambling (particularly Pokies) by reducing the taxation and increasing the return to player, ie reducing the potential losses rather than using the gambling as an easy source of income and becoming dependent on it. We believe also that they should fund increased efforts to help those whose lives suffer from gambling addiction.