

March 23 2009.

Gambling Inquiry Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Commissioners

Thank you for the opportunity to provide a submission.

Cronulla Sutherland Leagues Club is located in the Sutherland Shire of NSW on the southern edge of Botany Bay. The club has been in existence for 52 years, having operated the licensed premises and stadium in its current location since 1977. Cronulla Sutherland Leagues Club has played a significant part to the sporting and social canvas of the region by participating in the most elite level of Rugby League in the country, the now National Rugby League, since our acceptance to the league in 1967, some 42 years.

Location –

Based in Captain Cook Drive Woollooware – the Club and associated fields appear as follows -



Facilities -

As a significant provider of both social and sporting infrastructure, the Cronulla Sutherland Leagues Club provides the following –

- 19,885 members
- 8,500m2 licensed premises
- 900 seat auditorium, the largest operational room in the region, hosting major acts such as Shannon Noll, Natalie Bassingthwaite, Mark Seymour etc.
- 240 seat Brasserie, Mangrove Grill
- 250 seat lounge, Steve Rogers Lounge
- 120 seat fine Dining restaurant, Bluefin, winner of Clubs NSW restaurant of the year 2006
- 160 seat Chinese restaurant, King Wan
- Café
- Further 180 seat, Bluefin function room
- Further 500 person, summertime function room and 1,500 outdoor function beer garden space
- Immortals, 60 seat meeting room
- Dedicated outdoor smoking decks, provided in 2007 at a cost of \$650,000
- 4 full size snooker tables in a dedicated space
- 192 gaming machines
- Keno
- TAB
- Two squash courts available at discounted price for members
- 550 car spaces attached to the club.
- Courtesy Bus, 7 days per week.
- Operational and management offices for Cronulla Sharks NRL team.
- Provision of "safe" ATM access to three machines

Further to the ownership and operation of the licensed premises of the club, Cronulla Sutherland Leagues Club owns and provides the following –

- The Club is attached to Toyota Stadium, home of the Cronulla Sharks, a 22,000 person capacity ground with 10,000 grandstand and concourse seats.
- Two further football fields are attached to the west side of the stadium, Endeavour 2 and 3.
- Additional 500 car spaces that service the stadium and Endeavour 2 and 3 (1,050 total)
- Corporate function facilities for 300
- 6 change rooms, gym and associated facilities.

Economic Contribution –

Cronulla Sutherland Leagues Club is a significant economic contributor for/to the region in a number of forms –

Cronulla Sutherland Leagues Club employs 141 staff, 20 permanent, 23 part time and 98 casuals.

Payroll for the year ended June 2008 totalled \$3,198,961

Group Tax collections of \$645,563

Payroll Tax paid of \$154,903

Gaming Tax for the Club year ended October 2008 of \$3,420,589

Cronulla Sutherland Leagues Club also uses a number of external contract providers to supply services such as Catering, Cleaning etc as significant providers of employment in the area.

Cronulla Sutherland Leagues Club is the major financial contributor to the Cronulla Sharks National Rugby League operation, providing the following grants in the last four years–

2008	\$2,572,000
2007	\$1,500,000
2006	\$1,500,000
2005	\$1,800,000
<u>Total</u>	<u>\$7,372,000</u>

Social Contributions –

Social contributions of Cronulla Sutherland Leagues Club include the following –

CDSE – Community Development and Support Expenditure include –

2007/8 Category 1 –

Rainbow Club	\$13,000	Provide swimming classes for disabled children
Bates Drive School	\$5,000	Special needs school
Minerva School	\$29,500	Special needs school
Burraneer Bay School	\$16,000	Bullying and special needs program
Miranda Public School	\$6,800	Special needs class provisions
St Aloysius School	\$4,800	Bullying program provision
Cronulla High School	\$500	Scholarship
St Johns Ambulance	\$2,500	Emergency services provision

2006/7 Category 1 –

Cronulla High	\$500	Scholarship
Endeavour High	\$500	Scholarship
Woolooware High	\$500	Scholarship
Breakfree Foundation	\$5,000	Camp provision – children with cancer
St Johns Ambulance	\$2,500	Emergency services provision
Boys Town	\$5,000	Youth education
Cancer Council	\$9,150	
St Aloysius School	\$4,800	Bullying program provision
Minerva School	\$31,640	Special needs school
St George Community Coll.	\$4,000	Special needs school
Miranda Public School	\$8,000	Special needs class provisions
Charge Foundation	\$4,000	Disability services
Amelia House	\$5,000	Respite Care
Burraneer Bay School	\$16,000	Bullying and special needs program

CDSE – Category 2 –

Contributes \$100,000 per annum to the Cronulla Sutherland District Junior Rugby League for the provision of services, referees etc in 2007/8 and 2006/7

In 2008/9 this decreases in line with the current economic situation and decreased revenues to \$68,500 for the provision of referees for all games played in the district.

Other social / sporting contributions –

Provision of the western fields of Toyota Stadium, Endeavour 2 and 3 for the use of the Cronulla Caringbah Junior Rugby League Football Club for use of all junior teams from under 6 to “A” grade

Provision of Toyota Stadium for Junior League semi finals and Gala Grand Finals for the Sutherland District Junior Rugby League for under 6 through to “A” grade.

Donated room hires for the current year, provision of meeting rooms without charge to sporting and social groups, are estimated as follows –

Intra Club meetings 2009		Hire	Meetings	
Association	Room	Cost \$	09	Total
Sports Council	Summertime	\$440	10	\$4,400
Baseball Club	Sharks	\$200	30	\$6,000
Camera Club	Immortals	\$275	24	\$6,600
Lions Club	Immortals	\$275	50	\$13,750
Junior Rugby League	Bluefin North	\$440	18	\$7,920
Ladies Golf	Summertime	\$440	4	\$1,760
Indoor Bowls	Sharks	\$200	46	\$9,200
Toast Masters	Immortals	\$275	46	\$12,650
Cronulla Athletics	Summertime	\$440	12	\$5,280
Netball	Summertime	\$440	3	\$1,320
Mens golf	Summertime	\$440	11	\$4,840
JRL Ball	Auditorium	\$1,650	1	\$1,650
Total Donated -				\$75,370

Other sponsorships –

Sutherland District Referees \$5,000 per annum for provision of education and training

Cronulla Sutherland District Junior Rugby League \$8,000 provision of specified trainers and runners shirts.

Leader Shire Business Leaders Awards \$5,000 for category award winner.

Internal Sporting Clubs donations of \$21,203 in 2007/8 and \$17,975 in 2006/7. These clubs include Netball, Baseball, Hockey, Mens Golf, Ladies Golf, Water Polo, Athletics and Camera Club.

Representatives of Cronulla Sutherland Leagues Club also sit on a number of Local and National Committees –

Local Liquor Accord
 CDSE committee
 NSW Rugby League
 Australian Rugby League
 Australian Rugby League Development
 National Rugby League.

Financial Performance –

Club Performance	2008	2007	2006	2005
Gaming Revenue	\$ 11,991,000	\$ 12,438,560	\$ 13,164,801	\$ 12,835,790
Total Revenue	\$ 14,888,446	\$ 15,466,226	\$ 16,211,324	\$ 15,790,658
Gaming Taxes	\$ 3,420,589	\$ 3,847,899	\$ 3,891,031	\$ 3,413,598
Expenses	\$ 13,501,249	\$ 14,157,156	\$ 14,297,222	\$ 13,860,549
Profit	\$ 1,387,197	\$ 1,309,070	\$ 1,914,102	\$ 1,930,109

As evidenced by the above table, Poker Machines provide a most significant percentage of the Cronulla Sutherland Leagues Club revenue base, some 80%, the majority of the remainder being beverage sales inside the club and as part of the NRL game day activities on Toyota Stadium.

Cronulla Sutherland Leagues Club poker machines, effectively managed in a community based environment provides significant flow within our community –

- Employment of 140 people in full, part time and casual positions (many casuals being university students)
- Significant funding to the Cronulla Sharks NRL organisation averaging \$1,843,000 per year in the last four years.
- Significant taxation contributions
- Community support and expenditure contributions exceeding the base Government requirements, and in excess of \$200,000 per annum.
- Provision of multiple sporting fields for both NRL and community sporting uses.

Responsible Gambling –

Cronulla Sutherland Leagues Club is a member of ClubSAFE. ClubSAFE is the club industry's Responsible Conduct of Gambling Program. ClubSAFE, which was initially developed by ClubsNSW with significant input from the Australian Institute for Gambling Research, is a comprehensive package designed to help 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 Club that are desirable to the values and objectives of the community. Responsible gambling management practices seek to minimise the harm that may occur as a result of problem gambling.

The content of the ClubSAFE program is guided by the ClubsNSW Responsible Gambling Code of Practice. ClubsNSW Responsible Gambling Code of Practice, which has received Ministerial approval.

Best Practice Guidelines

Cronulla – Sutherland Leagues Club adheres to ClubSAFE Best Practice Guidelines and is responsible for:

1. Providing gambling services and practices that conform to all applicable Acts and Regulations.
2. Promoting responsible gambling practices that conform to local community standards and expectations.
3. A patron complaint resolution process.
4. Implementation of policies to encourage responsible practices in advertising and promotions related to gambling and ensure compliance with relevant legislation.
5. A policy that ensures all legislative requirements related to cheque cashing, payment of winnings and financial transactions is implemented and encourages patrons to develop responsible practices in the use of finances for gambling purposes.
6. Procedures for handling personal information relating to gambling patrons in the club to protect their rights of privacy.
7. A pleasant and safe gambling environment.
8. Informing and training 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. Encouraging patrons to take responsibility for their gambling activity through an effective self-exclusion procedure or other mechanisms.
10. Informing 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. Developing links between the club and relevant community organisations that will provide support and advice for problem gamblers and their families.

Concerns Going Forward –

Cronulla Sutherland Leagues Club has weathered, and is still weathering the effects of the transition to a non smoking venue and the effects of the significant increases in gaming tax in NSW as evidenced by the table above –

- Gaming revenue has decreased from \$12.83 million in 2005 to \$11.99 million in 2008 or a decline of -6.58%
- Gaming tax has increased from 26.59% of gaming revenue in 2005 to 28.53% of revenue in 2008. Effectively gaming tax has remained at \$3.42 million in 2008 based on gaming revenue of \$11.99 million versus \$12.83 million.
- Thus the net level of gaming receipts has decreased and had a significant effect on the bottom line profit of the Club, down from \$1.93 million in 2005 to \$1.387 million in 2008 or a decline of -28.13%.

- These changes have made it increasingly difficult for Cronulla Sutherland Leagues Club to maintain its community and sporting support going forward and have had a significant effect on its ability to support the Cronulla Sharks to a competitive level within the National Rugby League as is the charter of the Club.

It is the belief of the Board of Directors and Management of Cronulla Sutherland Leagues Club that, on balance, the Cronulla Sutherland Leagues Club is a significant provider of Social, Sporting and Community funding and infrastructure in the region, and manages its affairs and responsibilities within the social and community framework effectively for the good of all stakeholders and this should be given due consideration by the Commission going forward.

Signed:

Signed:

Barry Pierce
Chairman
Cronulla Sutherland Leagues Club

Michael Wilkins
General Manager
Cronulla Sutherland Leagues Club