



**SUBMISSION TO THE PRODUCTIVITY  
COMMISSION'S DRAFT REPORT INTO  
GAMBLING**

**Tuesday, 15 December 2009**

**SUBMISSION BY  
BANKSTOWN DISTRICT SPORTS CLUB LTD**

Mr G Banks, Mr R Fitzgerald & Ms L Sylvan  
Commissioners  
Productivity Commission – Inquiry into Gambling  
GPO Box 1428  
Canberra ACT 2601  
Email: gambling@pc.gov.au

Dear Commissioners,

Thank you for the opportunity to respond to the draft report into gambling in Australia.

While many of the recommendations in the draft report into gambling are sustainable, there are several recommendations that if implemented would place a huge financial burden on our club and if all of the recommendations were to be implemented, would see the end of our club, which has existed in the community of Bankstown for 50 years.

The gambling industry has never denied that gambling can cause harm to some people. Our concern is that some of the recommendations may not necessarily address this harm while the costs to the industry to implement and the impact on revenue have also been ignored.

We are concerned that at least two of the terms of reference of the public inquiry, particularly terms 3 and 5 have not been covered.

3 *the economic impacts of the gambling industries, including industry size, growth, employment, organisation and interrelationships with other industries such as tourism, leisure, other entertainment and retailing*

5 *the contribution of gambling revenue on community development activity and employment*

These two terms will assist the commission to see the other side of gambling and the real benefits it provides to the community, to the State Economy and to the Australian Economy.

#### Key Facts

We refer to our initial submission (29) and hope the commission has the opportunity to review its contents, in it we cover in some detail about the benefits the club provides to both the local community and State economy.

Bankstown District Sports Club was formed in 1958 after a group of local sporting clubs decided it was time to form a club with a vision to support sport in the community of Bankstown.

Since then the club has grown substantially and now covers over 90,000 square metres and includes 745 gaming machines, 108 room hotel, 5 restaurants, 12 bars, 19 function/meeting rooms, 1200 underground and secure car parks and a recently opened grand ballroom which can hold up to 1200 people in a conference.

The club's main purpose is to support local sport particularly junior sport and has done so since 1958.

In 2009, the club reached just under 60,000 members, which includes 5,000 members living in the area and supporting our Baulkham Hills Sports Club.

The club also operates a TAB and Keno at all of its sites.

### ***Economic Contribution***

Including the employees working in our two leased restaurants the club directly employs over 600 people. Most of these employees live within 20km from the club and live within the city of Bankstown.

It is interesting to note an article in the Sydney Daily Telegraph on Monday December 14, 2009 where it highlights the number of jobs predicted over the next 3 years.

*“There are 335,000 jobs predicted over coming three years, including 240,000 jobs for school-leavers – most in NSW. Apprenticeships and traineeships in positions ranging from club workers, food and beverage managers, cooks and chefs, kitchen hands, butlers, housekeepers, waitresses, front office hotel managers, car park attendants, receptionists, tour guides, travel consultants and travel advisers”*

Most of the roles listed above are current roles at Bankstown Sports Club.

In 2009, the club's total revenue was \$96m. Poker machines contributed \$71m or 74% of total revenue while \$18.5m was invested in employment.

From this poker machine revenue \$19m was paid as State gaming tax and another \$6.4m was paid in GST.

The financial performance of the club for 2009 was a surplus of \$5.4m down 46% from 2004. For the same year the club was in debt to its maximum capacity at \$48.5m while its total assets grew to \$203m.

Over the past 10-20 years the club has invested into other revenue areas outside of gaming, this investment includes a 108 room hotel, 5 restaurants, 12 room conference facility, grand ballroom and grand hall, 1200 underground and secure car spaces and in 2008 opened an \$8m redevelopment of our Baulkham Hills Club.

Pending revenue and of course the outcome of your inquiry into gambling the club hopes to include the following to its facilities:

- 9 storey office tower
- 200 seat themed steak house restaurant
- kids play and birthday party area
- day spa
- Expansion of the existing Travelodge Hotel with another four storeys increasing the rooms to 216.

On Tuesday December 8, 2009, Bankstown Council approved a \$40m 9-storey office tower to be built on our premises. This office tower has been part of our master plan for over 10 years and is geared to attract Government and corporate tenants. We hope that when complete the building will not only provide rent for the club but also attract 1400 people who will work in the building on a day-to-day basis.

Over the past 15 years, the club has invested into providing first class restaurants for its members and guests. This has been very successful and we are again looking at expanding this selection to include a steak house restaurant. We expect the restaurant will cost up to \$4m to complete.

With the introduction of our restaurants, we have seen a huge increase in families visiting the club regularly. This has brought about a need to entertain children so we are planning to build a children's play area and multiple birthday party rooms.

We are currently in negotiations with Travelodge to expand the hotel to include another four storeys. This will double the current room total from 108 to 216 rooms. Our location and the facilities provided by the club have seen occupancy of this hotel average well over 85%.

With the introduction of the hotel and our conference facilities including the recent grand ballroom and hall, we have seen an increase in corporate business people staying in our hotel while conducting business in the Sydney District. Approximately 20% of the current occupancy of the hotel comes from inbound Chinese tourist. With the planned investment to increase rooms in the hotel, we expect the number of tourists to increase.

### ***Social Contribution***

In 2009, the club invested \$1,036,978 into junior sport in the local community while a further \$729,300 was invested in welfare and our youth club. While this investment is down approximately 40% from 2007 because of financial pressures, it remains a substantial investment in sport and welfare in the community.

In addition to the above, in 2009, Bankstown Sports Club supported the Bulldogs rugby league team and the Sydney Bulls rugby team amounting to approximately \$400,000 in sponsorship investment.

The \$1,036,978 investment into junior sport in the local community in 2009 equates to supporting a total of 32 individual affiliated sporting bodies and approximately 5 non-affiliated sports. This investment directly benefits approximately 5000 individuals.

An example of this investment is our support for the Bankstown Sport Bruins (Basketball). In 2009, we invested \$60,000 into their club, which directly supported 2500 children.

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 (since 1964).
- Supporting Australia Day celebrations with an annual assistance of \$25,000 (since 2000).
- 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 (since 1990).

While many of the recommendations listed in the draft report can be sustained, some of them would cause serious financial strain and if all were implemented we expect a reduction in revenue of well over 40%.

As an example, a reduction of 10% in gaming revenue for Bankstown Sports Club would see a reduction of approximately \$7,132,886 per annum. A reduction of this magnitude would not only force us to shed approximately 50 jobs but would cause a trading loss and would put us under huge pressure with the bank.

There is no doubt that the club industry in NSW is unique even to other states within Australia, the contribution the industry makes by way of employment, investment into the community and sustainability of junior sport makes a real difference. We hope that when determining the final recommendations, the real impact they have on the financial viability of clubs and therefore the economy be taken into consideration.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Mark Condi', written in a cursive style.

Mark Condi  
Assistant Secretary Manager  
BANKSTOWN DISTRICT SPORTS CLUB  
Tuesday, 15 December 2009



Artist impression of the 9-storey commercial office tower on club premises. The development application was approved by Bankstown Council on Tuesday December 8, 2009.