



14 December 2009
Productivity Commission Gambling Inquiry
Locked Bag 2, Collins St. East,
Melbourne,
Vic 8003

Re: Previous Submission

I ask that the Productivity Commission to reconsider City Diggers Wollongong's previous submission to it's gambling inquiry, as part of a complete analysis of the Inquiries terms of reference, including an analysis of the economic and social contribution of the NSW Club industry.

The Productivity Commission has attempted to measure the benefits of their draft recommendations to the Federal Government, and now should also measure the COSTS of these recommendations to both the Club industry in NSW and the subsequent detrimental flow on affects in regards to employment levels and community contribution and assistance.

BACKGROUND INFORMATION:

City Diggers Wollongong was first established as the Wollongong Soldiers Club in 1929, with the aim of providing assistance to returned servicemen from World War 1.

We currently have 13,000 members, 450 of these being returned services personnel, who benefit by the Club's social contribution.

- With 65 employees (club and catering) we generate an annual payroll of \$2.2 million. We have 106 gaming machines, generating nett revenue of approximately \$3.4 million per year. Total additional revenue is approximately \$1.05 million.
- City Diggers Wollongong has accumulated losses of \$1.49 million in the five years 2005-2009, partly due to the Club industry charter of providing low cost services to our members and the community in general, and our levels of support to the community of Wollongong. We have debts of \$550,000, and total net assets of \$6.3million.



- Our premises were purchased in 2005 from the RSL Sub Branch for \$2.75 million, and subsequently \$5 million was spent on a major refurbishment of the premises: in total an investment by the Club in the Illawarra region of some \$8 million.
- In the five year period 2005-2009 City Diggers Wollongong contributed \$235,023 in Community Development Support Expenditure to local community and charity groups, \$31,592 or more than 15 % above our statutory obligations.
- We have paid \$2.88 million in state government gaming tax over this five year period.
- We fund four inter club sporting groups, providing a sporting and social outlet to our older members who otherwise would not have these facilities. As well as supporting major charitable organizations each year in the local region, we are also the sole sponsors of the Central Vision Impaired Group in the local area. Without our support, this organization could not continue. We are major sponsors of our local Surf Lifesaving Club and jointly (with four other local clubs') fund a gaming counseling service offered face to face here at City Diggers.

If a number of the Productivity Commissions draft recommendations were to be enacted we have major concerns at the ongoing viability of City Diggers Wollongong and the Club industry in general, concerns for the ongoing employment levels here and in our local community, and the support we can offer to the above community groups.

Thank you for your considerations.

Phil Ryan
General Manager
City Diggers Wollongong
02 42288522
pryan@citydiggers.com.au