



# Drummoyne Sailing Club

Drummoyne Sailing Club Ltd  
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Gambling Inquiry  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

26<sup>th</sup> March 2009

Dear Commissioners,

Thank you for the opportunity to contribute to the enquiry.

Drummoyne Sailing Club is classed as a Small/Medium Club and is one of the oldest Sailing Clubs in Sydney. It was established in 1913. The Club's primary purpose, as defined by its Constitution, is "to promote and encourage sailing and racing of 16 foot and other class sailing activities within the district of Drummoyne in the State of New South Wales and the provision of meals, refreshments, recreational and sporting activities to its members."

Drummoyne Sailing Club operates a modern clubhouse on the Parramatta River, which opened in 2001. The previous clubhouse, parts of which were established in 1913, had become run down and impossible to maintain. The decision was made in 1999 to rebuild the club on its own land, as the previous clubhouse was located on Council Land, which has now been fully restored to a park (Salton Reserve).

Drummoyne Sailing Club currently has 5,471 members, of which 573 are Sailing members with the rest being Social. The Club operates 43 poker machines, and also provides TAB and Keno services to its members. The club is renowned for its excellent dining facilities and currently both the Ecco Ristorante and Rosabelle's Bistro operate within the Club's premises. The club operates 2 bars, one of which contains no gambling services - "The Sailors Bar". The Club is fully committed to the principles of the Responsible Conduct of Gambling, as well as the Responsible Service of Alcohol. The Club operates a Self Exclusion Programme for problem gamblers, and subscribes to the ClubSafe programme operated by ClubsNSW.

Drummoyne Sailing Club serves as a social hub to its community. We provide non-profit raffles, Trivia Nights, Live Bands and loyalty programmes to our members. We have recently sponsored the formation of a new Probus Club, for elderly and retired people to meet, interact and attend organised activities.

Drummoyne Sailing Club employs 25 staff, 10 of which are full time, 6 part time, with the rest being casual. Additionally the club licenses the operation of its restaurant and bistro to contractors, which employ 14 and 18 people respectively.

The following figures are from the 2007/08 financial year”

- Total Revenue \$3,036,090
- Revenue from Gaming \$1,109,793 (36.6% of total)
- Gaming Tax paid \$197,123

The last 2 financial years have seen the Club lose approximately 19.3% of its gaming revenue (\$251,104 over 2 years). This has been caused by first the partial and then full smoking ban imposed on clubs (and hotels) during that period. Whilst there have been some small gains in other areas (primarily in beverage sales), the drop in gaming revenue has seen the Club's financial performance decline from an operating profit in 2005/06 of \$66,977 to an operating loss of -\$95,222 in 2007/08. The club has had to increase prices, decrease services and reduce staff to remain viable.

The Club currently has an approved DA to expand it's clubhouse in order to provide a larger bistro dining area and function area. Unfortunately this project has had to be put on hold indefinitely, until the Club's financial situation improves.

Drummoyne Sailing Club contributes to its community in many ways, both socially and economically. Some examples are outlined below.

As stated above, the Club's primary purpose is to support the sport of Sailing. Classes that are supported by the club include 16 foot skiffs, Hartley TS16's, Yachts, OK Dinghies, Historical 10 foot skiffs and Radio Controlled Yachts. The club's Junior Division has been operating a training school for children aged 8 – 17 for the past 10 years and there are currently 80 children participating. Recently one of the club's Juniors, Olivia Price, was selected in the training squad for the 2012 Olympics. Olivia, who will soon turn 17, learnt to sail at Drummoyne Sailing Club and if selected in the final team she will be the club's first Olympian out of this programme.

In 2007/08 \$76,264 was directly spent on the sport of Sailing, much of which goes into maintaining the fleet of starting and safety vessels. Countless volunteer hours are donated by approximately 45 members of the Club. These include the Board of Directors, various Sailing Committees, Starting Crews, Coaches and Drivers to name a few. The Club could not survive without its volunteers, who

donate their time, energy and expertise for no financial reward, but to fulfil their passion for their sport and their club.

Drummoyne Sailing Club has a policy of supporting local business when sourcing its suppliers. Some examples include the local butcher (approximately \$60,000 per year spent on raffle prizes), entertainers and various tradesmen who maintain the club's equipment.

Drummoyne Sailing Club supports its community by providing in-kind support to various community organisations. Examples include supporting local schools, sporting organizations and community groups with the provision of free meeting areas and donations to their various fundraisers.

The club actively participates in the CDSE Scheme. Recent recipients of funding include: the Dobroyd Aquatic Club – to replace children's training boats destroyed in a fire; Abbotsford Sea Scouts – to assist in the rebuilding of their derelict clubhouse; and the CAN Mental Health organisation which provides a valuable telephone helpline for people with mental illnesses.

Additionally, the club supports several fundraisers a year to raise money for several charities, primarily the NSW Cancer Council and the Starlight Foundation. In 2007/08 financial year \$12,621 was raised for these two charities.

Recently \$3,200 was donated to the ClubsNSW Victorian Bushfire Appeal. This included a \$1000 club donation and \$710 from collection tins on the bar. Additionally, the staff of Drummoyne Sailing Club unanimously voted to cancel their Christmas Party and donate the funds (\$1490) to the appeal. This is a great example of the spirit of the people who work in the Club industry, the very people whose jobs are endangered by the proposed legislative changes.

It is our firm view that the proposed legislation put forward by some members of the Senate is misguided and unfairly targets the Club industry. The Club industry operates in an extremely regulated environment and there are already adequate measures in place to cater for the minority of people classed as problem gamblers. The Club Industry has a history of working closely with government and regulators to implement harm minimisation measures and we are certain that any sensible additional measures would receive the same support from the industry. We have seen no evidence that anything in the proposed legislation will do anything to assist a single "problem gambler"; it is our view that these measures would only serve to inconvenience the vast majority of the community who enjoy their clubs facilities in a sensible manner. Indeed, the introduction of such legislation will lead to further erosion of club revenues and inevitably result in further closures and amalgamations. We have already seen this occur with the introduction of anti-smoking legislation as well as increased gaming tax in recent years.

We believe that the proposed legislation will only serve to isolate the problem gamblers and push them away from the regulated environment and the support that clubs can provide. Some may follow the machines to the proposed racetracks or casinos, which will also be tightly controlled and regulated, but many will undoubtedly disappear into the privacy of their own homes, lured by the totally unregulated internet gambling industry.

We question why the club industry is the target of increased legislative restrictions, when other industries seem to operate under significantly less regulation, or no regulation at all. We see the TAB, Keno, Bookmakers and various internet sites advertising their services across all forms of media. We see bookmakers offering incentives of up to \$1000 to open an account with them, yet we are threatened with fines and legal action if we dare to advertise a poker machine promotion.

In conclusion, we believe that Drummoyne Sailing Club, as part of the great movement that is the NSW Club Industry, provides a real and tangible benefit to the community in any number of ways, as described above. We recognise that our club and our industry are reliant on gambling revenue to survive. We believe we should pay our fair share of tax and operate under a regulated environment, as should all gambling related industries. We recognise problem gamblers do exist; however their gambling is not limited to clubs and their poker machines, as some politicians and media outlets would lead us to believe. As we have always done, we willingly adopt any harm minimisation legislation that Government asks us to work under and we ask that the Government and Regulators work with the industry when introducing new measures.

Yours faithfully,

Pat Eagleton  
General Manager

On behalf of the Board, Members, and Staff of Drummoyne Sailing Club Ltd