



# 2015 National Clubs Census



**Detailed Report**






FINAL

—

August 2016



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## ***Inherent Limitations***

*This report has been prepared as outlined in the Introduction Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.*

*KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.*

*KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.*

*The findings in this report have been formed on the above basis.*

## ***Third Party Reliance***

*This report is solely for the purpose set out in the Introduction Section and for ClubsNSW's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.*

*This report has been prepared at the request of ClubsNSW in accordance with the terms of KPMG's engagement letter/contract dated 1 September 2015. Other than our responsibility to ClubsNSW, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.*



# Key Findings

# Key Findings

## Overview

ClubsNSW, on behalf of Clubs Australia, commissioned a four-yearly national census to understand the critical trends and developments across all aspects of the structure, function, and performance of the registered clubs industry.

The Clubs Census provides an important evidence base for individual clubs and is a critical input to strategic planning in the industry. It is also used to guide and inform discussions with key government and non-government stakeholders.

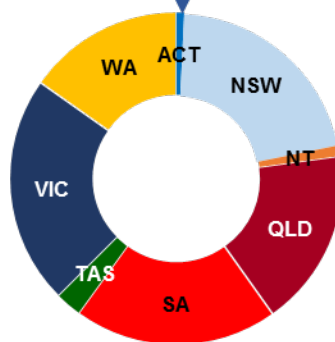
The results of the 2015 National Clubs Census show that, in 2015:

- the clubs industry contributed an estimated \$8.3 billion (0.5 per cent of GDP) to the Australian economy;
- the clubs industry contributed an estimated \$2.6 billion in Commonwealth and State taxes; and
- the value of registered clubs' social contribution to NSW represents a further \$5.0 billion.

Since the completion of the last census in 2011, the registered clubs industry has continued to be an important driver of economic activity and employment, and a strong supporter of local organisations and the broader community.

Overall financial viability in the sector has improved since 2011; however, a number of challenges remain, particularly for smaller clubs. The Clubs Census has shown that larger clubs are generally more well-placed to achieve sustainable growth, while providing greater levels of community support, employment and subsidising important sports, recreational, and venue facilities compared to other clubs.

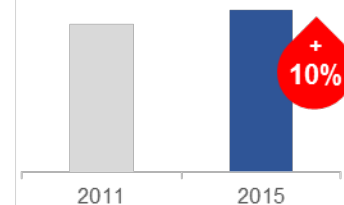
## KEY INDUSTRY BENCHMARKS IN 2015



**\$8.3 billion**

**IN ECONOMIC CONTRIBUTION**

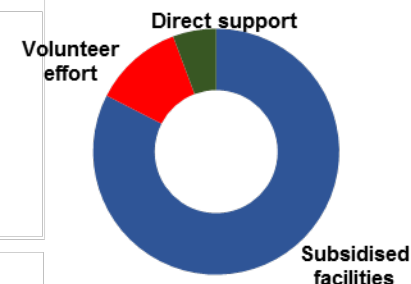
The economic contribution of clubs accounts for 0.5% of GDP and is up 10% on 2011.



**\$5.0 billion**

**IN SOCIAL CONTRIBUTION**

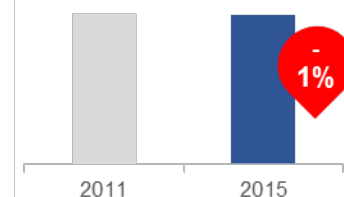
The social contribution of clubs consists of community donations, subsidised access to facilities and volunteering.



**130,000**

**PEOPLE EMPLOYED**

Clubs employ almost 130,000 people nation wide, which is slightly less than in 2011. This is equal to around 85,000 Full Time Equivalents (FTEs).



# Key Findings (cont'd)

## Economic impact of registered club operations



The economic impact of registered clubs in Australia is significant and indicates that the registered clubs sector remains an important driver of the Australian economy, particularly within the accommodation and food services sector.

The economic impact of registered clubs is particularly important in regional areas where employment opportunities may be scarce and services difficult to access. The results of the 2015 National Clubs Census show that the registered clubs industry provides a \$8.3 billion total contribution in 2015 accounting for flow-on effects, or 0.5 per cent of GDP.

## Social contribution of the registered clubs industry



Clubs directly contribute to communities by making cash and in-kind donations to local organisations, supporting local initiatives and events, and providing access to a range of community venues and facilities including sporting and recreational centres. Overall, the level of social contribution in 2015 was \$5.0 billion; this estimate is based on improved information compared with the 2011 Census and as a result this is not directly comparable to the 2011 estimate of social contribution. This includes the following:

- Cash and in-kind donations of \$286 million in 2015, up 7 per cent since 2011. Of this total, cash donations account for \$229 million and in-kind donations account for \$57 million.
- Subsidised access to social and recreational facilities owned and operated by Australian clubs of approximately \$4.1 billion. This comprises the total market value of these facilities of \$4.6 billion less an estimated \$438 million in revenue derived from these facilities. This revenue estimate includes revenue earned directly from facility access fees as well as a share of other revenue line items such as membership fees.
- The value of volunteer labour represents \$590 million.

## Employment in the clubs industry



Registered clubs are present in all areas of Australia and employ around 130,000 people nationwide. There has been a small fall in headcount since 2011, but an increase in overall salaries and wages paid by clubs in real terms.

## Financial viability of registered clubs



The financial viability of the Australian registered clubs industry as a whole has improved between 2011 and 2015, with the number of clubs in a solid or flourishing financial position increasing from 27 per cent in 2011 to 37 per cent in 2015. However, challenging conditions remain, particularly for clubs that earn less than \$1 million in annual EGM revenue, with 58 per cent of the Clubs Census respondents exhibiting signs of distress or serious distress.

Differences in financial viability are a result of differences in the capability and capacity of clubs to respond to a challenging operating environment. Larger clubs, with the advantages of scale have been more successful than smaller clubs in improving their financial health.

## Taxes paid by registered clubs



The analysis of the 2015 Census results indicates a slight increase in total taxes paid by registered clubs, from \$2.51 billion in 2011 to \$2.64 billion in 2015. This is largely a result of increased gaming taxes and GST, which are the two most significant taxes paid by clubs in Australia.

Gaming taxes remain the most significant tax faced by registered clubs, accounting for 48 per cent of all taxes paid, a largely stable trend since 2011. However, the amount paid in gaming tax varies widely depending on the extent to which clubs operate EGMs.



# Introduction

# Introduction

## Overview

The registered clubs industry in Australia is broad and diverse. There are around 6,400 registered clubs nationally. Registered clubs offer a variety of services to their 13.2 million members and their local communities, including entertainment, food, sport, hospitality and gaming.

Registered clubs make an active contribution to local communities through direct and indirect forms of support. This includes the provision of facilities, the sponsorship of professional and non-professional sporting teams and volunteers, and through the financial and non-financial support of local health and education initiatives.

Individual clubs vary widely by size, scope and function. In addition, regulations in each State and Territory vary, resulting in varying characteristics of clubs across Australia.

The level of fragmentation within the clubs industry poses a challenge, as does the large number of clubs and the significant variation in the scope and scale of club operations. In addition, the industry faces a series of risks and challenges that may impact the long term financial viability and sustainability of some club types within the industry. Consolidation across the sector has been one response to these threats and challenges. However, notwithstanding the uncertainties within the operating and regulatory environment, a number of clubs are experiencing growth and are diversifying their offerings.

It is within this context that ClubsAustralia and ClubsNSW have commissioned a four-yearly national census to understand critical trends and developments across all aspects of the structure, function, and performance of the sector. The Clubs Census provides an important evidence base for individual clubs and is a critical input to strategic planning undertaken by the industry. It is also used to guide and inform discussions with key government and non-government stakeholders.

**This Report documents the approach, results and key themes of the 2015 National Clubs Census.** The 2015 Clubs Census ('the 2015 Census') builds on the outcomes of the 2011 Clubs Census undertaken by KPMG and takes into consideration a number of broader policy developments within the sector. These developments have formed a critical backdrop to the latest Census. Therefore, the insights provided by the survey should be considered within this broader context.

## Purpose

The purpose of this Report is to document all aspects of the scope, approach, assumptions, key findings, and limitations associated with the development and delivery of the 2015 Census. The analysis provides the registered clubs industry with data on industry trends, and the most important risks and opportunities faced by the sector.

## Scope

The agreed Scope of the Engagement is:

- the development of the 2015 Census survey;
- implementation of the survey instrument, including assisting with the generation of a significant survey sample; and
- analysis of the survey results.

## Limitations

The interpretation and use of the results from the 2015 Census is subject to a number of limitations that need to be considered by the reader. These limitations relate to issues such as sampling considerations and are outlined fully within the main body and appendices of the Report.

## Structure of this Report

This Report is structured as follows:

- **Section 2** provides a summary outline of the **approach** of the 2015 National Clubs Census.
- **Section 3** outlines the key limitations of the analysis and provides the policy, regulatory and operating context for considering the 2015 Census findings.
- **Section 4** presents the **key results** of the 2015 Census by jurisdiction.
- **Appendices** provide detailed **supplementary information** to the main body of the Report.



# Approach



# Clubs Census: Summary Approach

## Overview of the approach

KPMG undertook the development, distribution, and analysis of the 2015 Census in coordination with ClubsNSW and Clubs Australia. A number of approaches were tested to refine the outputs of the 2015 Census; however, the overall approach remained broadly consistent with the 2011 Clubs Census. Where adaptations were made, the intent was to enhance and streamline the survey experience, and to provide deeper insight to critical aspects of the industry. The approach was also developed to better respond to the priorities identified by ClubsAustralia and ClubsNSW. The diagram below summarises the overall approach. Further detail on each stage of the approach is provided in Appendix A of this Report.

### 2015 Census – Principle Stages



#### Stage 1: Agreement of the 2015 Census purpose and key parameters

- We confirmed the objectives of the 2015 Census and the principal parameters. We looked for opportunities to build on, and learn from, the 2011 Census.
- The census framework considered the changing demand for information from Clubs Australia, its stakeholders and the registered clubs industry. Specifically, consideration was given to the types of information required to inform and implement strategic planning priorities.



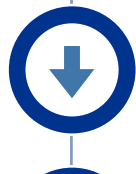
#### Stage 2: Development and pilot of the survey instrument

- A preliminary version of the survey instrument was developed and circulated internally within the KPMG project team and ClubsNSW and Clubs Australia for the purpose of eliciting feedback. We obtained agreement on deviations from the instruments used as part of the 2011 Census.
- We tested the preliminary survey questions through the administration of a pilot survey, in order to identify scope for refinement of the survey instrument. The pilot was completed in October 2015. The subsequent full survey closed in March 2016.



#### Stage 3: Survey distribution

- The 2015 Census was distributed to over 6,100 clubs in Australia. The distribution list was developed with the assistance of Clubs Australia and sought to capture all clubs actively operating in Australia. However, this did not capture all clubs as indicated by information on the size of the club population sourced from the State and Territory regulators.
- Ongoing support was provided through the ClubsNSW Member Enquiries Centre and through a dedicated functional mailbox to assist with frequently asked questions (FAQs), and facilitate the completeness of survey responses and the overall response rate.



#### Stage 4: Collation and analysis of survey results

- We used accepted statistical analysis techniques to extrapolate the survey results across the industry, based on the sample size achieved in the surveys and the assumption of simple random sampling. In addition, data validation and cleansing processes were used to address data quality concerns.
- The results have been used to estimate key industry metrics and to benchmark against the 2011 Census results.



#### Stage 5: Reporting

- This Report represents a detailed outline of the 2015 Census scope and approach, as well as an analysis of the key themes identified through the Clubs Census implementation and analysis phases. Where possible, KPMG sought to compare the results of the 2015 Census to those in prior years and to identify the drivers behind any changes.



# Limitations

# Limitations

The 2015 Census involved collating a significant number of completed surveys from a diverse range of registered clubs in Australia. The clubs were varied, with:

- differing capacity to complete the surveys; and
- differing data collection and recording systems used to present the information requested in the Census.

In addition, the development of the population-level estimates required the application of statistical techniques to extrapolate the survey responses. As a result, the analysis is subject to a number of limitations. To the greatest extent possible, KPMG has sought to minimise the impact of these limitations through the use of statistical techniques – these are outlined in Appendix A of this Report.

The interpretation of the 2015 Census results, including the themes identified in the remainder of this Report, should be undertaken with an understanding of the limitations.

In addition to the broader set of limitations discussed in this section, throughout this Report, detailed discussion of the limitations of the analysis and the likely impact of these limitations is presented with respect to each of the key census themes.

The key limitations of the 2015 Census include:

- **the accuracy of statistical estimates** – similar to all estimation dependent on sample data, the results of the 2015 Census are subject to sampling error. This reflects the potential deviation of the sample average from the average of the whole population. Results have not been presented in this Report where the sample is insufficient to provide confidence in the Census estimates.
- **the quality of responses** – the 2015 Census results, as presented in this Report, have been developed on the basis of responses provided by clubs in the survey. As a result, the quality of the data is subject to the quality and accuracy of the responses provided by the registered clubs that participated in the survey.

- **the presence of outliers** – given the use of an extrapolation approach to generate population estimates based on sample data, outliers may have a significant impact on the final estimates. Where these outliers are a result of respondent error, there may be an impact on the quality of the Census results. Where possible, errors have been identified and removed; however, some errors may remain given the conservative approach to data cleansing.
- **the presence of internal inconsistencies** – internal inconsistencies are other errors that may impact the quality of the Census results. Where possible, these errors have been identified and removed; however, some errors may remain given the conservative approach to data cleansing.
- **the use of extrapolation methods to develop population estimates** – a top-down approach was used to develop the extrapolations for the 2015 Census. This is consistent with the approach used in the 2011 Census. However, as sample-level results are extrapolated to population-level totals, the natural variation in responses is likely to be magnified, which may impact the quality of the Census results.
- **the use of state specific estimates for NSW** – the 2015 Census has incorporated the results of the NSW Census in its estimates of the size and scope of the NSW industry. This reflects the more precise approach used in the NSW Census. This approach is expected to improve the overall quality of the 2015 National Census results, but should be considered when comparing the estimates between NSW and other states and territories.
- **the calculation of social contribution** – where possible, the 2015 Census has been conducted in a manner consistent to the 2011 Census. However, where possible and required, changes have been made to improve the quality of the Census results. This is the case for key components of the social contribution calculation, and has implications on direct comparison of social contribution between the 2011 Census and the 2015 Census.
- **the calculation of financial viability** – financial viability measures have been developed on the basis of survey responses rather than extrapolated estimates. As a result, the composition of the sample may impact the results and inhibit comparisons between states and territories or years.



# Results



National results of the 2015 Clubs Census



# Clubs Census 2015 – Overview of national results

## Introduction

The registered clubs industry consists of over 6,400 individual clubs operating across the states and territories. The size of the industry in each jurisdiction varies, from 49 in the ACT to 1,430 in Victoria. These individual clubs provide services to over 13.2 million members and the broader community.

The structure of the clubs industry has changed since 2011. This has occurred due to market entries and exits, and as a result of changes in market and operating conditions affecting the size of participants. In addition, there has been an improvement in the coverage of the Census, particularly in regard to the number of clubs identified in Victoria.

Table 1 below provides a high level summary of the population of registered clubs in Australia in 2011 and 2015. It can be seen that:

- The number of clubs with no EGM revenue remains significant, driven in part by the high proportion of clubs in Western Australia, South Australia and Victoria without access to EGMs.
- The number of large clubs (as measured by EGM revenue) has increased indicating that larger clubs have been successful in expanding their operations.

**Table 1 – Changes in industry structure**

EGM Revenue	Clubs Census 2011	Clubs Census 2015	Change
\$0	4,432	4,449	+17
\$0 – \$200k	493	577	+84
\$200k – \$1m	724	491	-233
\$1m – \$5m	652	582	-70
\$5m – \$10m	155	180	+25
> \$10m	83	134	+51
<b>Total</b>	<b>6,539</b>	<b>6,413</b>	<b>-126</b>

Source: *Clubs Census 2015 and KPMG analysis.*



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## Financial viability of clubs in Australia

While a number of trends have been identified across jurisdictions, changes in the regulatory framework in which clubs operate can drive changes in club performance across jurisdictions.

For instance, a key aspect of the regulatory framework is the scope for clubs to operate EGMs. Restrictions on the operation of EGMs is likely to have a significant impact on club operations, particularly given that EGM revenue accounts for a significant proportion of total club revenue in some jurisdictions. Specifically, EGM revenue makes up over half of all club revenue in the ACT and NSW, while in Western Australia, no club earns EGM revenue and in South Australia EGM, revenue accounts for less than 10 per cent of club revenue.

It is likely that since 2011 a mixture of policy changes has drive changes in the operation of clubs across jurisdictions. These include reductions in red tape for clubs in Queensland, the changes to the structure of EGM licensing in Victoria, and a suite of changes introduced in NSW under the Memorandum of Understanding between the clubs industry and Government aimed at addressing the financial viability of clubs. These specific changes are detailed further in the subsections for each state and territory within the Report and the assessment of the 2015 Census results should be considered in this context.

In the context of the clubs industry, financial viability refers to the ability of a club to generate sufficient funds from its operating activities to cover the costs of providing services to its membership and local community, meet its financial obligations, and have the financial capability to reinvest in facilities and infrastructure. A key determinant of financial viability is therefore the revenue earned by clubs, which in 2015 was equal to \$12.2 billion.

# Clubs Census 2015 – Overview of national results (cont'd)

The assessment of the financial viability of the clubs industry is based on a series of profitability measures proposed by Independent Pricing and Regulatory Tribunal (IPART) in 2008 to accurately estimate the financial position of NSW clubs. These include the following:

- earnings before interest, income tax, depreciation and amortisation (EBITDA) as a proportion of total revenue;
- earnings before interest, income tax, depreciation, amortisation, rent and donations (EBITDARD) as a proportion of total revenue;
- operating cash flows as a proportion of working capital deficiency;
- operating cash flows as a proportion of borrowings; and
- cash expenditure as a proportion of operating cash flows.

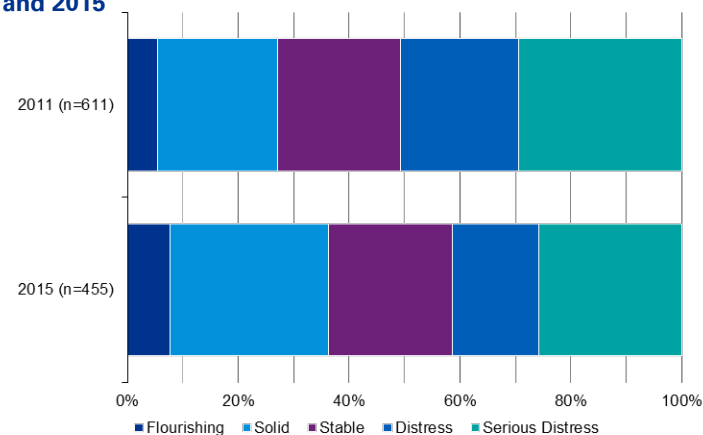
This Report focuses on EBITDA as it facilitates the most consistent comparisons of viability between different clubs by discounting the effects of different financing arrangements, tax obligations, and asset collections. This measure assesses a club's financial position as one of the following:

- **Flourishing** – EBITDA is greater than 25 per cent of total revenue; the club has the ability to reinvest and reinvent as required.
- **Solid** – EBITDA is between 15 per cent and 25 per cent of total revenue; the club needs to critically evaluate capital purchases.
- **Stable** – EBITDA is between 10 per cent and 15 per cent of total revenue; the club has sufficient cash flow to maintain current business operations.
- **Distress** – EBITDA is between 5 per cent and 10 per cent of total revenue; the club requires changes to ensure viability.
- **Serious Distress** – EBITDA is below 5 per cent of total revenue; there are serious questions as to whether the club can continue as a going concern.

As shown in Figure 1, the financial viability of clubs in Australia has improved since 2011. However, there are significant variances in financial health, depending on club size (see Figure 2), jurisdiction (see subsequent chapters) and the type of club.

Overall, the number of clubs in a flourishing or solid financial position has increased from 27 per cent in 2011 to 36 per cent in 2015. This is matched by a fall in the number of clubs exhibiting signs of distress or serious distress from 51 per cent to 41 per cent. In addition, 50 per cent of clubs are considered at risk of financial distress on the basis of their EBITDARD as a proportion of total revenue.

**Figure 1 – Financial viability (by EBITDA) of respondents between 2011 and 2015**



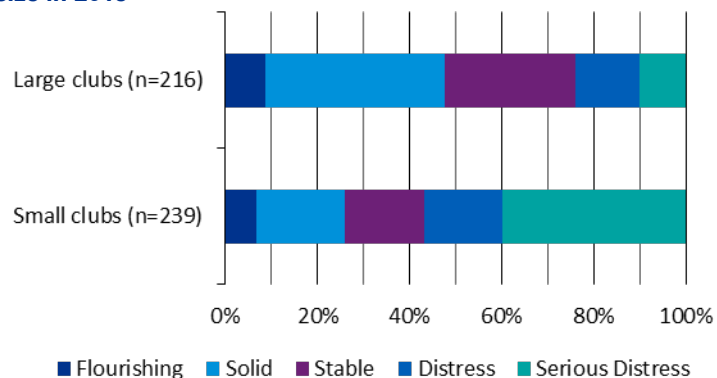
Source: Clubs Census 2015 and KPMG analysis.

Larger clubs, as measured by annual EGM revenue over \$1 million, tend to have higher levels of financial viability than smaller clubs. Amongst larger clubs, defined as those clubs that earn more than \$1 million in annual EGM revenue, 48 per cent are in a flourishing or solid financial position (up from 36 per cent in 2011), compared with 26 per cent of smaller clubs.

Similarly, 57 per cent of smaller clubs exhibited signs of distress or serious distress. While this is less than in 2011 (down from 65 per cent), it is significantly higher than the proportion of larger clubs in distress or serious distress (24 per cent).

# Clubs Census 2015 – Overview of national results (cont'd)

**Figure 2 – Financial viability (by EBITDA) of respondents by club size in 2015**



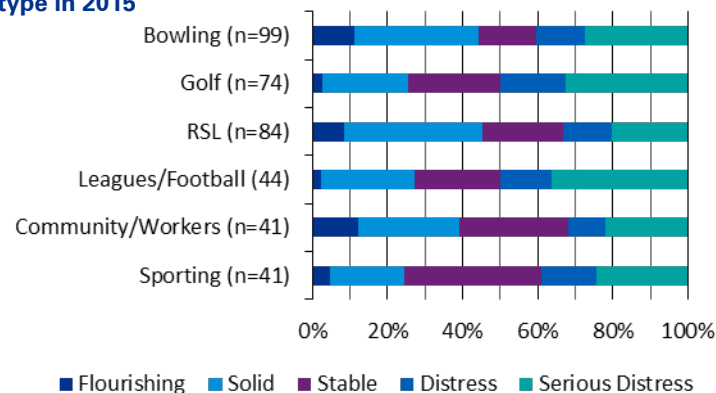
Source: *Clubs Census 2015 and KPMG analysis.*

Different club types face different challenges in servicing and supporting their communities and in fulfilling their primary objectives.

Bowling clubs and golf clubs have facilities that require significant investment and ongoing maintenance as part of their primary mission. Changes in the level of demand for these facilities may impact the sustainability of these clubs.

In 2015, the highest proportion of clubs exhibiting signs of distress or serious distress were Golf Clubs and Leagues Clubs, while the lowest signs of distress were exhibited by RSL Clubs and Community Clubs (see Figure 3).

**Figure 3 – Financial viability (by EBITDA) of respondents by club type in 2015**



Source: *Clubs Census 2015 and KPMG analysis.*

## Economic contribution

As a result of its operations, the clubs industry makes a significant contribution to the Australian economy through a range of direct and indirect economic impacts. **The total economic contribution in 2015 was estimated at \$8.3 billion – this represents 0.5 per cent of Gross Domestic Product (GDP) and is an increase of 18 per cent on 2011 (from \$7.8 billion).**

The economic contribution of clubs in Australia is distributed across the states and territories including NSW (45 per cent), Victoria (18 per cent), Queensland (17 per cent), South Australia (9 per cent), Western Australia (6 per cent) and the ACT (4 per cent).

Direct economic impacts are generated through the industry's role as an employer, the industry's investments in capital expenditure to create and improve existing club facilities, and the industry's contribution to government taxation revenue. For instance clubs in Australia have invested \$3.4 billion in new assets in the past 5 years. Overall, clubs in Australia control assets with a written down value \$25 billion.

# Clubs Census 2015 – Overview of national results *(cont'd)*

Indirect economic impacts are generated through increased demand for the goods and services that support club operations, increased demand for consumer-oriented industries that cater to clubs and an impact on the cost of business outputs generated by changes in the price of some goods and services as a result of club operations.

In 2015, clubs in Australia generated indirect employment impacts of 87,353 full time equivalent (FTE) positions, up 16 per cent since 2011. These impacts are driven by changes in the economic contribution of clubs and the changes in the sector productivity of the economy. The largest impacts by sector are:

- 39,775 FTEs in the cultural and recreational services sector;
- 18,241 FTEs in the accommodation, cafes and restaurants sector;
- 8,692 FTEs in the health and community services sector;
- 6,625 FTEs in the retail trade sector; and
- 5,713 FTEs in the education sector.

## Social contribution

The registered clubs industry has traditionally played an important role in supporting local communities, both through core activities, such as RSL clubs supporting veterans' services, and through broader community support; for example, providing donations to community organisations.

In 2008, IPART developed a methodology for estimating the total social contribution of registered clubs to NSW. As part of their approach, IPART identified four key components to the clubs' social contribution:

- cash donations provided directly to the community or to community organisations, such as donations to local charities or community initiatives;
- direct in-kind donations to the community or to community organisations, which may include provision of meeting spaces or goods and services for community activities;

- in-kind support associated with the provision of sporting and recreational facilities at costs below market rates – such as subsidised court hire or green fees; and
- facilitation of volunteer labour, for instance volunteers associated with sporting sub-clubs.

However, IPART's methodology does not include the full extent of the social contribution of the clubs industry. IPART noted in 2008 that a number of facilities and services provided by clubs are difficult to quantify as there is little evidence of the market providing these services. This includes the maintenance and upkeep of memorials, museums and historical displays. For instance, nationwide clubs provide 99 child care and aged care facilities, which are not included in the IPART calculation. In total an estimated 392 million visits were made to all facilities in 2015.

In 2015, the social impact of the industry was estimated to be worth \$5.0 billion. The 2015 social contribution of registered clubs comprised:

- Cash and in-kind donations of \$286 million in 2015, up 7 per cent since 2011. Of this total, cash donations account for \$229 million and in-kind donations account for \$57 million.
- Subsidised access to 23,700 social and recreational facilities owned and operated by Australian clubs of around \$4.1 billion. This comprises a market value of these facilities of \$4.6 billion less an estimated \$438 million in revenue derived from these facilities. This estimate of revenue includes revenue directly earned from facility access fees as well as a share of other revenue line items such as membership fees.
- The value of volunteer labour amounts to \$590 million. This reflects the efforts of 183,000 volunteers nationwide.

Cash and in-kind donations represent direct support provided by clubs to the local communities. The main contribution areas for cash and in-kind donations includes sport (\$145.2 million), school and education programs (\$16.7 million), health and hospitals (\$14.0 million), youth services (\$8.4 million), veterans welfare services (\$8.2 million) and disability and carer services (\$8.0 million).

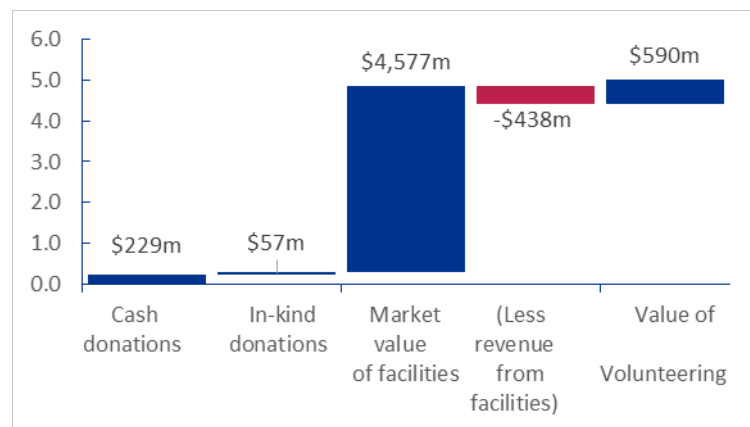


# Clubs Census 2015 – Overview of national results (cont'd)

The most significant share of social contribution is through the subsidised access to facilities. This includes a wide range of facilities such as meeting rooms (5,338 nationwide), entertainment venues (4,068), bowling greens (3,901), accommodation places (2,796), billiard tables (2,242), tennis courts (1,936), sporting fields (1,444), golf courses (1,299), squash courts (350), fitness centres (277) and swimming pools (67).

In addition, other facilities are provided by clubs; however, these facilities are not included in the IPART calculation of social contribution given that market values for these facilities are difficult to measure. For instance, clubs in Australia provide 99 child care and aged care facilities.

**Figure 4 – Total social contribution of clubs by component (2015 - \$ millions)**



Source: Clubs Census 2015 and KPMG analysis.

## Employment

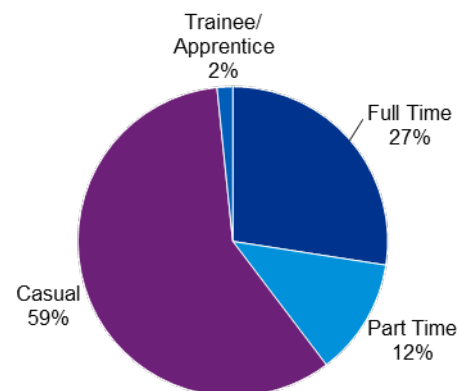
Club employees work across a range of functions such as gaming, food and beverage, facilities provision and maintenance and finance and administration. Clubs are a significant employer. In 2011, clubs in Australia employed around 131,300 staff nation-wide. This equates to around 85,000 FTEs.

Since 2011, employment by headcount has fallen slightly, to around 131,000 employees. Over half of employees work on a casual basis (see Figure 5), which is an increase since 2011.

The increasing reliance on casual staff allows registered clubs to be more flexible in their operations. This is important as registered clubs operate in a challenging environment, and financial viability can be an ongoing concern.

While the number of employees in the registered clubs sector has fallen, other indicators suggest an increase in effort expended. For instance, salaries and wages paid to staff and total personnel expenses have increased since 2011 (see Table 2). In addition, clubs spent \$478 million on contractors to supplement their workforce in 2015.

**Figure 5 – Club industry workforce by employee type (2015)**



Source: Clubs Census 2015 and KPMG analysis.

# Clubs Census 2015 – Overview of national results *(cont'd)*

**Table 2 – Club sector salaries between 2011 and 2015**

	Clubs Census 2011	Clubs Census 2015	Change (%)
Total salaries (\$m)	4,185.1	4,321.7	+3.3
Average salaries paid per club (\$'000s)	636.3	673.9	+5.9

Source: *Clubs Census 2015 and KPMG analysis.*

The national clubs workforce is diverse, with clubs across Australia employing a range of people, this includes:

- 53 per cent of direct jobs in Australian clubs in 2015 filled by women; and
- 32 per cent of direct jobs filled by people under 24 years of age, 41 per cent of direct jobs filled by people between 25 and 44 and 25 per cent by people between 45 and 64.

## Taxation

Clubs contribute to all levels of government revenue through a range of taxes. These include taxes paid by any business, such as payroll tax and GST, as well as gaming taxes and excises specific to registered clubs and other businesses in the hospitality sector.

The analysis of the 2015 Census results indicates a slight increase in total taxes paid by registered clubs, from \$2.51 billion in 2011 to \$2.64 billion in 2015. This is largely a result of increased gaming taxes and GST, which are the two most significant taxes paid by clubs in Australia.

Gaming taxes remain the most significant tax faced by registered clubs, accounting for 48 per cent of all taxes paid, which is in line with trends since 2011. However, the amount paid in gaming tax varies widely depending on the extent to which clubs operate EGMs.

GST accounts for 43 per cent of all taxes paid and in jurisdictions with low levels of EGM revenue, is the most significant tax type.

Other taxes amounted to \$230 million in 2015. However, there is a high degree of variability between observations for these tax types that may be a function of the sampling limitations, where changes in the structure of the sample may impact the results provided, given that these taxes – when combined – account for less than 10 per cent of the total tax paid by clubs.



# Results



Australian Capital Territory results of the 2015 Clubs Census

# Clubs Census 2015 – Overview of ACT results (cont'd)

## Introduction

The ACT clubs industry consists of 49 individual clubs. This is the smallest number of clubs in any jurisdiction in Australia. However, this includes a significant proportion of large clubs with significant amounts of gaming revenue. These individual clubs provide services to around 327,000 members and the broader community.

The structure of the clubs industry has changed since 2011. The number of clubs in the ACT has decreased from 57, or by about 15 per cent and overall membership has fallen by 4 per cent. This decrease broadly relates to clubs with annual EGM revenue less than \$1 million.

Table 3 below provides a high level summary of the population of registered clubs in the ACT in 2011 and 2015. It can be seen that:

- The number of clubs with no EGM revenue is small, with only one club in the ACT not operating EGMs.
- The number of large clubs (as measured by EGM revenue) has increased slightly and makes up a significant proportion of total clubs. More than half the clubs in the ACT earn more than \$1 million in annual EGM revenue.

**Table 3 – Changes in industry structure - ACT**

EGM Revenue	Clubs Census 2011	Clubs Census 2015	Change
\$0	2	1	-1
\$0 – \$200k	16	12	-4
\$200k – \$1m	13	8	-5
\$1m – \$5m	15	16	+1
\$5m – \$10m	7	8	+1
> \$10m	4	4	-
<b>Total</b>	<b>57</b>	<b>49</b>	<b>-8</b>

Source: *Clubs Census 2015 and KPMG analysis.*

Changes to the industry structure are a key driver of the Census results and should be considered when examining the results presented in this section.

In addition, as mentioned in the Limitations section, results from the ACT are subject to a lower level of confidence compared to other jurisdictions as a result of the sample of clubs responding to the 2015 Census survey instrument. This context should also be considered when analysing the results presented in this section.

## Financial viability of clubs in the ACT

In the context of the clubs industry, financial viability refers to the ability of a club to generate sufficient funds from its operating activities to cover the costs of providing services to its membership and local community, meet its financial obligations, and have the financial capability to reinvest in facilities and infrastructure.

The results of the 2015 Census indicate that the financial viability of clubs in the ACT has decreased slightly since 2011; however, this is based on a small number of observations and should therefore be treated with caution. It should be noted that in 2011 and in 2015 the ACT had a high proportion of clubs in a flourishing or solid financial position, which is in part reflective of the high levels of EGM revenue earned by clubs in the ACT – EGM revenue accounts for 62 per cent of total revenue, the largest proportion of all jurisdictions.

Compared with Australia as a whole, the limited sample of clubs in the ACT are more likely to be in a stable (39 per cent), solid (31 per cent) or flourishing (8 per cent) financial position (77 per cent of clubs in the ACT compared to 59 per cent of clubs in Australia). In addition no clubs exhibited signs of serious distress.

This is broadly reflective of the revenue earned by clubs in the ACT. While overall revenue has fallen from \$311 million to \$274 million, revenue earned per club is up 2 per cent since 2011.



# Clubs Census 2015 – Overview of ACT results *(cont'd)*

## Social contribution

The registered clubs industry has traditionally played an important role in supporting local communities, both through core activities, such as RSL clubs supporting veterans' services, and through broader community support; for example, providing donations to community organisations.

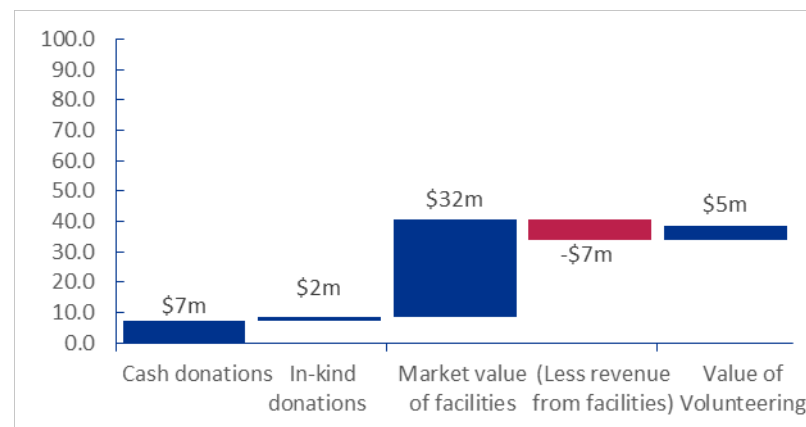
The clubs industry in the ACT has continued to contribute to improved social outcomes in the community. In 2015, the social impact of the industry was estimated to be worth \$39 million, or around \$790,000 per club. The 2015 social contribution of registered clubs comprised:

- Cash and in-kind donations of \$8.7 million in 2015, up 4 per cent since 2011. This equates to an average of \$175,000 per club. Of this total, cash donations account for \$7.1 million and in-kind donations account for \$1.6 million. It should be noted that, according to the ACT Government's Community Contribution Report, the actual community contributions are greater than the Census estimate, at almost \$12 million in the 2015 financial year.
- Subsidised access to social and recreational facilities owned and operated by clubs of approximately \$25.1 million. This comprises the total market value of these facilities of \$31.9 million less an estimated \$6.8 million in revenue derived from these facilities. The revenue estimate includes revenue directly earned from facility access fees, as well as a share of other revenue line items such as membership fees.
- The value of volunteer labour amounts to \$4.8 million.

ACT clubs provide support across a range of community sectors. The largest of these include:

- around \$5.0 million provided for non-professional and professional sport;
- around \$345,000 provided for school and education programs;
- around \$282,000 provided for veterans welfare services;
- around \$123,000 provided for disability and carer services;
- around \$122,000 provided for healthcare services and hospitals; and
- Around \$112,000 provided for youth services.

**Figure 6 – Total social contribution of clubs in the ACT by component (2015 - \$ millions)**



Source: *Clubs Census 2015 and KPMG analysis.*

## Employment

Club employees work across a range of functions including gaming, food and beverage, facilities provision and maintenance, and finance and administration. Clubs are a significant employer. In 2011, clubs in the ACT employed 2,300 staff, or around 40 per club.

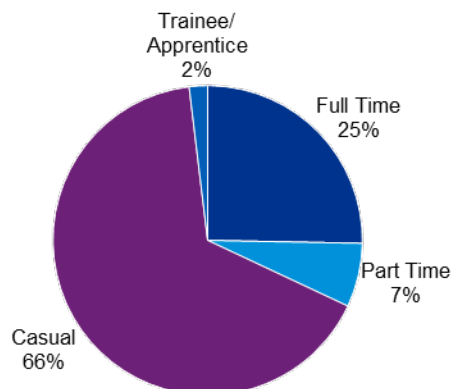
Since 2011, employment by headcount has fallen to 1,745 employees, in part due to the decreasing number of clubs. This equates to about 36 per club. Almost 2 in every 3 employees work on a casual basis (see Figure 7), which is a significant increase since 2011 when less than half of employees were employed on a casual basis.

The increasing reliance on casual staff allows registered clubs to be more flexible in their operations. This is important as registered clubs operate in a challenging environment where financial viability can be an ongoing concern.

# Clubs Census 2015 – Overview of ACT results (cont'd)

Compared to trends Australia-wide, salaries and wages paid to staff have also decreased since 2011 (see Table 2). This suggests that clubs in the ACT have reduced their reliance on staff since 2011, which is consistent with the limited evidence that the financial viability of the sector is declining. However, it should be noted that the average salaries per club remain above the national average.

**Figure 7 – Club industry workforce by employee type in the ACT (2015)**



Source: *Clubs Census 2015 and KPMG analysis.*

**Table 4 – Club sector salaries in the ACT between 2011 and 2015**

	Clubs Census 2011	Clubs Census 2015	Change (%)
Total salaries (\$m)	86.5	62.9	-27.2
Average salaries paid per club (\$'000s)	1,516.7	1,283.6	-15.4

Source: *Clubs Census 2015 and KPMG analysis.*

## Taxation

Clubs contribute to all levels of government revenue through a range of taxes. These include taxes paid by any business, such as payroll tax and GST, as well as gaming taxes and excises specific to registered clubs and other businesses in the hospitality sector.

The analysis of the 2015 Census results indicates a decrease in total taxes paid by registered clubs in the ACT, from \$87.3 million in 2011 to \$73.2 million in 2015. This may be due to the decreased number of clubs, which has led to declining gaming and total revenue. On a per club basis, revenue is largely stable.

Gaming taxes remain the most significant tax faced by registered clubs, accounting for 55 per cent of all taxes paid, which has been largely stable since 2011. This is consistent with the reliance of clubs in the ACT on EGMs as the primary source of revenue, with EGM revenue accounting for 62 per cent of total revenue, the largest proportion of all jurisdictions.

GST accounts for 37 per cent of all taxes paid, which is slightly higher than in 2011.

Other taxes amounted to just over \$5 million in 2015 or around 7 per cent of the total tax paid by clubs.



# Results



New South Wales results of the 2015 Clubs Census

# Clubs Census 2015 – Overview of NSW results

## Introduction

The NSW registered clubs industry consists of over 1,300 individual clubs operating across the state. These individual clubs employ people in the local community and support local businesses and suppliers. These individual clubs also provide services to 6.7 million members and the broader community.

The structure of the clubs industry has changed in recent years. This has occurred due to market entries and exits, and as a result of market and operating conditions affecting the size of participants. Overall, there has been a trend towards club amalgamations, closures, and returns to scale for large clubs.

Table 5 provides a high level summary of the population of registered clubs in NSW in 2011 and 2015. It can be seen that:

- The number of clubs has reduced as a result of club amalgamations and closures. Amalgamations are likely to represent improved opportunities for clubs to generate returns to scale and deliver a broad range of services and offerings to their local communities. Club closures are likely to be the result of financial unsustainability for a number of smaller clubs.
- The number of large clubs (as measured by EGM revenue) has increased, as larger clubs are able to capitalise on the benefits of scale and have greater capacity to invest in club growth.

Between 2011 and 2015, 32 registered clubs amalgamated, and 65 clubs closed. It is possible that the effects of industry consolidation is evident in 2015 Census results on an aggregate level, particularly with respect to financial viability and the ability of registered clubs to provide ongoing support to the community.

Club amalgamations and closures have an impact on the operating environment of the industry, with an increased number of large market players, and a decreased number of small market players. To manage market uncertainty, current market players are beginning to seek ways to better respond to the changing policy and regulatory environment, including through service diversification and continued capital expenditure in high income generating assets.

**Table 5 – Changes in industry structure - NSW**

EGM Revenue	Clubs Census 2011	Clubs Census 2015	Change
\$0 – \$200k	677	587	-90
\$200k – \$1m	351	293	-58
\$1m – \$5m	302	293	-9
\$5m – \$10m	75	89	+14
> \$10m	66	86	+20
<b>Total</b>	<b>1,471</b>	<b>1,348</b>	<b>-123</b>

Source: *Clubs Census 2015 and KPMG analysis.*

The research identified a number of important drivers likely to have had some impact on the 2015 Census results. These include the following:

- The implementation of policies in 2011 as a result of the Memorandum of Understanding (MoU) between the industry and the NSW State Government – this included changes to gaming tax rates, the expansion of tax credits for community support, and facilitation of amalgamations between clubs.
- The changing structure of the industry – weaker clubs have been forced to close and amalgamate while larger clubs are able to grow either by leveraging scale or through the incorporation of junior partners.

While it is not possible to accurately identify whether these drivers have affected the 2015 Census results, or the extent to which each driver impacts the specific population estimates developed as part of the Census, it is important to consider the broader industry environment when interpreting the 2015 Census results. Importantly, this includes all political, regulatory and market factors, which may impact club performance, investment, and operations.

# Clubs Census 2015 – Overview of NSW results (cont'd)

## 2010 Memorandum of understanding

In 2010, ClubsNSW and the Liberal and National Parties signed a Memorandum of Understanding for the parliamentary term following the 2011 state election. The MoU covered a range of policy commitments intended to improve the financial sustainability of the registered clubs industry while maintaining the role of registered clubs in their local communities (supporting community bodies and providing services). In 2014, a second MoU was signed to cover the period up to the 2019 election, largely maintaining the commitment to these policies.

The 2010 MoU included, amongst other things:

- reductions to the gaming tax payable by clubs with gaming machine revenue greater than \$1 million per year;
- an increase to the rebate on gaming tax paid by clubs under the ClubGRANTS, previously the Community Development and Support Expenditure (CDSE) scheme; and
- encouraging club establishment and facilitation of the amalgamation and de-amalgamation of clubs.

The changes were expected to have a broad impact on the registered clubs industry. For instance, reductions in the marginal tax rates were expected to impact the financial viability and economic impact of registered clubs.

While the 2015 Census did not seek to understand the impacts of these changes, the results are broadly consistent with these expectations. For instance, there have been improvements in financial viability and decreases in gaming taxes paid relative to gaming revenue. The following section summarises how these changes may have affected the clubs industry over the last four years.

## Financial viability of clubs in NSW

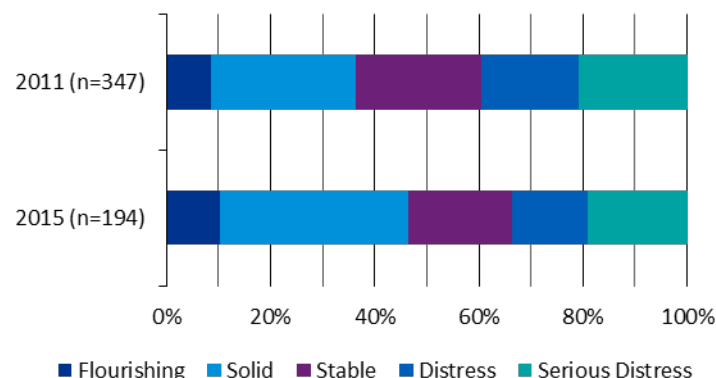
Overall, the financial viability of the NSW registered clubs industry improved between 2011 and 2015 (see Figure 8). In particular, the proportion of healthy clubs increased and the proportion of clubs in distress fell. Specifically:

- The proportion of clubs characterised as 'flourishing' or 'solid' increased to 46 per cent from 36 per cent in 2011.
- The proportion of clubs characterised as in 'distress' or 'serious distress' decreased to 33 per cent from 39 per cent in 2011.

However, a closer examination of financial viability across NSW registered clubs, by club size and club type, suggests that financial viability varies significantly between individual clubs.

In general, **larger clubs are significantly more financially viable than smaller clubs** (see Figure 9). Only 18 per cent of clubs with annual EGM revenue greater than \$1 million are in distress or serious distress compared to 57 per cent of clubs with less than \$1 million in annual EGM revenue.

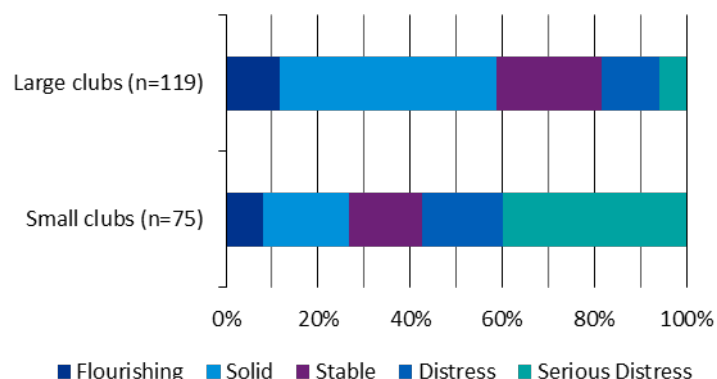
**Figure 8 – Financial viability (by EBITDA) of respondents in NSW between 2011 and 2015**



Source: Clubs Census 2015 and KPMG analysis.

# Clubs Census 2015 – Overview of NSW results (cont'd)

**Figure 9 – Financial viability (by EBITDA) of respondents by club size in NSW in 2015**



Source: Clubs Census 2015 and KPMG analysis.

## Economic contribution

As a result of its operations, the clubs industry makes a significant contribution to the NSW economy through a range of direct and indirect economic impacts. **The total economic contribution in 2015 was estimated at \$3.7 billion – this represents 0.7 per cent of Gross State Product (GSP) and is an increase of 9 per cent on 2011.**

The economic impact of clubs is distributed across the state. Regional clubs contributed \$854 million to the regional economy, accounting for 0.6 per cent of the regional proportion of NSW's GSP.

Direct economic impacts are generated through the industry's role as an employer, the industry's investments in capital expenditure to create and improve existing club facilities, and the industry's contribution to government taxation revenue.

Indirect economic impacts are generated through increased demand for the goods and services that support club operations, increased demand for consumer-orientated industries that cater to clubs, and an impact on the cost of business outputs generated by changes in the price of some goods and services as a result of club operations.

## Social contribution

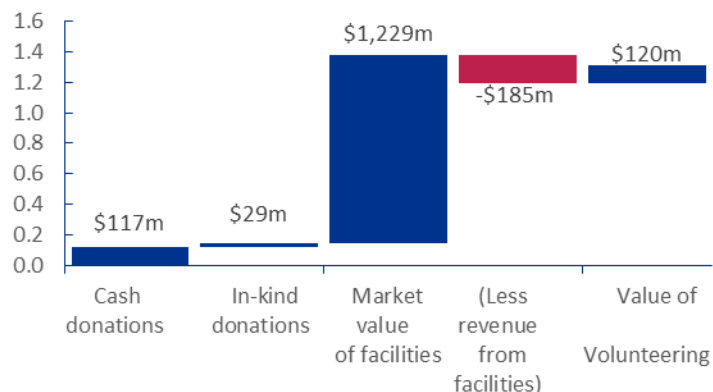
The NSW registered clubs industry has traditionally played an important role in supporting local communities, both through core activities, such as RSL clubs supporting veterans' services, and through broader community support; for example, providing donations to community organisations.

The NSW registered clubs industry has continued to contribute to improved social outcomes in the community. In 2015, the social impact of the industry was estimated to be worth \$1.3 billion, or \$970,000 per club, a 5 per cent increase on 2011. The 2015 social contribution of registered clubs comprised:

- Cash and in-kind donations of \$146.4 million in 2015. Of this total, cash donations account for \$118 million (up 32 per cent from 2011) and in-kind donations account for \$29 million (up 11 per cent from 2011).
- Subsidised access to social and recreational facilities owned and operated by NSW registered clubs of around \$1 billion. This comprises the total market value of these facilities of \$1.2 billion less an estimated \$185 million in revenue derived from these facilities. The revenue estimate includes revenue directly earned from facility access fees, as well as a share of other revenue line items such as membership fees.
- The value of volunteer labour amounts to \$120 million.

# Clubs Census 2015 – Overview of NSW results (cont'd)

**Figure 10 – Total social contribution of clubs in NSW by component (2015 - \$ billions)**



Source: *Clubs Census 2015 and KPMG analysis.*

## Employment

Registered club employees work across a range of functions including gaming, food and beverage, facilities provision and maintenance and finance and administration. Clubs are a significant employer. In 2011, statewide, registered clubs in NSW employed 41,400 staff.

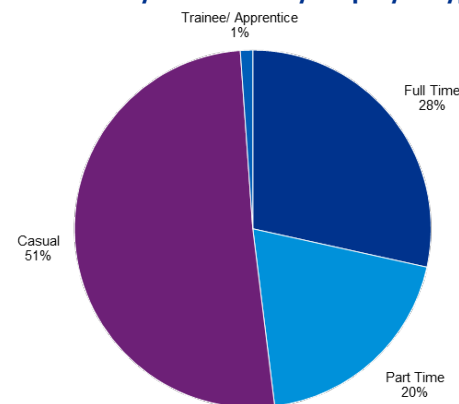
Since 2011, employment by headcount has fallen slightly, to 40,700 employees. Over half of employees work on a casual basis but, importantly, are working more hours than in 2011. Notably:

- There has been a declining in the number of employees on a per club basis for all annual gaming revenue bands above \$200,000.
- There has been a significant shift to more workers being employed on a casual basis (see Figure 11), rising from 42 per cent of the workforce in 2011 to 51 per cent of the workforce in 2015.

The increasing reliance on casual staff allows registered clubs to be more flexible in their operations. This is important as registered clubs operate in a challenging environment where financial viability can be an ongoing concern.

While the number of employees in the registered clubs sector has fallen, other indicators suggest an increase in effort expended. For instance, salaries and wages paid to staff and total personnel expenses have increased significantly since 2011 (see Table 4).

**Figure 11 – Club industry workforce by employee type in NSW (2015)**



Source: *Clubs Census 2015 and KPMG analysis.*

**Table 6 – Club sector salaries in NSW between 2011 and 2015**

	Clubs Census 2011	Clubs Census 2015	Change (%)
Total salaries (\$m)	1,496.7	1,778.1	+18.8
Average salaries paid per club (\$'000s)	1,017.5	1,319.1	+29.6

Source: *Clubs Census 2015 and KPMG analysis.*



# Clubs Census 2015 – Overview of NSW results *(cont'd)*

## Taxation

Registered clubs in NSW contribute to all levels of government revenue through a range of taxes. These include taxes paid by any business, such as payroll tax and GST, as well as gaming taxes and excises specific to registered clubs and other businesses in the hospitality sector.

The analysis of the 2015 Census results indicates a slight decrease in total taxes paid by registered clubs, from \$1.48 billion in 2011 to \$1.44 billion in 2015. A significant driver of this decrease is a fall in gaming taxes. This is consistent with the reduction in gaming tax rates faced by larger clubs as part of the implementation of policy changes associated with the MoU in 2011, as well as the increased scope for rebates associated with the implementation of ClubGRANTS.

The decreased tax burden associated with these changes is expected to have been a critical driver of improved financial health amongst the larger clubs and an increase in community contributions in the form of direct cash and in-kind support.

Despite changes in regulation, gaming taxes remain the most significant for registered clubs, accounting for 51 per cent of all taxes paid (down from 54 per cent in 2011). The next most significant tax is GST, which has increased from \$541 million to \$587 million.

Other taxes amounted to \$122 million in 2015. However, caution should be taken when considering changes between 2015 and 2011 for these taxes as there is a high degree of variability between observations. This could be a function of the sampling limitations, where changes in the structure of the sample may impact the results provided, given that these taxes – when combined – account for less than 10 per cent of the total tax paid by registered clubs.



# Results



Queensland results of the 2015 Clubs Census

# Clubs Census 2015 – Overview of Queensland results

## Introduction

The Queensland clubs industry consists of 1,111 individual clubs. This is a significant drop since 2011, and has been driven by a change in the definition of clubs for the purpose of this survey. Specifically, around 300 club houses, which are subsidiary facilities of larger clubs, were removed from the population in 2015. This change only affected survey distribution to clubs in Queensland. The results in this section should therefore be considered within this context.

Despite this change, the Queensland club sector has the fourth largest number of clubs after Victoria, NSW and South Australia. Of these clubs, a significant portion earn revenue from the operation of EGMs, making Queensland the second largest club sector on the basis of EGM revenue behind NSW.

Individual clubs operate throughout Queensland and provide services to 2.4 million members and the broader community. This is down 12 per cent from 2011. However clubs in Queensland have an average of 2,200, up 11 per cent since 2011.

As mentioned above, the number of clubs considered by the survey has decreased significantly since 2011. In addition, the structure of the clubs industry has changed since 2011. In particular, while the number of smaller clubs has fallen, a number of clubs have grown in size by way of revenue.

Table 7 below provides a high level summary of the population of registered clubs in Queensland in 2011 and 2015. The removal of club houses from the population of clubs is expected to impact clubs with lower levels of EGM revenue only, which may account for the sharp decrease in clubs with no EGM revenue at all.

Additional movement between bands with less than \$1 million in annual EGM revenue and in the highest bands suggest significant variance in the ability of clubs in Queensland to grow their revenue base.

**Table 7 – Changes in industry structure – QLD**

EGM Revenue	Clubs Census 2011	Clubs Census 2015	Change
\$0	852	614	-238
\$0 – \$200k	71	224	+153
\$200k – \$1m	301	127	-174
\$1m – \$5m	135	81	-54
\$5m – \$10m	35	30	-5
> \$10m	11	35	+24
<b>Total</b>	<b>1,405</b>	<b>1,111</b>	<b>-294</b>

Source: *Clubs Census 2015 and KPMG analysis.*

## Financial viability of clubs in Queensland

In the context of the clubs industry, financial viability refers to the ability of a club to generate sufficient funds from its operating activities to cover the costs of providing services to its membership and local community, meet its financial obligations, and have the financial capability to reinvest in facilities and infrastructure.

As shown in Figure 12, the financial viability of clubs in Queensland has improved significantly since 2011. This is likely a result of a mix of drivers, including the removal of club houses with very low revenue as well as the strong performance of larger clubs.

In addition, since 2011 a number of policy measures have been implemented, which have sought to reduce the burden of red tape on clubs in Queensland. These changes may have allowed clubs in Queensland to improve the efficiency of their operations with subsequent improvements in financial performance.

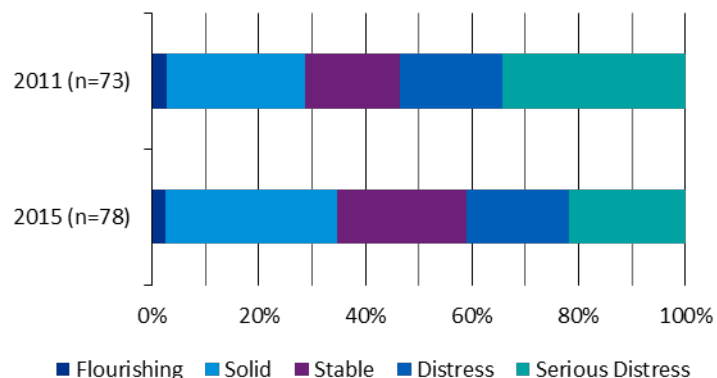
# Clubs Census 2015 – Overview of Queensland results (cont'd)

In general, the proportion of responders from Queensland in a flourishing or solid financial position is among the highest across the Australian jurisdictions. This is consistent with the overall finding that clubs in jurisdictions with the scope to earn revenue from the operation of EGMs typically exhibit greater financial health compared to those in other jurisdictions.

Overall, the number of clubs in a flourishing or solid financial position has increased from 29 per cent in 2011 to 35 per cent in 2015. In addition, the number of clubs exhibiting signs of distress or serious distress has fallen from 53 per cent to 41 per cent.

Despite the change in the number of clubs in the 2015 Census compared with the 2011 Census, total revenue has been flat, which may have contributed to these improvements in viability. In 2011, total revenue in Queensland was \$2.17 billion, which has increased by 1 per cent to \$2.18 billion.

**Figure 12 – Financial viability (by EBITDA) of respondents in Queensland between 2011 and 2015**



Source: *Clubs Census 2015 and KPMG analysis.*

## Social contribution

The registered clubs industry has traditionally played an important role in supporting local communities, both through core activities, such as RSL clubs supporting veterans' services, and through broader community support; for example, providing donations to community organisations.

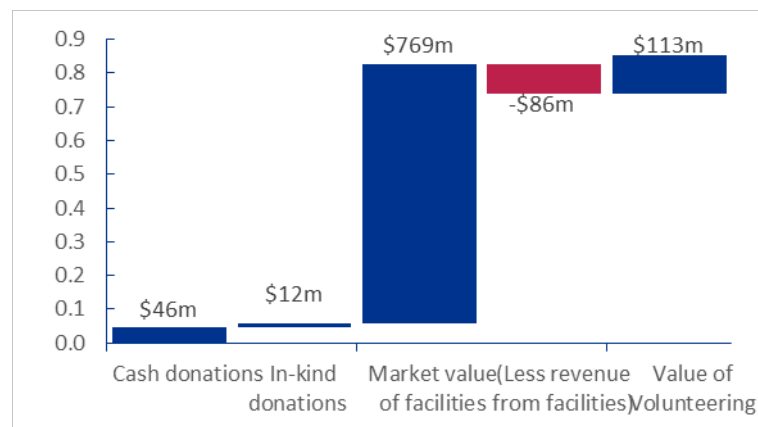
The club industry in Queensland has continued to contribute to improved social outcomes in the community. In 2015, the social impact of the industry was estimated to be worth \$853 million, or around \$770,000 per club. The 2015 social contribution of registered clubs comprised:

- Cash and in-kind donations of \$58 million in 2015, up 6 per cent since 2011. Of this total, cash donations account for \$45.9 million and in-kind donations account for \$12.1 million. This includes \$16 million in support provided by regional clubs.
- Subsidised access to social and recreational facilities owned and operated by clubs of around \$680 million. This comprises the total market value of these facilities of \$769 million less an estimated \$86 million in revenue derived from these facilities. This revenue estimate includes revenue directly earned from facility access fees, as well as a share of other revenue line items such as membership fees.
- The value of volunteer labour amounts to \$113 million.

The most significant share of social contribution is through the subsidised access to facilities. This includes a wide range of facilities such as meeting rooms (855 statewide), entertainment venues (678), bowling greens (608), billiard tables (417), accommodation places (389), sporting fields (263), tennis courts (245), golf courses (214), fitness centres (43), squash courts (34) and swimming pools (3).

# Clubs Census 2015 – Overview of Queensland results (cont'd)

**Figure 13 – Total social contribution of clubs in Queensland by component (2015 - \$ billions)**



Source: Clubs Census 2015 and KPMG analysis.

## Employment

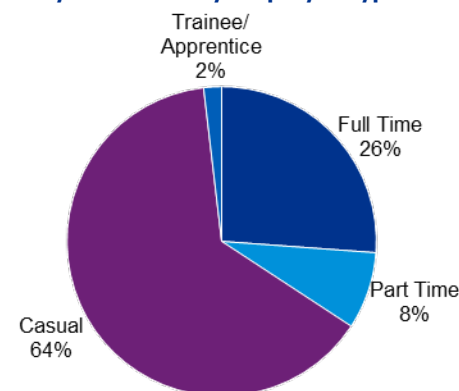
Club employees work across a range of functions such as gaming, food and beverage, facilities provision, maintenance, finance and administration. Clubs are a significant employer. In 2011, clubs in Queensland employed 21,124 staff.

Compared to Australia-wide employment, employment by headcount has increased in Queensland, to 22,164 employees since 2011. This equates to around 20 per club. This includes almost 9,000 employees of clubs in regional areas. Almost two thirds of employees work on a casual basis (see Figure 14), which is an increase since 2011, largely as a result of reduced reliance on permanent part time workers. This is consistent with broader trends in the industry across Australia.

The increasing reliance on casual staff allows registered clubs to be more flexible in their operations. This is important as registered clubs operate in a challenging environment with financial viability an ongoing concern.

While the number of employees in the registered club sector has increased, in Queensland, salaries and wages paid to staff has decreased for the industry as a whole since 2011 (see Table 8). However, it should be noted that this decrease is broadly in line with the decrease in the number of clubs considered as part of the 2015 Census.

**Figure 14 – Club industry workforce by employee type in Queensland (2015)**



Source: Clubs Census 2015 and KPMG analysis.

**Table 8 – Club sector salaries in Queensland between 2011 and 2015**

	Clubs Census 2011	Clubs Census 2015	Change (%)
Total salaries (\$m)	873.1	687.9	-21.2
Average salaries paid per club (\$'000s)	619.2	619.2	-0.0

Source: Clubs Census 2015 and KPMG analysis.

# Clubs Census 2015 – Overview of Queensland results *(cont'd)*

## **Taxation**

Clubs contribute to all levels of government revenue through a range of taxes. These include taxes paid by any business, such as payroll tax and GST, as well as gaming taxes and excises specific to registered clubs and other businesses in the hospitality sector.

The analysis of the 2015 Census results indicates a slight increase in total taxes paid by registered clubs in Queensland, from \$490.6 million in 2011 to \$512.6 million in 2015, an increase of 4 per cent. This is largely a result of increased gaming taxes.

Gaming taxes remain the most significant tax for registered clubs, accounting for 49 per cent of all taxes paid, which is up from 44 per cent since 2011. This is despite a slight decrease in EGM revenue and may reflect the growth of individual clubs moving between marginal gaming tax rates.

GST accounts for 43 per cent of all taxes paid in Queensland, or just under \$220 million, which is largely stable since 2011.

Other taxes amounted to \$44 million in 2015. However, there is a high degree of variability between observations for these tax types, which may be a function of the sampling limitations, where changes in the structure of the sample may impact the results provided, given that these taxes – when combined – account for less than 9 per cent of the total taxes paid by clubs.



# Results



South Australia results of the 2015 Clubs Census



# Clubs Census 2015 – Overview of South Australia results

## Introduction

The South Australian clubs industry consists of 1,272 individual clubs, the third largest figure in Australia. This is a slight increase since 2011 and the most per capita in Australia. However, this includes a significant amount of very small clubs, with the vast majority of these clubs earning no EGM revenue. When measured according to EGM revenue, the South Australian clubs sector is the second smallest in Australia (excluding Northern Territory and Tasmania).

Individual clubs operate throughout South Australia and provide services to 716,000 members and the broader community, an average of 563 per club. This is down from almost one million in 2011.

The structure of the clubs industry has remained broadly similar since 2011. Table 9 below provides a high level summary of the population of registered clubs in South Australia in 2011 and 2015. This shows that:

- The vast majority of clubs earn no revenue from EGMs.
- South Australia is one of only three jurisdictions with no club earning more than \$5 million in EGM revenue in 2015. This may reflect broader aspects of the regulatory framework, which may reduce the returns from EGMs relative to other states and territories.

**Table 9 – Changes in industry structure – SA**

EGM Revenue	Clubs Census 2011	Clubs Census 2015	Change
\$0	1,199	1,213	+14
\$0 – \$200k	10	16	+6
\$200k – \$1m	17	16	-1
\$1m – \$5m	30	27	-3
\$5m – \$10m	1	0	-1
> \$10m	0	0	-
<b>Total</b>	<b>1,257</b>	<b>1,272</b>	<b>+15</b>

Source: *Clubs Census 2015 and KPMG analysis.*



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## Financial viability of clubs in South Australia

In the context of the clubs industry, financial viability refers to the ability of a club to generate sufficient funds from its operating activities to cover the costs of providing services to its membership and local community, meet its financial obligations, and have the financial capability to reinvest in facilities and infrastructure.

South Australia is one of three jurisdictions without any clubs earning more than \$5 million in EGM revenue. Specifically, it is one of the few jurisdictions that allows clubs to operate EGMs where the number of larger clubs has fallen since 2011. As a result, while revenue has increased since 2011, from \$534 million to \$624 million, the average revenue per club remains low by national standards.

This may be driven by a number of factors, including restrictions on the operation of EGMs that do not exist in jurisdictions with greater use of EGMs such as NSW. For instance, EGMs in South Australia are not fitted with note acceptors.

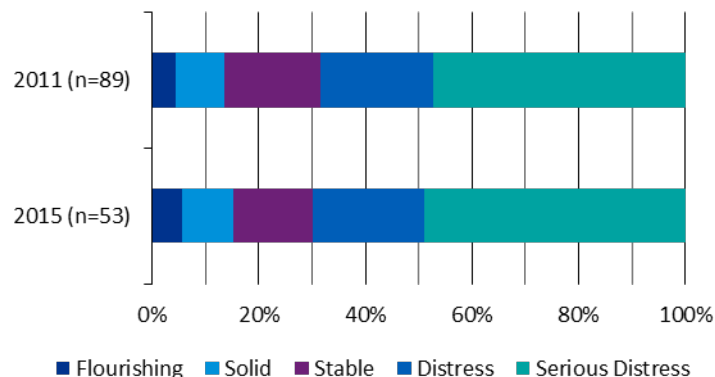
This is reflected in the financial performance of clubs in South Australia, which is consistent with the broader trends associated with financial viability Australia-wide, where larger clubs (as measured by EGM revenue) and clubs in jurisdictions with greater levels of EGM revenue exhibit higher levels of financial viability.

As shown in Figure 15, the financial viability of clubs in South Australia has not improved significantly since 2011. In general, the proportion of responders from South Australia in a flourishing or solid financial position is among the lowest across the Australian jurisdictions. This is consistent with the overall finding that clubs in jurisdictions with less scope to earn revenue from the operation of EGMs typically exhibit lower levels of financial health compared to those in other jurisdictions.

Overall, the number of clubs in a flourishing or solid financial position has increased slightly from 13 per cent in 2011 to 15 per cent in 2015. However, the number of clubs exhibiting signs of distress or serious distress, has also increased slightly from 69 per cent to 70 per cent.

# Clubs Census 2015 – Overview of South Australia results (cont'd)

**Figure 15 – Financial viability (by EBITDA) of respondents in South Australia between 2011 and 2015**



Source: Clubs Census 2015 and KPMG analysis.

## Social contribution

The registered clubs industry has traditionally played an important role in supporting local communities, both through core activities, such as RSL clubs supporting veterans' services, and through broader community support; for example, providing donations to community organisations.

The clubs industry in South Australia has continued to contribute to improved social outcomes in the community. In 2015, the social impact of the industry was estimated to be worth \$918 million, or around \$720,000 per club. The 2015 social contribution of registered clubs comprised:

- Cash and in-kind donations of \$10.1 million in 2015, down 18 per cent since 2011. This includes \$4.2 million in regional areas. Of this, cash donations account for \$7.4 million and in-kind donations account for \$2.7 million. This may be directly related to a downturn in EGM revenue and increased operating expenses.
- The value of volunteer labour amounts to \$116 million. This is based on a subset of the 39,000 volunteers that support SA clubs and communities.



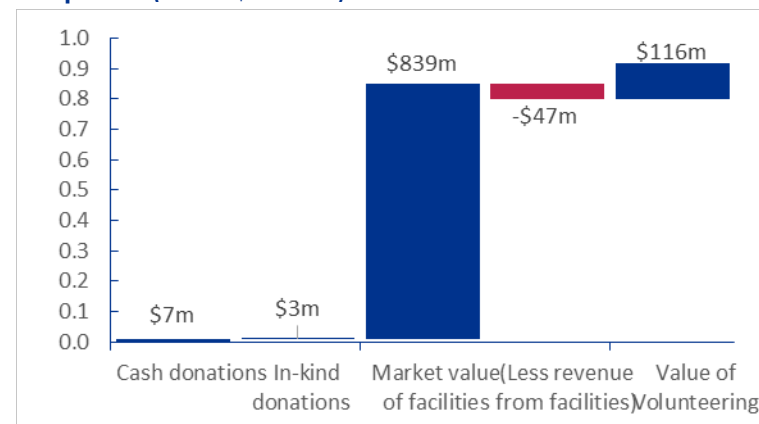
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- Subsidised access to social and recreational facilities owned and operated by clubs of around \$790 million. This comprises the total market value of these facilities of \$839 million less an estimated \$47 million in revenue derived from these facilities. The revenue estimates includes revenue directly earned from facility access fees, as well as a share of other revenue line items such as membership fees.

The most significant share of social contribution is through the subsidised access to facilities. This includes a wide range of facilities such as meeting rooms (834 statewide), entertainment venues (688), bowling greens (642), tennis courts (433), billiard tables (311), sporting fields (301), golf courses (265), accommodation places (218), squash courts (41), fitness centres (38) and swimming pools (3).

While the overall social contribution of South Australian clubs is broadly in line with other jurisdictions, the direct cash and in-kind support is significantly lower than states and territories with larger shares of EGM revenue such as NSW, Queensland and Victoria.

**Figure 16 – Total social contribution of clubs in South Australia by component (2015 - \$ billions)**



Source: Clubs Census 2015 and KPMG analysis.

# Clubs Census 2015 – Overview of South Australia results (cont'd)

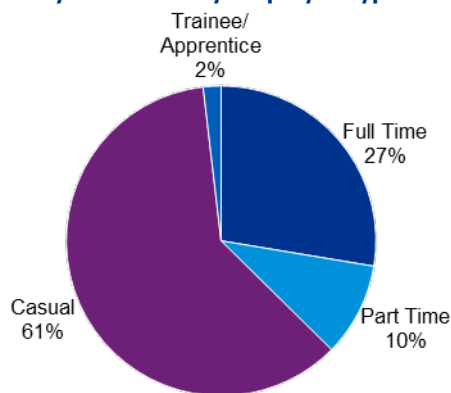
## Employment

Club employees work across a range of functions such as gaming, food and beverage, facilities provision and maintenance and finance and administration. Clubs are a significant employer. In 2011, clubs in South Australia employed around 17,700 staff, or about 15 per club.

Compared to employment across Australia, employment by headcount has increased in South Australia to around 19,800 employees since 2011. This includes almost 5,500 employees in regional areas. Over 60 per cent of employees work on a casual basis (see Figure 17), which is an increase since 2011, largely as a result of reduced reliance on permanent part time workers. This is consistent with broader trends in the industry across Australia.

The increase in the number of employees in the clubs sector in South Australia also extends to the salaries and wages paid to staff (see Table 10). The increase in effort indicated by these results is not in line with the other key results of the South Australian responses to the Census. This may reflect that South Australian clubs are seeking to improve their hospitality services to the direct community by investing in their workforce despite a challenging operating environment.

**Figure 17 – Club industry workforce by employee type in South Australia (2015)**



Source: *Clubs Census 2015 and KPMG analysis.*

**Table 10 – Club sector salaries in South Australia between 2011 and 2015**

	Clubs Census 2011	Clubs Census 2015	Change (%)
Total salaries (\$m)	477.5	509.9	+6.8
Average salaries paid per club (\$'000s)	379.6	400.9	+5.6

Source: *Clubs Census 2015 and KPMG analysis.*

## Taxation

Clubs contribute to all levels of government revenue through a range of taxes. These include taxes paid by any business, such as payroll tax and GST, as well as gaming taxes and excises specific to registered clubs and other businesses in the hospitality sector.

The analysis of the 2015 Census results indicates an increase in total taxes paid by registered clubs in South Australia, from \$84.0 million in 2011 to \$90.2 million in 2015, an increase of 7 per cent. This is largely a result of increased GST.

GST is the main tax type, accounting for 69 per cent of all taxes paid in South Australia, up from 64 per cent in 2011. Gaming taxes are less significant, given that EGM revenue has decreased in real terms since 2011.

Gaming taxes account for 17 per cent of all taxes paid, down from 20 per cent in 2011. Other taxes amounted to \$12.6 million in 2015 or 14 per cent of total taxes.



# Results



Victoria results of the 2015 Clubs Census

# Clubs Census 2015 – Overview of Victoria results

## Introduction

The Victorian clubs industry consists of 1,430 individual clubs. This is a significant increase since 2011, and this has been driven by improved coverage of the survey instrument in 2015, and the inclusion of racing clubs in the 2015 Clubs Census. As a result, a large proportion of the increase in the club population since 2011 represents an improved measurement approach rather than real growth in the industry. The results in this section should therefore be considered within this context.

Under the 2015 approach, the Victorian club sector contains the largest number of clubs in Australia. Of these clubs, a significant portion do not earn revenue from the operation of EGMs, making Victoria only the third largest club sector on the basis of EGM revenue, behind NSW and Queensland. Despite this, there are a number of very large clubs in Victoria, reflecting the diverse nature of the clubs sector. Overall, clubs in Victoria earn around \$870 million from EGM revenue, which is the third largest figure in the nation.

Licensed clubs operate throughout Victoria and provide services to 2.3 million members and the broader community. This is an average of 1,600 members per club and is more than the 2011 estimate of 2.0 million members.

As mentioned above, the number of clubs considered by the survey has increased significantly since 2011. This has affected the structure of the clubs industry. In particular, the number of very small and very large clubs has increased.

Table 11 provides a high level summary of the population of licensed clubs in Victoria in 2011 and 2015. The large increase in the upper EGM revenue bands suggests that, in addition to the expanded coverage of the 2015 Census, larger clubs have been able to increase their revenue since 2011.

## Financial viability of clubs in Victoria

In the context of the clubs industry, financial viability refers to the ability of a club to generate sufficient funds from its operating activities to cover the costs of providing services to its membership and local community, meet its financial obligations, and have the financial capability to reinvest in facilities and infrastructure.

**Table 11 – Changes in industry structure – Victoria**

EGM Revenue	Clubs Census 2011	Clubs Census 2015	Change
\$0	955	1,184	+229
\$0 – \$200k	5	2	-3
\$200k – \$1m	32	30	-2
\$1m – \$5m	160	155	-5
\$5m – \$10m	35	50	+15
> \$10m	11	9	-2
<b>Total</b>	<b>1,189</b>	<b>1,430</b>	<b>+232</b>

Source: *Clubs Census 2015 and KPMG analysis.*

As shown in Figure 18, the financial viability of clubs in Victoria has improved significantly since 2011. This is likely a result of a number of factors, including the addition of clubs with high levels of revenue and the growth of other large clubs, as indicated by the changes in industry structure. In addition, total club revenue in the state has increased from \$1.6 billion to \$1.9 billion.

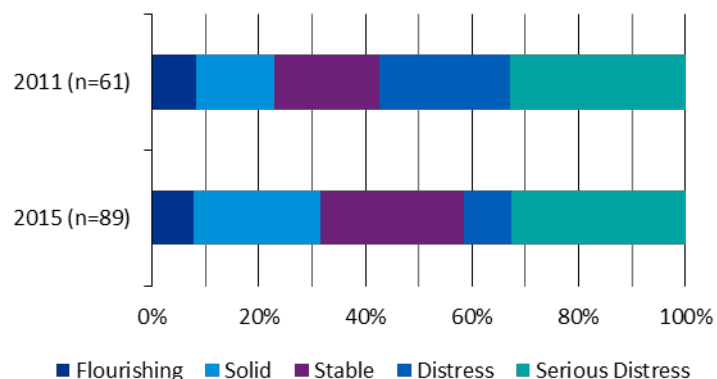
In addition, since 2011 a number of policy measures have been implemented, which may have affected the financial viability of clubs in Victoria. These changes include expanding the scope for clubs to own and operate EGMs, which is expected to improve the financial viability of clubs, as well as increases in gaming taxation, which is likely to increase the taxation burden for clubs, particularly for smaller clubs.

However, there is a string of small clubs facing financial stress. This is due in part to the relatively high price paid by clubs in Victoria for gaming machine entitlements in comparison with hotels, which affects the ability of some clubs to effectively generate revenue from entitlements more than others. For instance, consultation with industry stakeholders has indicated that the number of clubs providing gaming services has declined since 2013. This is broadly consistent with the findings of Table 11, which indicate little growth in the population of licensed clubs earning EGM revenue since 2011.

# Clubs Census 2015 – Overview of Victoria results (cont'd)

Overall, the number of clubs in a flourishing or solid financial position has increased from 23 per cent in 2011 to 31 per cent in 2015. In addition, the number of clubs exhibiting signs of distress or serious distress has fallen from 57 per cent to 42 per cent over the same time period.

**Figure 18 – Financial viability (by EBITDA) of respondents in Victoria between 2011 and 2015**



Source: Clubs Census 2015 and KPMG analysis.

## Social contribution

The licensed clubs industry has traditionally played an important role in supporting local communities, both through core activities, such as providing opportunities for sports and physical activities to Victorians of all ages, and broader community support; for example, providing donations to community organisations.

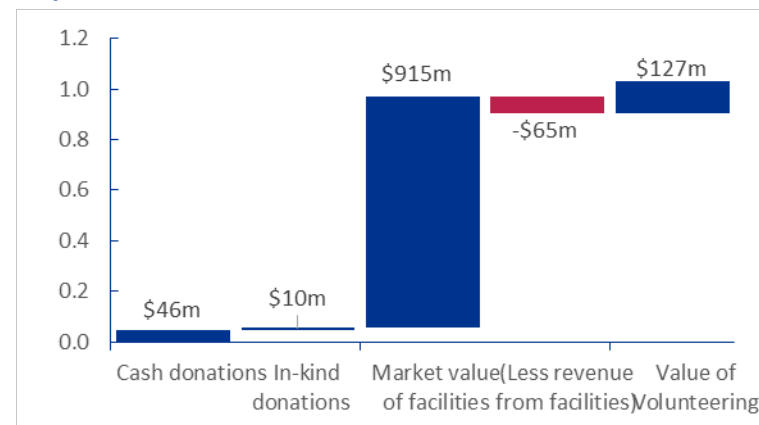
The clubs industry in Victoria has continued to contribute to improved social outcomes in the community. In 2015, the social impact of the industry was estimated to be worth \$1.0 billion, or around \$720,000 per club. The 2015 social contribution of licensed clubs comprised:

- The value of volunteer labour amounts to \$127 million.

- Cash and in-kind donations of \$55.6 million in 2015, or \$40,000 per club, including \$22 million by regional clubs. Of this total, cash donations account for \$45.6 million (\$19 million in regional areas) and in-kind donations account for \$10.0 million (\$3 million in regional areas).
- Subsidised access to social and recreational facilities owned and operated by clubs of around \$850 million. This comprises the total market value of these facilities of \$915 million less an estimated \$65 million in revenue derived from these facilities. The revenue estimate includes revenue directly earned from facility access fees as well as a share of other revenue line items such as membership fees.

The most significant share of social contribution is through the subsidised access to facilities. This includes a wide range of facilities such as meeting rooms (1,034 statewide), entertainment venues (834), bowling greens (718), tennis courts (459), billiard tables (369), sporting fields (362), accommodation places (282), golf courses (272), fitness centres (50) and squash courts (47).

**Figure 19 – Total social contribution of clubs in Victoria by component (2015 - \$ billions)**



Source: Clubs Census 2015 and KPMG analysis.

# Clubs Census 2015 – Overview of Victoria results (cont'd)

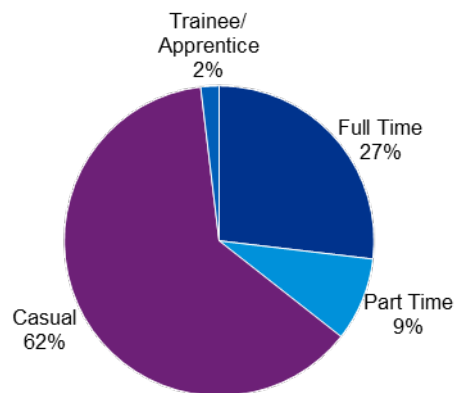
## Employment

Club employees work across a range of functions such as gaming, food and beverage, facilities provision and maintenance and finance and administration. Clubs are a significant employer. In 2015, clubs in Victoria employed 27,900 staff or about 20 per club. This includes around 9,000 employees in regional areas.

Over 60 per cent of employees work on a casual basis (see Figure 20), which is an increase since 2011, largely as a result of growth in total employment. The increasing reliance on casual staff allows licensed clubs to be more flexible in their operations. This is important as licensed clubs operate in a challenging environment where financial viability can be an ongoing concern.

The number of employees in the licensed clubs sector has increased, as has the salaries and wages paid to staff. However, this has decreased on a per club basis, which indicates that this is largely driven by the increased coverage of Victorian clubs in the 2015 Census (see Table 12).

**Figure 19 – Club industry workforce by employee type in Victoria (2015)**



Source: *Clubs Census 2015 and KPMG analysis.*

**Table 12 – Club sector salaries in Victoria between 2011 and 2015**

	Clubs Census 2011	Clubs Census 2015	Change (%)
Total salaries (\$m)	708.3	806.9	+13.9
Average salaries paid per club (\$'000s)	591.7	564.3	-4.6

Source: *Clubs Census 2015 and KPMG analysis.*

## Taxation

Clubs contribute to all levels of government revenue through a range of taxes. These include taxes paid by any business, such as payroll tax and GST, as well as gaming taxes and excises specific to licensed clubs and other businesses in the hospitality sector.

The analysis of the 2015 Census results indicates that the total taxes paid by licensed clubs in Victoria was \$440.6 million in 2015, up from about \$350 million in 2011.

Despite the fact that most clubs in Victoria do not earn revenue from EGMs, gaming taxes are the most significant tax faced by licensed clubs in Victoria, accounting for 49 per cent of all taxes paid.

GST accounts for an additional 43 per cent of all taxes paid in Victoria, or just under \$190 million. Other taxes amounted to \$35.1 million in 2015, accounting for less than 9 per cent of the total taxes paid by clubs.





# Results



Western Australia results of the 2015 Clubs Census

# Clubs Census 2015 – Overview of Western Australia results

## Introduction

The Western Australian clubs industry consists of 975 individual clubs. This represents a small increase from 2011. While this significant number is in line with the other large states, clubs in Western Australia are not able to operate EGMs. As a result, the size of the Western Australian clubs sector – by overall revenue – is in some ways comparable to much smaller states.

As a result, all clubs in Western Australia are placed in the zero EGM revenue band.

Clubs in Western Australia provide services to around 453,000 members, or about 465 per club, which is amongst the lowest number per club in Australia. This includes 127,000 members in regional areas.

## Financial viability of clubs in Western Australia

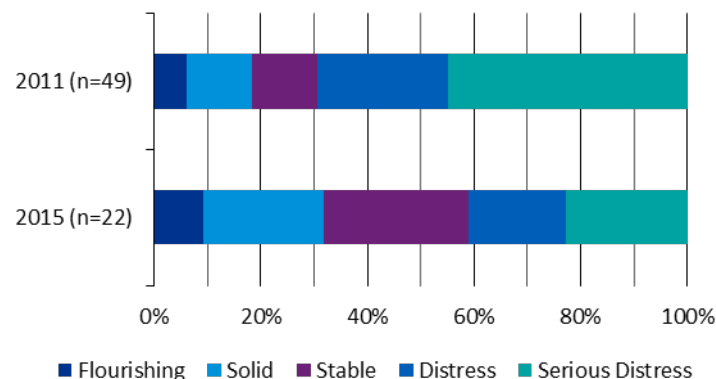
In the context of the clubs industry, financial viability refers to the ability of a club to generate sufficient funds from its operating activities to cover the costs of providing services to its membership and local community, meet its financial obligations, and have the financial capability to reinvest in facilities and infrastructure.

Western Australia is the only Australian jurisdiction without any clubs EGM revenue. It should be noted that in general, clubs with larger EGM revenues have higher levels of financial viability than those with smaller EGM revenues. However, it should be noted that this may not apply in full to Western Australia as even large clubs in the State would have zero EGM revenue. Specifically, since 2011, the revenue of clubs in Western Australia has increased significantly, both in total and on a per club basis. Total revenue in 2015 was \$378 million, including \$82 million in revenue for regional clubs.

Overall the financial viability of clubs in Western Australia is slightly below the levels observed in NSW and Queensland – states with high levels of EGM revenue. However, the financial viability of Western Australia clubs is in broadly in line with observed levels in Victoria and above observed levels in South Australia – a state with a greater number of clubs with no EGM revenue.

As shown in Figure 21, the financial viability of clubs in Western Australia has improved significantly since 2011. Overall, the number of clubs in a flourishing or solid financial position has increased from 18 per cent in 2011 to 32 per cent in 2015. Meanwhile, the number of clubs exhibiting signs of distress or serious distress has fallen from 69 per cent to 41 per cent.

**Figure 21 – Financial viability (by EBITDA) of respondents in Western Australia between 2011 and 2015**



Source: *Clubs Census 2015 and KPMG analysis.*

## Social contribution

The registered clubs industry has traditionally played an important role in supporting local communities, both through core activities, such as RSL clubs supporting veterans' services, and through broader community support; for example, providing donations to community organisations.

# Clubs Census 2015 - Overview of Western Australia results (cont'd)

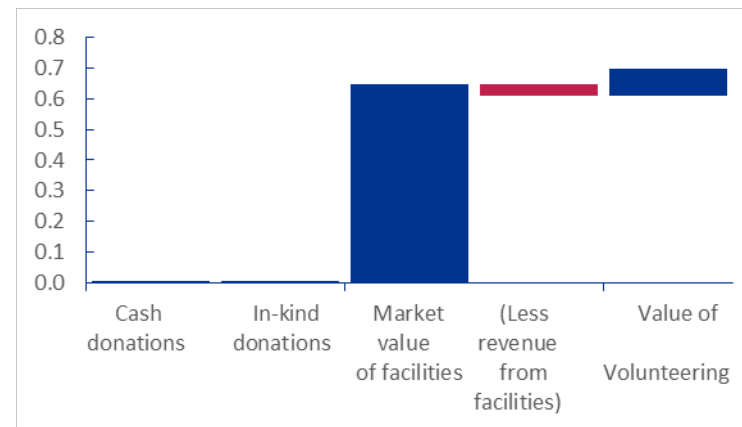
The clubs industry in Western Australia has continued to contribute to improved social outcomes in the community. In 2015, the social impact of the industry was estimated to be worth \$696 million, or around \$715,000 per club, the lowest amongst the jurisdictions presented in this Report. The 2015 social contribution of registered clubs comprised:

- Cash and in-kind donations of \$3.7 million in 2015, or around \$4,000 per club, which is down 47 per cent since 2011. This includes \$1.3 million provided by regional clubs. Of this total, cash donations account for \$2.3 million and in-kind donations account for \$1.4 million.
- Subsidised access to social and recreational facilities owned and operated by clubs of around \$600 million. This comprises the total market value of these facilities of \$643 million less an estimated \$39 million in revenue derived from these facilities. The revenue estimate includes revenue directly earned from facility access fees, as well as a share of other revenue line items such as membership fees.
- The value of volunteer labour amounts to \$88 million.

The most significant share of social contribution is through the subsidised access to facilities. This includes a wide range of facilities such as meeting rooms (629 statewide), entertainment venues (521), bowling greens (488), tennis courts (345), sporting fields (231), billiard tables (226), golf courses (205), accommodation places (161), squash courts (33), fitness centres (28) and swimming pools (2).

The average social contribution of Western Australian clubs is lower than other jurisdictions. In particular, the direct cash and in-kind support is significantly lower than states and territories with significant levels of EGM revenue such as NSW, Queensland and Victoria. This is observed across similar jurisdictions such as South Australia, where clubs have low levels of gaming revenue.

**Figure 22 – Total social contribution of clubs in Western Australia by component (2015 - \$ billions)**



Source: *Clubs Census 2015 and KPMG analysis.*

## Employment

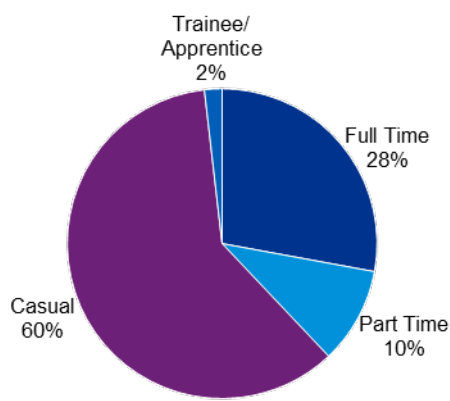
Club employees work across a range of functions such as gaming, food and beverage, facilities provision and maintenance and finance and administration. Clubs are a significant employer. In 2011, clubs in Western Australia employed 13,000 staff.

Compared to employment in Australia, employment by headcount has increased in Western Australia, to 14,900 employees since 2011. This is equal to around 15 per club and includes 4,000 employees in regional areas. This is broadly consistent with the improved financial position of Western Australian clubs. Over 60 per cent of employees work on a casual basis (see Figure 23), which is largely unchanged since 2011.

# Clubs Census 2015 – Overview of Western Australia results (cont'd)

The increase in the number of employees in the registered clubs sector in Western Australia also extends to the salaries and wages paid to staff (see Table 13). The increase in effort indicated by these results is also in line with the other key results of the Western Australian responses to the Census. However, it should be noted that employment and salaries per clubs are low relative to other jurisdictions.

**Figure 23 – Club industry workforce by employee type in Western Australia (2015)**



Source: Clubs Census 2015 and KPMG analysis.

**Table 13 – Club sector salaries in Western Australia between 2011 and 2015**

	Clubs Census 2011	Clubs Census 2015	Change (%)
Total salaries (\$m)	342.9	373.1	+8.8
Average salaries paid per club (\$'000s)	357.9	382.7	+6.9

Source: Clubs Census 2015 and KPMG analysis.

## Taxation

Clubs in Western Australia contribute to all levels of government revenue through a range of taxes. These largely refer to taxes paid by any business, such as payroll tax and GST, as well as excises specific to registered clubs and other businesses in the hospitality sector.

The analysis of the 2015 Census results indicates a slight increase in total taxes paid by registered clubs in Western Australia, from \$39.7 million in 2011 to \$45.8 million in 2015, an increase of 15 per cent. This is largely a result of increased GST expenditure.

While taxes paid by clubs in Western Australia has increased since 2011, the overall tax level remains lower than states where significant levels of gaming revenue are earned by clubs.

GST is the main tax type, accounting for 83 per cent of all taxes paid in Western Australia, up from 74 per cent in 2011. This is driven by overall revenue earned by clubs in Western Australia.

Other taxes amounted to just under \$8.0 million in 2015 or 17 per cent of total taxes.



# Appendix A: Detailed Approach

# Appendix A: Detailed Approach

## 2015 Census – Principal Stages

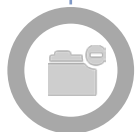


### Stage 1: Agreement of the Census purpose and key parameters

The first stage of the approach confirmed the objectives of ClubsAustralia and ClubsNSW in undertaking the 2015 Clubs Census, and agreed the main parameters. This stage was undertaken in consultation with stakeholders, and reflected on the 2011 Clubs Census approach and outcomes, as well as the emerging industry developments, risks, and opportunities. The outcome of this stage reflected ClubsNSW's changed expectation of the role of the Clubs Census. ClubsNSW saw the Census as moving from a static, point-in-time snapshot, to a more forward-looking exercise, which identifies and understands key trends, risks, and opportunities in the industry, and which may be used to underpin strategic decision making.

Specifically, the 2015 Census intends to:

- **Provide a snapshot** at a national and state level of the large and diverse registered clubs sector.
- **Illustrate the reach and contribution** of the sector within communities, both economically and socially.
- **Present critical information** to important industry stakeholders on the role played by clubs in their local communities and at a national level.



All aspects of the Engagement, including the survey design, analysis, and reporting of the results were undertaken in a manner consistent with these objectives.

### Stage 2: Development and pilot of the survey instrument

KPMG developed the 2015 Census survey instrument in consultation with ClubsNSW. In order to improve the 2015 Census we drew on learnings from the 2011 Clubs Census.

The 2015 Census is divided into 10 sections as follows:

1. **General questions** including club type, number of members, venue information, and registration details.
2. **Sporting and recreation facilities** including details of all sporting and non-sporting infrastructure provided by the club to their respective local communities.
3. **Employment and training** including number of employees, amount spent on wages and training provided to staff.
4. **Volunteers** including the number of volunteers and their roles, and the number of hours spent volunteered assisting the club.
5. **Gaming machines** including their number, as well as harm minimisation programs and growth plans.



# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



6. **Community support** including the value of monetary and in-kind support provided, and the types of community organisations and endeavours supported.
7. **Finance** including details of the club's income, expenses, and profitability as well as its assets and liabilities.
8. **Taxation issues** including amounts paid to revenue authorities and certain income tax data.
9. **Future outlook** particularly in respect of clubs financial plans under various operating conditions.
10. **Sustainability** including current and planned investment in environmentally friendly initiatives.

We agreed the following changes to the survey design with ClubsNSW :

- More detailed information was sought with respect to the direct support of communities through cash and in-kind donations. As a result, the number of categories clubs could report for cash and in-kind donations increased from 8 in 2011 to 18 in 2015.
- In response to irregular reporting in 2011, the 2015 Census provided an opportunity for clubs to identify whether their response to the question regarding the average hours contributed by volunteers was on a per month, per fortnight, or per week basis. In 2011, clubs were instructed to enter average hours per month; however, there was some evidence that clubs misinterpreted this instruction and provided their responses on a per week basis.
- To facilitate the valuation of volunteer labour in line with the method described by IPART in 2008, a change in the categorisation of 'sports' volunteers was adopted. In 2011, a single sport category included volunteers associated with facilities upkeep (not measured in the IPART approach) and those involved in other activities such as coaching and administration (measured in the IPART approach). In 2015, a separate 'facilities' category was identified, with all other sporting volunteers captured in the 'other' category.
- To facilitate the valuation of facilities in line with the method described by IPART, the 2015 Census asked clubs how many of a range of sporting and non-sporting facilities they maintained, to develop an estimate of the total number of facilities provided by registered clubs in NSW. The 2011 NSW Clubs Census sought only to identify whether these facilities were provided, not how many were provided, which would not capture clubs with more than one of a type of facility (such as two bowling greens). As a result, the 2011 NSW Clubs Census relied on average facility numbers per club sourced from the 2007 NSW Clubs Census.
- More detailed information was sought with respect to capital expenditure to better understand how registered clubs invest in new and existing assets. The 2015 Census sought information on the value of expenditure on new assets, as well as the refurbishment and maintenance of existing assets, rather than the overall level of capital investment.



# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



The preliminary survey questions were tested through the administration of a pilot survey in order to test and refine the survey instrument. The pilot was completed in October 2015. As part of the pilot survey process feedback was collected from users and the design of the census rollout was adjusted. Key feedback collated from the pilot survey included:

- There were concerns amongst survey respondents regarding the length of the survey, and the design of the questions that did not typically include a limited response and instead required figures or other specific responses, which may not be easily sourced.
- The optimal method of survey distribution was online and that the online survey should be distributed to a larger proportion of the clubs population.

While the feedback on survey design was noted, no changes were made to the survey as this information was required in a specific format to enable the analysis of survey responses. However, feedback from the pilot survey did result in an adjustment to the distribution of the survey, with a larger number of online surveys distributed than originally anticipated.

Following the subsequent roll out of the full survey, the Census closed in March 2016, with submissions received either by post or online submission

The Census asked clubs to provide information based on two distinct time periods depending on the type of information sought:

- **Non-financial information** was based on the clubs' current records and management information.
- **Financial information** was based on the latest full-year financial results reported by the club. This information was derived from either clubs' latest internal account records, or audited/unaudited financial statements. As such, the timeliness of this information varied according to the year-ends adopted by respondents.

A copy of the final, agreed survey instrument is provided in Appendix B of this report.

# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



### Stage 3: Survey distribution

The Census was distributed to over 6,100 clubs across Australia. As was expected, given the outcomes of the pilot survey, there was some difficulty in obtaining a sufficient response rate given the length of the survey. As a result, the following actions were taken to facilitate the completion of the survey by registered clubs:

- In response to feedback that the survey completion was particularly difficult in the lead up to the end of the calendar year, the time given to clubs to complete the survey was extended to facilitate a higher completion rate. The schedule closure date of the Census was in November 2015; however, this was extended to March 2016.
- An outbound calling program was established by ClubsNSW and ClubsAustralia to prompt registered clubs to complete the survey. This program was structured as to avoid targeting specific clubs so that no bias would be introduced into the sample.
- KPMG was engaged in an ongoing dialogue with ClubsNSW and ClubsAustralia to co-ordinate the outbound calling program. This included the provision of regular updates on the number of respondents and the subsequent quality of sample sizes.

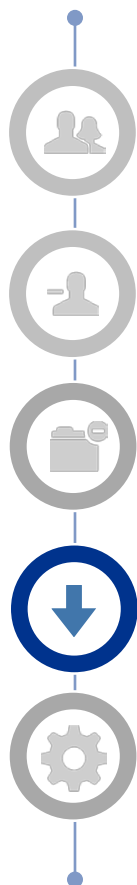
A total of 1,437 online and 193 postal responses were received by KPMG to the broader Census. However, a number of these responses were insufficiently completed to facilitate their inclusion in the survey sample. Typically, these surveys were largely incomplete except for details associated with the club's name, type and location. This may have been a result of registered clubs that registered to complete the online survey but did not commence the survey or did not progress beyond the initial questions.

As a result, these responses were removed from the sample. As such, the total number of response in the survey utilised in the sample was 1,168 across Australia. This represents a participation rate of 19 per cent, which is an increase from the 15 per cent participation rate achieved as part of the 2011 Clubs Census.

Following the receipt of all responses, received data was digitised into formats readable by Microsoft Excel, for subsequent analysis.

# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



### Stage 4: Collation and analysis of survey results

On the basis of the survey responses, KPMG undertook an extensive collation and cleansing exercise to enable the analysis of the results to be undertaken. This process involved developing a greater understanding of the scope and scale of the data, as well as issues around data quality, consistency, and the associated limitations. To support this process, a number of cross-checks were undertaken and adjustments made to the underlying data. As a result of these exercises, the final sample size of the 2015 Census was 1,168 as, outlined in Table 1.

**Table 1 – Sample size of the 2015 Census**

Club Type	All Respondents excluding incomplete surveys	Respondents after data cleansing
Bowling Clubs	316	295
RSL/Services Clubs	191	187
Golf Clubs	188	183
League/Football Clubs	126	117
Other Sporting Clubs	112	104
Other Clubs	105	102
Community/Workers/Union/Political Clubs	103	99
Yacht/Boating Clubs	36	34
Cultural/Religious Clubs	22	20
Surf Lifesaving Supporters Club	16	15
Racing Club	12	12
<b>Total</b>	<b>1,227</b>	<b>1,168</b>

Details of the cross-checks and cleansing processes are as follows:

1. 461 clubs provided fewer than 30 responses in the final survey data, a significant spike in the frequency distribution of number of responses per club. As such, these clubs were deemed to have not completed the survey to a sufficient degree to add to the analysis, and hence were excluded from the final samples.
2. In some instances, there were discrepancies noted between clubs' reported EGM revenue (Qn 17b) and the revenue line item for EGMs (Qn 21). Where these could not be reconciled, financial information was excluded.

# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



3. There was also a number of financial questions where tests were undertaken to examine the reasonableness of key financial statement ratios (e.g. revenue to expenses) and the spread of responses (the number of standard deviations from the average). The purpose was to identify outliers, given the higher potential of the outlier being attributable to an inaccurate response, rather than natural variation. Further detail on the approach is provided in Appendix C. Responses determined to be unreasonable on the basis of these tests were excluded from the analysis.
4. The survey also included a series of interrelated questions, for example around personnel expenses (Qn 10) and total salaries and wages expenditure (Qn 21). Where there were irreconcilable discrepancies between these interrelated questions, the responses were excluded from further analysis.

The cleansing exercises undertaken sought to identify the most significant potential outliers attributable to data quality and consistency; however, it is acknowledged that some outliers identified through the cleansing exercise reflected natural variation within the sector. The outliers identified could be a result of user error, such as the addition or subtraction of a zero, misplaced decimal points or through inputting a response in the incorrect units required by the survey instrument. Alternatively, these outliers may be an accurate reflection of the registered clubs' service offering or performance. The mitigation strategies used to minimise the risk of falsely excluding outliers is as follows.

### Outlier Analysis and Cleansing

As part of the survey instrument, the magnitude of EGM revenue is sought twice, in the gaming and revenue sections of the instrument.

As a result, a direct comparison of these two responses (where both have been answered) is possible to identify errors. In addition, access to the actual EGM revenue as collated by the gaming regulator was also available to identify errors. Where an internal inconsistency in the response was identified with regard to a club's EGM revenue, a more detailed review was undertaken to avoid removing the response from the sample. This review included examination of:

- the regulated returns; and
- the club's annual report (if available on the club's website).

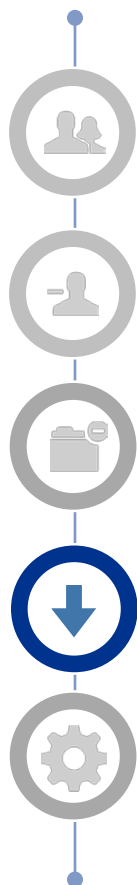
Upon examination of these source documents, where evident, the correct response for each individual club was selected.

Where outliers were a function of input error, KPMG sought to remove these responses from the sample used to generate the results of the Census. A conservative approach to identifying these outliers was undertaken to avoid removing outliers that were not a result of user error. To minimise the risk of falsely excluding outliers that were a result of natural variation in the sample, the following actions were taken:

- The likely variation of responses for specific questions of the survey instrument were identified. Where there was likely to be significant variation, for instance the specific categories of expenditure or cash contributions, these questions were excluded from the analysis.

# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



- Amongst the remaining questions, key outputs of the survey were identified and the following tests were developed to identify outliers well outside the typical range of responses. All tests were conducted on the basis of club size categorised by annual EGM revenue, so that variations between bands of clubs was not identified as an outlier:
  - For non-financial questions, responses falling outside the range of two standard deviations above and below the sample average were considered outliers.
  - For financial questions, which typically had greater levels of variability, responses falling outside the range of three standard deviations above and below the sample average were considered outliers.
  - Where total revenues and expenses were submitted by the registered club, excessively high revenue to expense ratios (greater than 1.25:1) were considered outliers.

Furthermore, a number of questions in the survey instrument sought information from registered clubs on broadly similar issues, or sought information in differing levels of detail. For instance:

- Questions were asked regarding total employment, employment by type (such as full time, part time and casual) as well as employment by position, age and gender.
- Questions were asked regarding total salaries paid, the average hourly pay per employee as well as personnel expenses.

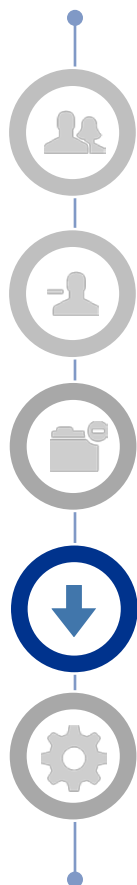
As a result, there was scope for further confidence in identifying response errors through a number of checks of the internal consistency of survey responses. These checks typically fell into one of two categories:

- Checks where the response to two questions, or two sets of questions should be equal – such as total employment and the sum of employment by type.
- Checks where a response to a question should be larger than the response to another question or set of questions – for instance, personnel expenses should be expected to be greater than salaries and wages paid given that these expenses would include employee on costs.

It was noted that timing differences in the observation of the responses, or completion of different sections of the survey by different individuals may have resulted in some internal inconsistencies. As a result a conservative approach was taken, with only those responses where the inconsistency was greater than 20 per cent were removed.

# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



### Extrapolations of final samples

Accepted statistical techniques were used to extrapolate the survey results across the industry, based on the sample size achieved in the surveys and the assumption of simple random sampling. The results have been used to estimate key industry metrics and to benchmark against the 2011 Club Census results. Within Australia, extrapolations were carried out on a top-down basis and split between states on the basis of headcount and proportion of gaming revenue.

In parallel to the 2015 Census, ClubsNSW conducted the 2015 NSW Clubs Census to develop a deeper understanding of the NSW clubs industry. The NSW Census returned a larger sample as a proportion of the total population of clubs than the 2015 Census. Given the large sample size, the NSW Census was able to be analysed at a greater level of granularity than the 2015 Census and the results are considered more accurate estimates than those generated by the top down approach of the 2015 Census.

As a result, the 2015 Census has incorporated the results of the NSW Census in its estimates of the size and scope of the NSW industry. As well as ensuring that the NSW estimates in the 2015 Census are based on the most accurate information available, this approach is expected to improve the estimation of other jurisdictions as the share of the industry relating to jurisdictions other than NSW in the top-down approach is refined.

Extrapolation uplift factors were based off either the proportion of total population EGM revenue captured by the sample of survey respondents, or the proportion of total population number of clubs that responded to each question, based on whether the question to be extrapolated was financial in nature or not, in a consistent manner to the 2011 Club Census approach. Population level data was sourced from the state regulator, and reconciled to the distribution list of clubs to receive the Census.

The population figures used in these calculations is based on regulated returns sourced from the gaming regulator by Clubs Australia. Importantly, the extrapolation factors applied to each question are different based on the number of respondents answering each question. In the case of the 2015 Census, the sample used is sufficient to provide 95 per cent confidence that the true population average is within a 10 per cent range, centered on the sample average for NSW and Victoria. This is a reasonable level of statistical confidence and is sufficient to facilitate analysis of the industry.

For other jurisdictions, except the Northern Territory and Tasmania, the confidence interval is within a 13 per cent range centered on the sample average. The results of the Census should be considered within this context.

# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



For the Northern Territory and Tasmania, a significant sample size was not achieved and results for these jurisdictions have not been presented in this report.

It should be noted that where a question had a low response rate, this may reduce the sample size of the Census below the level of significance. Where this is the case, the results of the Census have not been reported.

In addition, the scope for variation around the sample average should be considered when interpreting the results, and in particular when comparing these results with the results of the 2011 Census, which is also subject to a similar probability of error.



### Stage 5: Reporting

This report represents a detailed outline of the 2015 Clubs Census scope and approach and an analysis of the key themes identified through the Clubs Census implementation and analysis phases. Where possible, KPMG has sought to compare the results of the 2015 Clubs Census to those in previous years and to identify the key drivers of any changes.



In the development of the Census results and this Report, a number of methodologies have been used to estimate key results. In particular, financial viability and social contribution has been estimated on the basis of methods developed by IPART in 2008 and the economic impact of registered clubs has been developed on the basis of industry specific multipliers identified in 2011. A detailed outline of these methods is provided below:



### Financial Viability

Based on the ratio of a club's earnings before interest, tax, depreciation, and amortization (EBITDA) to total revenue, financial viability scores were assigned to each club, where calculable. This measure was designed to measure the earning power of clubs per unit of revenue. Scores were categorised as follows:



- **Flourishing:** EBITDA greater than 25 per cent of total revenue.
- **Solid:** EBITDA between 15 per cent and 25 per cent of total revenue.
- **Stable:** EBITDA between 10 per cent and 15 per cent of total revenue.
- **Distress:** EBITDA between 5 per cent and 10 per cent of total revenue.
- **Serious Distress:** EBITDA less than 5 per cent of total revenue.

# Appendix A: Detailed Approach (cont'd)

## 2015 Census – Principal Stages



### Social Contribution

Quantification of the total social contribution provided by Clubs was based on the IPART methodology, and comprised the following components:

- total cash payments made as donations;
- total value of in-kind support donated;
- total market value of facilities;
- total value of hours contributed by volunteers; and
- less revenue generated by facilities.

The average market values of various facilities were determined by inflating earlier figures according to input prices movements associated with the alternative uses of the area dedicated to these facilities (typically office rents). This is consistent with the approach used in 2011. Similarly, the value of volunteer labour was taken to be \$120 per hour (in 2010 dollars) for directors and \$20 per hour (in 2007 dollars) for other volunteers, and inflated at the appropriate wage index.

### Economic Contribution

KPMG used the income approach to estimate the total (i.e. direct and indirect) economic contribution of the registered clubs sector to the State economy in 2015, comprising both:

- the direct impact of the sector – namely, those impacts as a result of the direct operations of each club within each NSW region, occurring mainly through direct operational and capital expenditure of each club; and
- the indirect impacts of the sector – namely, those driven by upstream and downstream impacts, for example, additional spending by employees of registered clubs and the businesses that supply goods and services to registered clubs.

The income approach involves the calculation of economic contribution on the basis of employee compensation, profits, and levels of income produced within a given sector of the economy. Incorporated within this approach is an allocation of subsidies.





# Appendix B: Approach Limitations

# Appendix B: Approach Limitations

The 2015 Census involved collating a significant number of completed surveys from a diverse range of registered clubs in Australia. The clubs were varied, with:

- differing capacity to complete the surveys; and
- differing data collection and recording systems used to present the information requested in the Census.

In addition, the development of the population-level estimates required the application of statistical techniques to extrapolate the survey responses. As a result, the analysis is subject to a number of limitations. To the greatest extent possible, KPMG has sought to minimise the impact of these limitations through the use of specific statistical techniques.

This is discussed in greater detail below.

## Analysis scope

It is important to note that the economic analysis undertaken as part of this project focuses on the gross benefits of the club industry, as opposed to the net benefits. The analysis does not consider any potential social costs that may result due to problem gambling, or any potential transfers of wealth between two parties.

## Accuracy of statistical estimates

Appendix A of this Report details the survey method used to complete the 2015 Census as well as the statistical techniques applied to analyse the survey responses and to develop a series of population estimates.

While the method used in the 2015 Census is a well accepted approach to analysing sample information, like all estimation dependent on sample data, the results of the 2015 Census are subject to sampling error. This reflects the potential deviation of the sample average from the average of the whole population.

In general, these issues are addressed by sourcing a large enough sample so that the likely deviation of the true average from the sample average is small.

In the case of the 2015 Census, the sample used is sufficient to provide 95 per cent confidence that the true population average is within a 10 per cent range, centered on the sample average for NSW and Victoria. This is a reasonable level of statistical confidence and is sufficient to facilitate analysis of the industry.

For other jurisdictions, except the Northern Territory and Tasmania, the confidence interval is within a 13 per cent range centered on the sample average. The results of the Census should be considered within this context.

For the Northern Territory and Tasmania, a significant sample size was not achieved and results for these jurisdictions have not been presented in this report.

It should be noted that where a question had a low response rate, this may reduce the sample size of the Census below the level of significance. Where this is the case, the results of the Census have not been reported.

In addition, the scope for variation around the sample average should be considered when interpreting the results, and in particular when comparing these results with the results of the 2011 Census, which is also subject to a similar probability of error.

## Quality of responses

The 2015 Census results, as presented in this Report, have been developed on the basis of responses provided by clubs to the survey. As a result, the quality of the data is limited by the quality of the information provided by registered clubs.

The quality of survey responses may be limited for a number of reasons. For instance:

- Information requested in the survey may not be tracked by registered clubs responding to the survey – requiring respondents to provide estimates rather than actual information.
- Questions may be misunderstood by the registered clubs completing the survey, affecting the quality of responses.

# Appendix B: Approach Limitations (cont'd)

- Data transposition errors may impact the quality of responses – for instance, a transposition error could make the response differ in magnitude from the actual measurement.

While response quality is a common challenge of all surveys, the 2015 Census has implemented a number of measures to limit the impact of these issues on results. These include:

- testing the survey instrument through the release of a pilot survey, to identify any common errors associated with question wording;
- supporting respondents answering the survey through email and telephone assistance lines; and
- completing a number of data cleansing and validation processes to identify and remove data irregularities.

These data validation and cleansing processes aim to ensure that the data is sufficiently robust to provide insights on the state of the registered clubs industry, while maintaining a sufficient sample size to replicate the analysis from the 2011 Census.

Specifically, the following data validation and cleansing procedures were completed as part of this process:

- Outlier responses were identified and removed from the sample to avoid errors of magnitude;
- Response errors were identified through the interaction between key questions and removed from the sample; and
- Response errors associated with gaming revenue were identified and corrected on the basis of regulated returns or removed if actuals were not available.

A more detailed description of these data validation and cleansing processes is outlined in the following sections. It should be noted that, while a conservative approach to identifying outliers and errors has been adopted, outliers and errors in the sample may remain. While this should not impact the results of the Census (as any deviation is expected to be evenly distributed around the average) this should be considered when interpreting the broader results of the 2015 Census.

## Identification of outliers

As discussed above, a number of responses to specific questions were identified as significant outliers relative to the responses provided by clubs of similar sizes. These outliers could be caused by user error, such as the addition or subtraction of a zero, misplaced decimal points or by entering a response in the incorrect units required by the survey instrument. Alternatively, these outliers may be an accurate reflection of the registered clubs service offering or performance.

Where these outliers were a function of input error, KPMG sought to remove these responses from the sample used to generate the results of the 2015 Census. We took a conservative approach to identifying these outliers to avoid removing outliers that were not a result of user error.

To identify outliers that were the subject of errors, we applied the following actions:

- The likely variation of responses for specific questions of the survey instrument were identified. Where there was likely to be significant variation, for instance, in the specific categories of expenditure or cash contributions, these questions were excluded from the analysis.
- Amongst the remaining questions, key outputs of the survey were identified and the following tests were developed to identify outliers well outside the typical range of responses. All tests were conducted on the basis of club size, so that variations between bands of clubs was not identified as an outlier.

# Appendix B: Approach Limitations (cont'd)

- For non-financial questions, responses falling outside the range of two standard deviations above and below the sample average were considered outliers.
- For financial questions, which typically had greater levels of variability, responses falling outside the range of three standard deviations above and below the sample average were considered outliers.
- Where total revenues and expenses were submitted by the registered club, excessively high revenue to expense ratios (greater than 1.25:1) were considered outliers.
- Where outliers were identified, the response was removed from the sample to minimise the impact of erroneous responses on the 2015 Census results. In addition, as a conservative measure, responses to similar questions from these clubs were also removed from the sample.

## Identification of internally inconsistent responses

As discussed in Appendix A, a number of questions in the survey instrument sought information from registered clubs on broadly similar issues, or sought information in differing levels of detail. For instance:

- Questions were asked regarding total employment, employment by type (such as full time, part time and casual) as well as employment by position, age and gender; and
- Questions were asked regarding total salaries paid, the average hourly pay per employee as well as personnel expenses.

As a result, there was scope for response errors to be identified through a number of checks of the internal consistency of survey responses. These checks typically fell into one of two categories:

- Checks where the response to two questions, or two sets of questions should be equal – such as total employment and the sum of employment by type; and

- Checks where a response to a question should be larger than the response to another question or set of questions – for instance, personnel expenses should be expected to be greater than salaries and wages paid given that these expenses would include employee on costs.

Where a response was deemed to be internally inconsistent, the responses to all relevant questions were removed from the sample. However, it was noted that timing differences in the observation of the responses, or completion of different sections of the survey may have resulted in some internal inconsistencies. As a result, a conservative approach was taken, with only those responses where the inconsistency was greater than 20 per cent removed.

## Inconsistent measurement of EGM revenue

EGM revenue is a particularly important component of the survey instrument, as it represents the method by which clubs are categorised by size. As part of the survey instrument, the magnitude of EGM revenue is sought twice, in the gaming and revenue sections of the instrument.

As a result, a direct comparison of these two responses (where both have been answered) is possible to identify errors. In addition, access to the actual EGM revenue as collated by the gaming regulator was also available to identify errors.

Where an internal inconsistency in the response was identified with regard to a club's EGM revenue, a more detailed review was undertaken to avoid removing the response from the sample. This review included examination of:

- the regulated returns; and
- the club's annual report (if available on the club's website).

Upon examination of these source documents, where evident, the correct response for each individual club was selected.

# Appendix B: Approach Limitations (cont'd)

## Extrapolation of results

As identified in the Approach section of this Report, the 2015 Census only returned a sample of all responses. Statistical extrapolation is therefore necessary to develop estimates for the likely response to the survey instrument if it was completed by the entire population of the industry.

The extrapolation of the responses has been completed according to a similar approach to that taken in the 2011 Census.

This extrapolation has been conducted on the following basis:

- Questions relating to financial results were extrapolated on the basis of the proportion of total EGM revenue for the population represented by the sample; and
- Questions relating to other matters were extrapolated on the basis of the proportion of the total population responding to the question.

In most jurisdictions, EGM revenue comprises a significant proportion of club revenues. However, a large number of clubs earn no EGM revenue and in some jurisdictions, this represents a significant majority of all clubs. As a result, clubs earning no EGM revenue have been extrapolated solely on the basis of the proportion of the total population responding to the question.

A top-down approach was used to develop the extrapolations on a national basis. These extrapolations were then split between jurisdictions based on the size and scope of the clubs industry in each of the states and territories. This is consistent with the approach used in the 2011 Census.

The population figures used in these calculations are based on regulated returns sourced from the relevant state and territory gaming regulators by Clubs Australia. Importantly, the extrapolation factors applied to each question are different, and are based on the number of respondents answering each question. It should be noted that where a question had a low response rate, affecting the significance of the sample, the results of the Census have not been reported.

Due to the diversity within the registered clubs industry, the collective responses to many questions have a large degree of variability, dependent on a number of characteristics, including club size, type, and location. As sample-level results are extrapolated to population-level totals, this natural variation in responses is magnified. This means that the impact of individual outliers can be significant on final totals. This magnification of the natural variation of the sample should be considered when interpreting the results of this survey.

Where possible and practical, efforts have been made to remove the impact of such outliers; however, some residual natural variation between the extrapolated totals and true sector-wide results is still to be expected, as a normal part of the sampling process. However, in some instances the makeup of samples renders comparisons to 2011 results inappropriate, and as a result, the 2015 figures have been presented on a standalone basis.

## NSW Results

In parallel to the 2015 Census, ClubsNSW conducted the 2015 NSW Clubs to develop a deeper understanding of the NSW clubs industry.

The NSW Census returned a larger sample as a proportion of the total population of clubs than the 2015 Census. Given the large sample size, the NSW Census was able to be analysed at a greater level of granularity than the 2015 Census and the results are considered more accurate estimates than those generated by the top down approach of the 2015 Census.

As a result, the 2015 Census has incorporated the results of the NSW Census in its estimates of the size and scope of the NSW industry. As well as ensuring that the NSW estimates in the 2015 Census are based on the most accurate information available, this approach is expected to improve the estimation of other jurisdictions as the share of the industry relating to jurisdictions other than NSW in the top-down approach is refined.

# Appendix B: Approach Limitations (cont'd)

## Calculation of social contribution

Where possible, the 2015 Census has been conducted in a manner consistent to the 2011 Census. This approach has been used to facilitate the calculation of the change between the estimates generated from each of the two censuses.

However, as mentioned in the Approach section, where possible and required, the design of the 2015 Census survey instrument sought to improve the quality of information gathered as part of the census and to improve the subsequent analysis based on this information.

While this approach is expected to have generated more robust estimates of the state of the industry, it restricts the extent to which these estimates are able to be compared with their 2011 counterparts. As a result, where this occurs, this report has not sought to compare the 2011 Census results with the 2015 Census results.

An important example of this is the estimation of the social contribution of the industry. Social contribution is calculated as the sum of direct cash and in-kind community support, the value of volunteer effort and the net subsidy provided by facilities. For the National Census, a number of changes have been made to improve the level of information available in the 2015 Census. These include:

- Cash and in-kind donations are estimated based on a sum of individual values pertaining to different sources, such as healthcare or educational programs. In 2015, the number of categories included in the survey was expanded to provide more detail on cash and in-kind donations.
- The 2015 Census provided an opportunity for clubs to clarify their response to the question regarding the average hours contributed by volunteers. In 2011, clubs were instructed to enter average hours per month; however, there was some evidence that clubs misinterpreted this instruction and provided their responses on a per week basis.
- A change in the categorisation of 'sports' volunteers was adopted so that the responses were consistent with the IPART approach.

- The 2015 Census asked clubs how many of a range of sporting and recreation facilities they maintained. This was done in order to develop an estimate of the total number of facilities provided by clubs and was not included in the 2011 survey instrument. Importantly, the 2011 survey did not include any information on the national provision of facilities, instead using the average provision of facilities in NSW as a proxy for Australia as a whole. As a result, the 2015 Census provides a more complete view of the provision of facilities by clubs nation wide.

Given the extent of the improvements in survey design and the subsequent impact these changes would be expected to have on the final estimates of social contribution, this Report does not compare the 2015 and 2011 Census results for total social contribution, or the value of facilities and volunteer effort.

## Calculation of financial viability

The results and insights presented with regard to the financial viability of registered clubs in Australia should be considered in the following context:

- Financial viability is measured based on the distribution of individual responses rather than through the extrapolation of results to determine a population estimate. As a result, the overall level of financial viability is shaped by the make-up of respondents to the 2015 Census.
- Financial viability is estimated based on the responses to a number of questions in order to calculate the component variables in the formula. As a result, the estimate of viability requires respondent clubs to answer each of those questions and for each of those responses to be maintained throughout the data verification and cleansing process.
- The use of the ratio of EBITDA to revenue as a measure of financial viability is widely used; however, we should acknowledge that it does not take into consideration costs that do not occur in the normal course of business, such as changes in working capital and capital expenditures. As a result, a large EBITDA to revenue ratio does not necessarily mean that a club is generating cash.

## Appendix B: Approach Limitations *(cont'd)*

An improvement in overall financial viability is not equivalent to improvements in the financial viability of individual clubs. The decrease in the population of 123 registered clubs in NSW between 2011 and 2015 may mean that the improvement in overall financial viability is due, in part, to the closure of clubs in financial distress, rather than an actual improvement in club viability across the board.



# Appendix C: Case Studies



# Appendix C: Case Studies

## Introduction

To support the development of the 2015 Census and to provide additional context in considering the various trends and impacts identified through the Census results, a selection of registered clubs provided case study examples of particular activities or initiatives currently in operation. Each of the case study examples below have been used with the permission of the requisite club. They are provided for information purposes only and have not been materially altered by KPMG.

### Hurstville RSL Club

Hurstville RSL Club exhibited signs of financial distress in the 2011 Clubs Census. In 2013, Hurstville RSL completed an Expression of Interest for amalgamation and amalgamated with South Hurstville RSL Club in May 2015 to form The Pinnacle Club Group, which operates both premises.

The amalgamation of the two clubs allows both clubs to operate at a more significant scale and extends their reach to a greater number of members and guests.

	2011		2015
	Hurstville RSL	South Hurstville RSL	The Pinnacle
<b>Members</b>	7,500	5,500	<b>13,900 (+7%)</b>
<b>Total Revenue</b>	\$1.5 million	\$4.4 million	<b>\$7.6 million (+29%)</b>
<b>Net Profit</b>	-\$250 thousand	\$308 thousand	<b>\$1.2 million</b>

### DOOLEYS Lidcombe Catholic Club

Clubs support their local communities through a range of community projects. DOOLEYS Lidcombe Catholic Club presents an example of how clubs can support their community through the provision of support services.

Through their community engagement strategy, DOOLEYS has established partnerships with a number of local organisations.

Through this partnership framework, DOOLEYS has developed and funded needs-based projects with organisations that specialise in refugee support services in Auburn City Local Government Area in order to meet a number of service gaps for vulnerable people in their community.

Some of the key outcomes of these projects include:

- 15 workshops on employment issues for asylum seekers designed and delivered in partnership with STARTTS and Training for Change.
- 200 community members supported with access to job seeker support services through the Connect to Work project in partnership with Auburn Small Community Organisation Network and MTC Australia.
- 66 community members supported with access to employment skills workshops aimed at helping disadvantaged women prepare for employment.

### Revesby Workers Club

Revesby Workers' Club is one of Sydney's leisure, dining and entertainment venues, with more than 54,000 members. The \$41 million Revesby Village Centre, which opened in February 2015, contains shops, services, and entertainment facilities.

The Ground level includes Coles supermarket, Liquorland, Hair Crew Studio, Select Mutual Banking, Smartphones Hospital, Pearl Nails, The Chook Shack, Sushiru and two cafés, with undercover parking for more than 230 cars.

Level one is a 3,442m2 medical precinct with up to 50 specialist consultants, day surgery facilities and ancillary services.

The second level is dedicated to family entertainment with AMF Bowling, and Carnival Kingdom Play Land, with a maze, jumping castle, ball pit, toddler area and themed party rooms.

# Appendix C: Case Studies

The new centre is the final part of Revesby Workers Club's master plan, including:

- Tree House Early Childhood Centre and Health Mates Fitness Centre – opened in 2009;
- A multi-storey parking facility – opened in 2012.
- Gaming Room and Infinity Lounge and Bar – opened in 2013

The Chief Executive of Revesby Workers Club, Edward Camilleri, has said:

"In addition to these facilities and services, this commercial precinct is a huge asset for the community providing hundreds of new jobs. The precinct also attracts well over 25,000 visitors each week."

"The club has continually developed its food and beverage offerings, the gaming areas, expanded the fitness centre and introduced a childcare facility. It's all based on the club's strategy of continuous improvement and diversification to meet the changing landscape of its community."

## Toronto Diggers

Toronto Diggers is located south of Newcastle and had more than 6,000 members in 2015. Like many clubs, Toronto Diggers was founded to serve the local community. When diversification options were considered the Club found that there was a strong demand for a medical centre, with few GPs in the area opening their books to new patients.

Recognising this, Toronto Diggers sought to address the shortage of general practitioners in the area by building a new medical facility, the Alec Rice Centre, adjacent to the club. Completed in September 2014, the Alec Rice Centre is a multidisciplinary medical centre with services such as a general practice, pathology, physiotherapy, psychology, dietetics, podiatry, and, dental services, along with a pharmacy, Commonwealth Bank and a café.

Over 200 patients visiting the facility every day, enabling local residents to access health care easily. Before the Centre, patients would have to travel 20-30 minutes out of town to see a doctor.

The General Manager of Toronto Diggers, Cathy Handcock, has said:

"Clubs are owned by their members and exist to serve their local community, so once we realised just how much a new medical centre was needed, it was clear what we'd use the land for."

"The Alec Rice Centre not only benefits our members, it benefits the whole community. People don't have to travel as far to see a doctor now that there are great medical facilities in Toronto."



# Appendix D: Survey Instrument

# Appendix D: Survey Instrument



Clubs Australia



Dear Participant

### **Club Census 2015**

Enclosed is a survey for the Club Census 2015.

The survey is being sent to every registered club in Australia and constitutes one of the largest research exercises undertaken in relation to the Australian clubs industry.

Please complete the survey by **Friday 27 November 2015** and return in the enclosed reply paid envelope.

The Census will provide extremely valuable information concerning the economic and social contribution of clubs, including a nationwide figure for clubs' community support. It will also provide a picture of the current financial health of Australian clubs.

This study is critical for the future of the national industry. We therefore ask all clubs to make every effort to complete the survey. All details will be treated as strictly confidential and only aggregated data will be used in the final report.

As a result of participating in this survey you will be provided with a benchmarking flyer outlining your club's key performance indicators compared to industry averages. You will also be provided with an electronic copy of the finalised report which will be presented to Clubs Australia.

Any queries related to filling out the survey should be directed to the Clubs Australia Members' Enquiry Centre on 1300 730 001 or by email to [clubcensus@kpmg.com.au](mailto:clubcensus@kpmg.com.au)

Thank you for your assistance.

Yours sincerely

Matthew McCarron  
*Partner*  
KPMG





Clubs Australia



## Club Census 2015

### Measuring the contribution of the Australian registered clubs industry

Thank you for taking part in Club Census 2015, the national survey of every registered club in Australia.

Club Census 2015 will provide a national snapshot of the registered club sector, profiling its reach and contribution. It will present invaluable information to key industry stakeholders about the important role that clubs play in both their local communities and at a national level.

#### How long will it take to complete?

We recommend that you review all questions prior to commencing Club Census 2015. Once you have compiled all relevant information, completion of Club Census 2015 should take approximately 1 hour.

#### When do I need to complete it by?

Completion is due by **Friday 27 November 2015**.

#### Can I complete Club Census 2015 electronically?

Yes. To be provided with a login, password and a link to complete the survey online, please call the Clubs Australia Members enquiry centre on 1300 730 001 or email [clubcensus@kpmg.com.au](mailto:clubcensus@kpmg.com.au)

#### What information will I need?

A list of information you may require for each section is listed in **Appendix 2**, at the end of the survey.

#### Who is undertaking Club Census 2015?

Clubs Australia have engaged KPMG to design, execute and analyse the results of the Census on its behalf. KPMG is a global professional services firm that has extensive experience working with both government and industry on similar projects. KPMG have engaged I-View Pty Limited to provide assistance with the conduct of the survey.

#### What if I need help completing Club Census 2015?

For general queries regarding Club Census 2015, please call the Clubs Australia Members enquiry centre on 1300 730 001 or email [clubcensus@kpmg.com.au](mailto:clubcensus@kpmg.com.au)

#### Where do I return the completed Club Census 2015?

Once complete, please mail to: I-View, Field Department, Reply Paid 84829, North Sydney, NSW 2060

## Privacy / Confidentiality

I-View Pty Limited, KPMG Australia and the Registered Clubs Association of NSW (Clubs Australia) collectively ("us" or "we") are committed to fulfilling our obligations under the Privacy Act 1988 (the Act) in undertaking the survey and managing personal and confidential information.

The following sets out the purpose of the survey, how we will collect and manage personal and confidential information and maintain the confidentiality of information obtained during the survey, and the steps we take to protect it.

Your participation in the survey acknowledges that you accept this Privacy Policy and approve of the collection and use by I-View Pty Limited, KPMG Australia and the Registered Clubs Association of NSW (Clubs Australia) of your personal and commercially confidential information according to the terms below.

### Why are we seeking this information?

KPMG Australia has been engaged by the Registered Clubs Association of NSW (Clubs Australia) to prepare a report which summarises the social and economic contribution of the registered clubs industry in Australia.

In order to provide this report, KPMG has arranged for I-View Pty Limited to collect information from Australian registered clubs on its behalf. The information you provide will be made available to KPMG in its entirety in order to allow KPMG to quantify and describe the social and economic contributions of the industry.

In addition, the information you provide will be retained by Clubs Australia which along with the social and economic contributions report will be as used in connection with future activities including (but not limited to) advocacy, benchmarking and member services.

In the course of conducting the survey, we will collect personal information (as defined in the Act) and confidential information. By submitting information to us, you are consenting to us collecting and storing your personal and confidential information as detailed below.

The survey will not collect sensitive information such as information about your health, race, political or philosophical opinions or trade union membership.

### Collection, use and disclosure of personal information

When you provide us with personal information, you agree that we may use or disclose that information for the purpose for which it was collected ("primary purpose") or where you would reasonably expect us to disclose the information, and in accordance with the Act.

If we use or disclose your personal information for a purpose other than the primary purpose of collection (a "secondary purpose"), to the extent required by the Act we will ensure that:

- The secondary purpose is related to the primary purpose of collection (and directly related in the case of sensitive information) and you would reasonably expect that we would use or disclose your information in that way; or

- You have consented to the use or disclosure of your personal information for the secondary purpose; or
- The use or disclosure is required or authorised by or under law; or
- The use or disclosure is otherwise permitted by the Act.

We will not disclose information we collect about you to any third parties without your prior consent other than as specified above. Similarly, we will not sell any information we collect about you.

### Security

We will endeavour to maintain a secure system for storing personal information. Technological and operational policies and procedures are in place to protect personal information from misuse and loss and from unauthorised modification or disclosure. We will dispose of personal information where it is no longer necessary to fulfil the purposes for which the information was collected or as required by law.

### Contractors

We may contract out particular services from time to time. Typically, contractors would include data storage and processing. It is our intention to require contractors to comply with the Act in all respects.

### Access and correction

Subject to some exceptions that are set out in the Australian Privacy Principles, you may access any personal information we hold about you. To do so, please contact us and we will respond to your request within 45 days. A handling fee may be payable so that we can obtain the information you require.

If you believe that your personal information is inaccurate, incomplete or out of date, you may write to the Registered Clubs Association of NSW (Clubs Australia) and request it to correct the information. Your request will be dealt with in accordance with the Act. If your request is refused, you may ask Clubs Australia to store your request with the information.

### Complaints

If you have any queries regarding the Registered Clubs Association of NSW's (Clubs Australia's) handling of your personal information, you contact the Officer responsible for Privacy, Clubs Australia, 51 Drutt Street, Sydney NSW 2000.

Your query will be investigated as soon as possible (but in any event no later than 30 days) and you will be provided with a written response.

Alternatively, you may make a complaint to the Privacy Commissioner (although the Commissioner may decline to hear the complaint if you have not first made a complaint to Survey Matters).

### Contacting us

For further information about this Privacy Policy, please contact the Officer responsible for Privacy, Clubs Australia, 51 Drutt Street, Sydney NSW 2000.



## PART A - GENERAL QUESTIONS

### How to write your answers

- Use a blue or black pen
- Mark circles like this ☒ not like this ☐
- In open text fields please use CAPITAL letters and keep your answers within the space provided
- If you make a mistake neatly cross out your previous answer and write your new answer in or next to the space provided

### Note for amalgamated clubs:

*Please answer this section for your location only.*

*Do not answer questions for other locations within your amalgamated group. Other locations within your group will receive a separate document to complete Club Census 2015.*

*If other locations within your group have not received this separate document, please email [clubscensus@kpmg.com.au](mailto:clubscensus@kpmg.com.au) or contact the Clubs Australia members enquiry centre on 1300 730 001*

**Please check this box to acknowledge you understand the privacy statement and that your individual response will be seen by Clubs Australia.** ☐

### 1a What is the formal name of your Club?

*Please enter the full legal name of your Club in the box below.*

### 1b What is the Club's Liquor Licence Number?

*Please enter the Liquor Licence Number in the box below.*

### 1c In which state is your Club based?

*Use block letters and print one character per box.*

### 1d What is your Club's postcode?

*Use the boxes below and print one character per box.*

**2a Is your Club part of an amalgamated group?**

**i** Refer to the bottom of the page for a definition and then please choose one answer.

☐ Yes

☐ No → Skip to Question 3

**2b If you answered Yes to 2a: Is your Club the head entity of this amalgamated group?**

Refer to the bottom of the page for a definition and then please choose one answer.

☐ Yes

☐ No → Skip to Question 3

**2c If you answered Yes to 2b: Are separate accounting records kept for each individual location?**

Please choose one answer.

☐ Yes

☐ No → Skip to Question 3

**2d If you answered Yes to 2c: Please list the names or locations, including the head entity location, that are within the amalgamated group:**

**i** Refer to the bottom of the page for a definition and then please choose one answer.

Please list the names or locations in the box below.

---

**i** An **amalgamated group** refers to a club that has two or more locations, but all locations are under common control.

**i** An **amalgamated group** refers to a club that has two or more locations, but all locations are under common control.

**3 Which of the following best describes your type of Club?**

*Please choose one answer from the list below that best describes your Club.*

- ☐ RSL / Services
- ☐ Community / Workers / Union / Political
- ☐ Cultural / Religious
- ☐ Bowling
- ☐ Golf
- ☐ League / Football
- ☐ Surf lifesaving supporters club
- ☐ Yacht / Boating
- ☐ Racing
- ☐ Other sporting
- ☐ Other → *Enter details in the box below*

**4a What was your Club's most recently completed financial year end?**

*Please choose one answer.*

- ☐ 31/10/2014
- ☐ 30/11/2014
- ☐ 31/12/2014
- ☐ 31/01/2015
- ☐ 28/02/2015
- ☐ 31/03/2015
- ☐ 30/04/2015
- ☐ 31/05/2015
- ☐ 30/06/2015
- ☐ 31/07/2015
- ☐ 31/08/2015
- ☐ 30/09/2015

**4b Does your Club have financial statements prepared for your most recently completed financial year-end?**

*Please choose one answer.*

☐ Yes, Audited Financial Statements

→ *Please use the audited financial statements for the year end selected in Question 4a when answering the following questions in this survey.*

☐ Yes, Unaudited Financial Statements

→ *Please use the unaudited financial statements for the year end selected in Question 4a when answering the following questions in this survey.*

☐ No

→ *Please use your Club's internal accounting records for the year end selected in Question 4a when answering the following questions in this survey.*

**5a How many members did your Club have, as at your Club's most recently completed financial year-end?**

*Please answer by entering a whole number in the grid below. If you are unsure of the exact number please provide your best estimate.*

--

 members

**5b How many male and female members does your Club have?**

*Please answer by entering a whole number in the grid below. The total number of male and female members should be equal to the number of members entered at question 5a. If you are unsure of the exact distribution please provide your best estimate.*

Male	
Female	

## PART B – SPORTING AND RECREATION FACILITIES


### Note for amalgamated clubs:


*If you are part of an amalgamated group, you will only need the information to answer questions for your location only.*

We would now like to ask you about the sporting and recreational facilities available at your Club.

### 6 Please select any of the below sporting and recreation facilities which are operated by or through your Club:






*Please select yes and then enter the average charge per visit for facility use and the usage per annum in the table below. If facilities are not available for use by non-members, please indicate N/A in the non-member field. If unsure please provide your best estimate. If there are no bookings for a particular facility then please leave the field blank.*






	Does your Club have this facility?	Number of each facility	Average charge per visit for use of facilities (or best estimate):			Number of times facilities are used per annum: 	
			Free of charge	By members	By non-members	By members	By non-members
Bowling green	Yes <input type="radio"/>		Yes <input type="radio"/>				
Carpet bowling facility	Yes <input type="radio"/>		Yes <input type="radio"/>				
Ten-pin bowling centre	Yes <input type="radio"/>		Yes <input type="radio"/>				
Gym / fitness centre	Yes <input type="radio"/>		Yes <input type="radio"/>				
Sporting field(s)	Yes <input type="radio"/>		Yes <input type="radio"/>				
Golf course	Yes <input type="radio"/>		Yes <input type="radio"/>				
Aquatic centre / Swimming Pool	Yes <input type="radio"/>		Yes <input type="radio"/>				
Tennis court	Yes <input type="radio"/>		Yes <input type="radio"/>				
Squash court	Yes <input type="radio"/>		Yes <input type="radio"/>				
Billiard table	Yes <input type="radio"/>		Yes <input type="radio"/>				
Boat / Ski facility	Yes <input type="radio"/>		Yes <input type="radio"/>				
Dart board(s)	Yes <input type="radio"/>		Yes <input type="radio"/>				
Racing facility	Yes <input type="radio"/>		Yes <input type="radio"/>				
Other – list here			Yes <input type="radio"/>				

 **Number of times facilities are used per annum:** This refers to the number of times the facility is used by all members per annum. For example, if approximately 200 members use the bowling green per week, the total times used per annum for members will be 10,400 (200 members x 52 weeks).

**7 Please select any of the below non-sporting and recreation facilities which are operated by or through your Club:**

*If facilities are not available for use by non-members, please indicate N/A in the non-member field and if there is no charge then please tick the free of charge box. If unsure please provide your best estimate. If there are no bookings for a particular facility then please leave the field blank.*

	Does your Club have this facility?	Number of each facility	Standard charge per booking for use of facilities:			Number of times facilities are used per annum: 	
			Free of charge	By members	By non-members	By members	By non-members
Meeting room / Conference facility	Yes <input type="radio"/>		Yes <input type="radio"/>				
Memorial area	Yes <input type="radio"/>		Yes <input type="radio"/>				
Historical display / Museum area	Yes <input type="radio"/>		Yes <input type="radio"/>				
Children's play area	Yes <input type="radio"/>		Yes <input type="radio"/>				
Child-care facility	Yes <input type="radio"/>		Yes <input type="radio"/>				
Entertainment / Function venue	Yes <input type="radio"/>		Yes <input type="radio"/>				
Nightclub	Yes <input type="radio"/>		Yes <input type="radio"/>				
Library / Collection	Yes <input type="radio"/>		Yes <input type="radio"/>				
Car wash	Yes <input type="radio"/>		Yes <input type="radio"/>				
Hair / Beauty salon	Yes <input type="radio"/>		Yes <input type="radio"/>				
Movie theatre	Yes <input type="radio"/>		Yes <input type="radio"/>				
Onsite accommodation 	Yes <input type="radio"/>		Yes <input type="radio"/>				
Offsite accommodation 	Yes <input type="radio"/>		Yes <input type="radio"/>				
Bar	Yes <input type="radio"/>						
Bistro / Restaurant	Yes <input type="radio"/>						
Café	Yes <input type="radio"/>						
Retail shops	Yes <input type="radio"/>						
RSL Sub-branch office	Yes <input type="radio"/>						
Theatre / Concert hall 	Yes <input type="radio"/>		Yes <input type="radio"/>				
Aged care facility 	Yes <input type="radio"/>		Yes <input type="radio"/>				
Courtesy bus	Yes <input type="radio"/>		Yes <input type="radio"/>				
Other – Please list here			Yes <input type="radio"/>				

-  **Number of times facilities are used per annum:** Refer to Question 6 for example.
-  **Onsite accommodation** is accommodation co-located with the club's main premises and other facilities. The number of each facility refers to the number of rooms.
-  **Offsite accommodation** is accommodation not co-located on the club's main premises and other facilities.
-  For **theatres and concert halls** use the average ticket price for *standard charge per booking*. Use the number of tickets sold during the year for the *number of times facilities are used*.
-  For **aged care facilities** please use the average charge per year for the *standard charge per booking*. Use the average number of residents at the facility during the year for the *number of times facilities are used*.

## PART C – EMPLOYMENT AND TRAINING

**Note for amalgamated clubs:**

*If you are part of an amalgamated group, you will only need the information to answer questions for your location only.*

The next section of the survey is designed to gather information about the employees and Directors at your Club.

### 8 Does your Club make salary or wage payments to employees?

*Please choose one answer.*

☐ Yes

☐ No → Skip to Question 11a

### 9a What is the total number of employees at your Club (excluding contractors)?

*Please answer by entering a whole number in the box below. If you are unsure, please provide your best estimate.*

--

 employees

### 9b Please indicate how many employees at your Club (excluding contractors) fall into the employment categories below:

*Please answer the questions below by entering a whole number in the grids for all that apply. The total number of employees should be equal to the number of employees answered in question 9a. If you are unsure, please provide your best estimate.*

Full-time	
Part-time	
Casuals	
Trainees / Apprentices	

### 9c Please estimate the average hours worked per week per individual by:

*Please skip this question if you have no casual or part-time employees. Answer by entering a whole number into the grid below. If you are unsure, please provide your best estimate.*

Part-time staff		hours per week
Casual staff		hours per week

**9d In which of the following areas are your Club's employees (excluding contractors) predominantly employed?**

*When allocating employees, please select the area in which the employee works the most hours, unless the employee works evenly across multiple areas. If you are unsure please provide your best estimate. The total number of employees should be equal to the number of employees answered in question 9a.*

	Staff	Management	Total
Food & Beverage			
Gaming			
Facilities management / Grounds maintenance			
Finance and administration			
Work in multiple areas of the business			
Other			
<b>Total</b>			

**9e What is the average hourly rate for your Club's employees (excluding contractors)**

*When allocating employees, please select the area in which the employee works the most hours, unless the employee works evenly across multiple areas. If you are unsure please provide your best estimate. If you have staff on salary please take the average rate as salary divided by number of hours per week.*

	Staff	Management	All staff
Food & Beverage			
Gaming			
Facilities management / Grounds maintenance			
Finance and administration			
Work in multiple areas of the business			
Other			
<b>Total average hourly rate ⓘ</b>			

---

ⓘ The **Total average hourly rate** refers to the average hourly rate split between Staff / Management and then the average hourly rate of all staff. This total is NOT the sum of subsections above it.



**9f Please indicate the number of staff (excluding contractors) by gender:**

*Please answer by entering a whole number in the grid below. The total number of employees should be equal to the number of employees answered in question 9a. If you are unsure of the exact number, please provide your best estimate.*

Male		Female	
------	--	--------	--

**9g Please indicate the number of staff (excluding contractors) in each age group:**

*Please answer by entering a whole number in the grid below. The total number of employees should be equal to the number of employees answered in question 9a. If you are unsure of the exact number, please provide your best estimate.*

24 years and under	
25 to 44 years	
45 to 64 years	
65 years and over	
Total	

**9h How many staff received formal training in your club's most recently completed financial year?**



*Refer to bottom of the page for a definition and then please enter the number below:*

**9i What was the total cost of formal training provided to staff in the last financial year?**



**10 What were the total salaries, wages and superannuation paid to employees for your Club's most recently completed financial year-end?**



*Refer to the bottom of the page for a definition and then please fill in the box below. Note that this excludes payments made to contractors.*

---

**Formal training** includes any training courses attended by employees to improve their skills and/or education. The cost of such training would include attendance fees paid, the wages of instructors and any material costs of the training.

**11a Does your Club employ contractors for any of the following functions?**

*Please select all that apply.*

- ☐ Cleaning
- ☐ Catering
- ☐ Security
- ☐ Cash handling
- ☐ Maintenance
- ☐ Information technology
- ☐ Management
- ☐ Other
- ☐ Does not employ contractors → *Skip to Question 12*

**11b What was the total amount paid to contractors in your Club's most recently completed financial year?**



*Refer to the bottom of the page for a definition and then please answer by entering a whole number in the box below, if you are unsure please provide your best estimate.*

\$

**12 Does your Club have a paid Chief Executive Officer / General Manager / Secretary Manager?**

*Please choose one answer.*

- ☐ Yes
- ☐ No



**Total salaries, wages and superannuation** include the following: salary and wages, superannuation, overtime, shift and other allowances, over-award payments, bonuses, payments for public and annual holidays (including loadings), payments for long service leave (including any lump sum payment instead of long service leave), payments for sick leave, value of board and lodging provided by the employer for the worker, any lump sum payment paid before or after the retirement or termination of any employee, including any amounts in respect of unused annual, long service or sick leave, the amount that is the employer's fringe benefits taxable amount (within the meaning of the Fringe Benefits Tax Assessment Act 1986) in respect of fringe benefits payable to the worker, Child support payments, PAYG withholding and any other consideration in money or money's worth given to the worker under a contract of service or a training contract. **Salaries, wages and superannuation do not include:** directors' fees, any GST component in a payment to a worker, any training expenses for courses attended by employees, payroll tax payments.



The **total amount paid to contractors** includes amounts paid to persons who are under contract with the club, but who are not considered employees of the club and were not included at Question 10.

**13 In the next 12 to 24 months, does your club expect to:**

*Please choose one answer.*

- ☐ Initiate redundancies
- ☐ Increase employment
- ☐ Keep staffing levels about the same

**14a As detailed in your last annual report, how many Board Directors (or equivalent) does your Club have?**

*Please fill in the box below.*

*Directors (or equivalent)*

**14b How many of the Board Directors (or equivalent) are:**

*Please answer by entering a whole number in the grid below. The total number of directors should be equal to the number of directors answered previously.*

Employed full-time including employment outside of the club	
Employed part-time including employment outside the club	
Retired / not working	

**14c How do you go about sourcing new directors? (Tick all that apply)**

*Please select all that apply*

- ☐ Hold a future director information session
- ☐ Call for nominations at AGM / draw from membership
- ☐ Proactively identify potential directors
- ☐ Advertise
- ☐ Other → *Enter details in the box below*

**15 Does your club have any of the following?**

*Please select one or more from the following:*

A strategic plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>
A succession plan for the board	Yes <input type="checkbox"/>	No <input type="checkbox"/>
A succession plan for senior management	Yes <input type="checkbox"/>	No <input type="checkbox"/>
An annual learning & development budget	Yes <input type="checkbox"/>	No <input type="checkbox"/>


## PART D – VOLUNTEERS

**Note for amalgamated clubs:**

*If you are part of an amalgamated group, you will only need the information to answer questions for your location only.*

The next questions are about volunteers and honoraries involved with your Club.

**16a Are there any volunteers involved with your Club?**

 *Refer to the definition below then select one of the options:*


- ☐ Yes
- ☐ No → *Skip to Question 17a*
- ☐ Don't know → *Skip to Question 17a*

**16b Please state the number of volunteers in each category below.**

*Please answer by entering a whole number in the grid below. If you are unsure of the exact number, please provide your best estimate. If there are no volunteers please leave the field blank*

	Number of volunteers	Average number of hours contributed per month (All volunteers)
Directors (or equivalent)		
Trading (Bar, Food, Gaming)		
Facility maintenance and upkeep		
Other volunteers (including volunteers in sporting and non-sporting sub-clubs)		

---

 **Volunteers** refer to those who actively get involved in volunteer activities, e.g. those who volunteer their time to in-house club activities (such as directors of clubs and trading staff) as well as those who volunteer in sub club activities (such as volunteers in sporting and non-sport activities)

## PART E – GAMING MACHINES

**Note for amalgamated clubs:**

*If you are part of an amalgamated group, you will only need the information to answer questions for your location only.*

The series of questions are about gaming machines at your Club.

**17a Does your Club have gaming machines?**

*Please choose one answer.*

- ☐ Yes
- ☐ No → *Skip to Question 20*
- ☐ Don't know → *Skip to Question 20*

**17b What was your total gaming machine revenue (excluding GST) for your Club's most recently completed financial year-end?**

**i** *Refer to the bottom of the page for a definition and then please fill in the box below:*

**17c How many gaming machine entitlements does your Club have / own?**

*Please fill in the box below or tick the relevant box:*

 entitlements

- ☐ Don't know

**17d How many gaming machines are in operation on your Club premises?**

*Please fill in the box below or tick the relevant box:*

 machines

- ☐ Don't know

---

**i** **Total gaming machine revenue** refers to the total gaming revenue received from players after any player payouts and excluding GST.

**18 Over the next three years, do you anticipate that the number of gaming machines in your Club will:**

*Please select one of the options and enter the relevant number in the box below.*

- ☐ Increase → **by how many machines?**   
*Enter details in the box to the right*
- ☐ Decrease → **by how many machines?**   
*Enter details in the box to the right*
- ☐ No change
- ☐ Don't know

**19a What activities does your Club undertake in relation to responsible gambling?**

*Please select one or more from the following:*

- ☐ Self exclusion program
- ☐ Third party exclusion program
- ☐ Voluntary pre-commitment
- ☐ Industry initiated responsible gambling program  
(e.g. ClubSAFE program in NSW and South Australia)
- ☐ Compliance with state-based Responsible Gambling Code of Practice
- ☐ Staff are offered RCG (Responsible Conduct of Gambling) refresher courses or additional responsible gambling training
- ☐ Multi venue self-exclusion
- ☐ On-site problem gambling or financial counselling services / in-venue chaplaincy
- ☐ Other → *Enter details in the box below*

**19b How many self-exclusion deeds are currently in place at your Club for problem gambling clients?**



*Please fill in the box below or tick the relevant option:*

*self-exclusion deeds*

- ☐ Don't know



**Self exclusion deeds** are voluntary agreements that patrons may enter themselves into in order to be denied entry to areas set aside for gaming purposes and to be denied the use of gaming machines at a venue.

## PART F – COMMUNITY SUPPORT

### Note for amalgamated clubs:

*If you are part of an amalgamated group, you will only need the information to answer questions for your location only.*

*The level of community support that clubs provide is a key area of interest for our stakeholders. Unfortunately, this information is often not captured in the annual report of clubs and to a large degree the level of community support is unknown. Hence completion of this section will enable valuable data to be collected.*

### **20 Using your state grant form as a guide (if applicable) please provide details of your Club's community support, by way of cash grants and donations and details of your Club 'In-Kind' Community Support for your Club's most recently completed financial year-end:**

*A worked example can be found two pages down. If you are unsure please provide your best estimate.*

<b>i Type of Community Support</b>	<b>Cash Donations (\$)</b>	<b>"In-Kind" Value (\$)</b>	<b>Outputs</b>
Child protection / Child care, child services	\$	\$	
Aged care and aged services	\$	\$	
Disability and carer services	\$	\$	
Youth services	\$	\$	
Health and hospitals	\$	\$	
Veteran welfare services	\$	\$	
Disaster relief and response funding / emergency services	\$	\$	
Domestic violence prevention / women's services	\$	\$	
Community transport	\$	\$	

**i** Refer to Appendix 1 at the end of this document for examples of community support that your Club may provide.

<b>i Type of Community Support</b>	<b>Cash Donations (\$)</b>	<b>"In-Kind" Value (\$)</b>	<b>Outputs</b>
School and education programs	\$	\$	
Homelessness / tenants services	\$	\$	
Mental health, counselling services	\$	\$	
Aboriginal / Indigenous initiatives	\$	\$	
Job creation / employment / training schemes	\$	\$	
Professional sport <b>i</b>	\$	\$	
Non-professional sport <b>i</b>	\$	\$	
Cultural / ethnic programs	\$	\$	
Other	\$	\$	
<b>Total</b>	\$	\$	

---

**i** Examples of **Professional sport** and **Non-professional sport** are provided in Appendix 1



## How do I calculate cash donations & “In-Kind” values?

### Working Example 1

Consider a golf club that holds a charity fund-raising day for 100 players. There are several ways in which the club provides community support. Below is an example of possible cash payments and in-kind support that may occur:

Sport and Recreation	Type and Value of Support
Donation to charity of 50% of paid green fees	Cash Donation of \$6/player : \$600
Reduced green fees from \$20 to \$12 per player	"In-Kind" value of \$8/player: \$800
Free refreshments for players	"In-Kind" value: \$500
Free use of club room, 1 day x \$350	"In-Kind" value: \$350
Club volunteers: 8 hours x 20 volunteers x casual rate of \$15/hr	"In-Kind" value: \$2,400

For this example, the response in the survey would look as follows:

Type of Community Support	Cash Donations (\$)	"In-Kind" Value (\$)	Outputs
Sport (Non-Professional) and Recreation	\$ 600	\$ 4,050	Donation to charity of 50% of paid green fees Reduced green fees from \$20 to \$12 per player Free refreshments for players Free use of club room, 1 day x \$350 Club volunteers: 8 hours x 20 volunteers x casual rate of \$15/hr

### Working Example 2

Based on evidence that eating a nutritious breakfast improves academic performance, a club gives a \$1,000 grant donation to a school breakfast program. The survey would look as follows:

Type of Community Support	Cash Donations (\$)	"In-Kind" Value (\$)	Outputs
School and education programs	\$ 1,000	\$ 0	100 local kindergarten children given breakfast

## PART G – FINANCE QUESTIONS

### Note for amalgamated clubs:

*If you are the head of an amalgamated group, you will need to provide financial information for each individual club within the group. If you are not the head of the group you do not need to complete Part G.*

*Additional guidance for head entity of an amalgamated group: Please photocopy questions 21 and 24 and complete for each location.*

We now have some questions about your Club finances.

*Enter the name of the club location in the box provided below.*

### 21 Please complete the following profit and loss statement for your Club's most recently completed financial year-end:

*If not applicable please leave blank.*

Revenue	
Membership Subscriptions	\$
Food – <i>Income from rental of facilities to an external caterer should be included in Facilities and Venue Rental</i>	\$
Beverage	\$
Facilities & Venue Rental – <i>this includes rental of rooms, gyms, sporting fields and other club venues for a fee.</i>	\$
Gaming Machines	\$
Other Gaming e.g. Keno, TAB	\$
Entertainment	\$
Professional Sport	\$
Non-Professional Sport & Recreation	\$
Accommodation	\$
Ancillary Business Activities - <i>this refers to those activities operated by the club but supplementary to the club's core functions (e.g. aged care or childcare).</i>	\$
Interest Income	\$
Other Income	\$
<b>Total Revenue</b>	\$

Expenses	
Cost of Goods Sold – Food	\$
Cost of Goods Sold – Beverage	\$
Cost of Goods Sold – Other	\$
Poker Machine licenses and taxes	\$
Personnel Expenses	\$
Operating lease rental expense	\$
Cash Grants / Donations	\$
Depreciation expense	\$
Interest expense	\$
Other expenses	\$
<b>Profit before income tax</b>	\$
<b>Income tax expense</b>	\$
<b>Net profit</b>	\$

**22 Please complete the following balance sheet for your Club's most recently completed financial year-end:**

*Fill in the amounts in the spaces provided.*

<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$
Trade and other receivables	\$
Inventories	\$
Other current assets	\$
<i>Total current assets</i>	\$
<b>Non-current assets</b>	
Investment property	\$
Property, plant and equipment	\$
Other non-current assets	\$
<i>Total non-current assets</i>	\$
<b>Total Assets</b>	\$

<b>Liabilities</b>	
<b>Current liabilities</b>	
Trade and other payables	\$
Employee benefits	\$
Loans and borrowings	\$
Other current liabilities	\$
<i>Total current liabilities</i>	\$
<b>Non-current liabilities</b>	
Other payables	\$
Employee benefits	\$
Loans and borrowings	\$
Other non-current liabilities	\$
<i>Total non-current liabilities</i>	\$
<b>Total liabilities</b>	\$
<b>Net assets</b>	\$

**23 What was the written-down value of fixed assets (i.e. property, plant and equipment) as at your Club's most recently completed financial year-end?**

*Enter the information in the spaces below; please round to the nearest hundred dollars. Please itemise your fixed assets under the following headings, if something is not applicable then please leave blank.*

Asset Description	Written Down Value (\$) <sup>①</sup>	Have these assets been re-valued since purchase? <sup>①</sup>	
Club Land	\$	Yes <input type="radio"/>	No <input type="radio"/>
Club Buildings (excluding land)	\$	Yes <input type="radio"/>	No <input type="radio"/>
Club Plant and Equipment	\$		
Sports Facilities & Equipment (excluding land)	\$		
Accommodation Facilities (excluding land)	\$		
Gaming Machines and equipment	\$		
Gaming Machines licences	\$		
Motor Vehicles	\$		
Other	\$		

**24 Please select which best describes the land on which your premises is located.**

*Please choose one answer.*

- ☐ It is owned by the Club
- ☐ It is crown land
- ☐ It is leased from the RSL sub-branch
- ☐ It is leased from a third party
- ☐ It is leased from council (land owned by council)
- ☐ Don't know

<sup>①</sup> **Written down value** relates to the value of an asset minus its accumulated depreciation and accumulated impairment losses (i.e. the current book value). This can be found on your fixed asset depreciation schedule.

<sup>①</sup> An asset is considered to be **re-valued** when its value in the accounting records is updated to reflect its market value, at a time subsequent to the initial purchase.

**25a Does your Club's last annual report include a statement of cash flows?**

*Please choose one answer.*

- ☐ Yes
- ☐ No → *Skip to Question 26a*

**25b What was your Club's total net cash flows from operating activities as shown on the statement of cash flows?**

- ☐ If positive → *Enter details in the box below*

- ☐ If negative → *Enter details in the box below*

- ☐ Not applicable
- ☐ Don't know

**26a Has your Club experienced greater problems than in the past in sourcing funds from banks?**

*Please choose one answer.*

- ☐ Yes
- ☐ No → *Skip to Question 27a*
- ☐ Don't know → *Skip to Question 27a*

**26b If your Club experiences problems sourcing funds from banks, please indicate why**

*Please select one from the following:*

- ☐ General economic conditions
- ☐ Concern over regulatory environment / government decisions
- ☐ Club financial outlook in general
- ☐ Interest rates
- ☐ Concern over the Club's trading performance
- ☐ Other

**27a What amount of debt funding will your club require in the next 12 to 24 months?**

*Please choose one answer.*

- ☐ No debt funding required → Skip to Question 27c
- ☐ Less than \$1 million
- ☐ Equal or greater than \$1 million but less than \$5 million
- ☐ Equal or greater than \$5 million but less than \$10 million
- ☐ Equal or greater than \$10 million but less than \$15 million
- ☐ \$15 million and above

**27b Why does your club need more debt funding?**

*Please choose one answer.*

- ☐ Ongoing capital expenditure
- ☐ Future club refurbishment
- ☐ Accommodation or hotel development
- ☐ Residential development
- ☐ Aged care development
- ☐ Poker machines
- ☐ Other → Enter details in the box below

**27c What is the interest rate are you currently paying on your debt facilities?**

*Please answer by entering a percentage in the box below. If you have multiple facilities, please provide an average. If you are unsure, please provide your best estimate.*

 %

**27d Which banking provider does your club predominately use?**

*Please select all that apply*

- ☐ Commonwealth Bank of Australia (CBA)
- ☐ National Australia Bank (NAB)
- ☐ Westpac
- ☐ ANZ
- ☐ St George
- ☐ BankWest
- ☐ Other → Enter details in the box below

**27e Do you believe your banking provider is offering the best deal?**

*Please choose one answer.*

- ☐ Yes  
☐ No  
☐ Unsure

**28 For the following categories, what was your Club's capital expenditure for your Club's most recently completed financial year-end?**

*Please answer by entering a whole number in the grid below. If you are unsure please provide your best estimate.*

Capital Expenditure (Asset Type)	Investments in new facilities that increase capacity (capitalised)	Significant refurbishment of existing assets (capitalised)	General maintenance expenditure (expensed)
Construction of New Buildings and Extensions to Existing Buildings	\$	\$	\$
Purchase of land and pre-existing buildings under separate title	\$	\$	\$
Refurbishment	\$	\$	\$
Motor Vehicles	\$	\$	\$
Gaming Machines	\$	\$	\$
Sporting and Recreation Facilities	\$	\$	\$
Ancillary Facilities (e.g. aged care or childcare)	\$	\$	\$
Other	\$	\$	\$

**29a Over the past five years, what is the total dollar value of your club's investments in new assets?**

*Enter details below:*

**29b Over the past five years, what is the total dollar value of the proceeds from the sale of club assets?**

*Enter details below:*

---

**i** **New assets** include investments in new facilities, refurbishments supporting infrastructure, plant & equipment, motor vehicles, etc.

## PART H – TAXATION ISSUES

### 30 Is your Club exempt from paying income tax?

*Please choose one answer.*

- ☐ No
- ☐ Yes → *Skip to Question 32*
- ☐ Don't know → *Skip to Question 32*

### 31 Please enter the number for the following items as shown in your Club's latest income tax return.

*Please fill out the boxes below, if you are unsure please provide your best estimate. If the amount is a loss (indicated by a 'L' on the tax return), please answer yes to "Was this a loss?"*

Item	Description	Number	Was this a loss?
Item 6T	'Total profit or loss'	\$	Yes <input type="radio"/>
Item 7T	'Taxable income or loss'	\$	Yes <input type="radio"/>
15A	'Percentage of non-member income'	%	

### 32 Please indicate the amount of taxes paid for your Club's most recently completed financial year-end in each of the following categories:

*Please answer by entering a whole number in the box below. If you are unsure, please provide your best estimate.*

State Government gaming machine taxes / duties <i>(Do not include any community benefit levies paid by your Club under legislation)</i>	\$
Other State Government taxes	\$
Payroll tax	\$
Fringe benefits tax	\$
Council rates and taxes	\$



## PART I – FUTURE OUTLOOK

**Note for amalgamated clubs:**

*If you are part of an amalgamated group, you will only need the information to answer questions for your location only.*

*We are seeking to understand how Clubs would react to changes in the business environment due to internal or external shocks. In this section, please consider how your club would respond differently to permanent increases and decreases in revenue.*

### 33a What measures would your Club implement if it experienced a permanent decline in revenue?

*Please select all that apply. If yes, enter the percentage change in the relevant spaces provided.*

Measure	10% decline in revenue?	If yes, by what %?	20% decline in revenue?	If yes, by what %?	30% decline in revenue?	If yes, by what %?
Increase membership fees	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Increase prices charged for food and beverage	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Increase facilities and venue rental	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Reduce community support	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Reduce capital expenditure	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Reduce staffing levels	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Reduce amount paid to professional sport	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Unable to adjust club operations	Yes <input type="radio"/>		Yes <input type="radio"/>		Yes <input type="radio"/>	
Closure of site	Yes <input type="radio"/>		Yes <input type="radio"/>		Yes <input type="radio"/>	
Amalgamate with another club	Yes <input type="radio"/>		Yes <input type="radio"/>		Yes <input type="radio"/>	
No change	Yes <input type="radio"/>		Yes <input type="radio"/>		Yes <input type="radio"/>	

**i Revenue** includes all revenue generated by your club, including membership, food and beverage, gaming and ancillary revenues.

**33b What measures would your Club implement if it experienced a permanent increase in revenue?**

Measure	10% increase in revenue?	If yes, by what %?	20% increase in revenue?	If yes, by what %?	30% increase in revenue?	If yes, by what %?
Decrease membership fees	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Decrease prices charged for food and beverage	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Decrease facilities and venue rental	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Increase community support	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Increase capital expenditure	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Increase staffing levels	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Increase amount paid to professional sport	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%	Yes <input type="radio"/>	%
Open new site	Yes <input type="radio"/>		Yes <input type="radio"/>		Yes <input type="radio"/>	
Amalgamate with another club	Yes <input type="radio"/>		Yes <input type="radio"/>		Yes <input type="radio"/>	
No change	Yes <input type="radio"/>		Yes <input type="radio"/>		Yes <input type="radio"/>	

**34a Does your Club have any plans to amalgamate with another Club?**

*Please choose one answer.*

- ☐ Yes
- ☐ No → *Skip to question 35a*
- ☐ Don't know → *Skip to question 35a*

**34b Which option best suits the reason for your Club to amalgamate with another Club?**

*Please choose one answer.*

- ☐ Financial pressures
- ☐ Significant financial distress
- ☐ Strategic positioning
- ☐ Other → *Enter details in the box below*

**35a Do you expect your club to remain open within the following periods?**

- ☐ Less than 5 years
- ☐ 5 years → *Skip to question 36*
- ☐ 10 years → *Skip to question 36*
- ☐ 15 years → *Skip to question 36*

**35b Please indicate why you believe your club will cease to remain open for 5 years or more.**

- ☐ Under financial pressure
- ☐ Too much competition in the area (i.e. restaurants, pubs, etc)
- ☐ Too much competition in the area (other clubs)
- ☐ Declining population
- ☐ Demographic changes
- ☐ Other → *Enter details in the box below*

## PART J – SUSTAINABILITY

**Note for amalgamated clubs:**

*If you are part of an amalgamated group, you will only need the information to answer questions for your location only.*

This section will focus on your club's approach to environmentally friendly initiatives

**36 Does the club currently have any of the following environmentally friendly initiatives in place?**

*Please choose relevant answer.*

- ☐ Undertaken an energy audit
- ☐ Installed power factor correction
- ☐ Installed rooftop solar panels / other renewable energy devices
- ☐ Used equipment sensors and / or timers
- ☐ Upgraded lighting equipment
- ☐ Used environmentally friendly cleaning products
- ☐ Installed rain tanks and recycled water
- ☐ Installed window tinting or shading
- ☐ Switching off gaming machines when not in use
- ☐ Undertaken the responsibility to recycle waste
- ☐ None of the above

**37 In the past financial year, how much has your club invested in environmentally friendly equipment and initiatives (including energy efficient equipment)?**

*Enter details below:*

**38 Over the next three years, does your club have plans to invest in any of the following?**

*Please choose all that apply*

- ☐ Undertake an energy audit
- ☐ Install power factor correction
- ☐ Install rooftop solar panels/ other renewable energy devices
- ☐ Use energy efficient equipment sensors/ and or timers
- ☐ Use environmentally friendly cleaning products
- ☐ Upgrade lighting equipment
- ☐ Install rain tanks, use recycled water
- ☐ Install installation, window tinting or shading
- ☐ Install composters or waste reduction equipment
- ☐ None of the above

**KPMG may need to follow-up on some of your survey responses. Would you be willing to be re-contacted? Please be assured you will not be contacted for any other research purposes.**

*Please choose one answer.*

- ☐ Yes, I can be contacted → *Please complete your contact details below*
- ☐ No, I would prefer not to be contacted → *Go to END*

*Please enter details in the boxes below*

Contact name:

Email address:

Telephone number:

**END**

We would like to thank you for spending the time completing this survey and your role in assisting Clubs Australia to gain a deeper understanding into the role clubs play in our communities.

After all sections of the survey are complete, please return the survey to:

I-View  
Field Department  
Reply Paid 84829  
North Sydney NSW 2060

Completion is due by **Friday 27 November 2015**.

If you have any further questions or wish to contact us, please call the Clubs Australia Members enquiry centre on 1300 730 001 or email [clubscensus@kpmg.com.au](mailto:clubscensus@kpmg.com.au)

# Appendix 1

## EXAMPLES OF COMMUNITY SUPPORT THAT YOUR CLUB MAY PROVIDE

### Health and Welfare

- Funding for hospitals
- Funding for early childhood, palliative, women's and Aboriginal and Torres Strait Islander health services
- Funding for community nursing
- Community transport particularly for older residents
- Funding, catering and use of vehicles for services such as Meals on Wheels
- Affordable meals
- Involvement in aged care hostels or retirement homes
- Seniors events and hospital visitation
- Recreational facilities such as bowling greens
- Funding and housing of internal and external day care centres
- Funeral services
- Child and family services
- Mental health services
- Support of health promotion initiatives
- Drug and alcohol services
- Dental services
- Home and community care services
- Disability services (including equipment such as wheelchairs)
- Veteran welfare activities / RSL sub-branch accommodation

### Education

- Sponsorships and scholarships
- Funding of specific educational purposes such as the construction of wheelchair ramps and school crossing attendants
- Training opportunities
- Use of facilities, catering and administrative support for training programs
- Career development seminars for the young, disadvantaged or unemployed

### Employment

- Employment placement services
- Group training
- Employment advocacy
- Community enterprises
- Local job creation schemes

### Sport (Professional)

- A sport is professional when every player on the team is paid to play the sport. In the case of individual sports, the sport is professional when the player is paid.

**Sport (Non-Professional) and Recreation**

- Funding or sponsorship of activities for in-house and external sporting clubs, teams and individuals
- Construction and maintenance of sporting fields and facilities
- Grants to junior sporting associations and other sports clubs/groups, schools and other organisations for the supply or provision to players, referees and officials of uniforms, trophies, insurance, medical kits, administration, referees payments, travelling and accommodation expenses
- Junior coaching clinics
- Sporting scholarships
- Meeting rooms and offices for junior sports administration;
- Gymnasiums and equipment including maintenance of these facilities
- Grounds and ground improvements including but not limited to council fees, lighting, change rooms, ground rentals and maintenance

**Non-profit organisations and registered charities**

- Funding and support of counselling services, child care, aged, disability or youth services and volunteer services such as surf life-saving and rural fire services
- Funding for various children's charities such as Starlight Foundation and Variety
- Club of Australia
- Funding for charitable and community organisations, welfare groups and churches
- Organising and/or hosting of charitable fund raising events
- Subsidising or providing free the use of venues and facilities, including providing the services of club staff

**Local Community**

- Construction and maintenance of local community infrastructure (including sporting facilities)
- Providing venues and facilities for use by local residents (e.g. for weddings, functions, training events) and by visitors (e.g. conference facilities), and in some instances, by State agencies
- Providing venues and facilities at a subsidised rate or free of charge to local community groups, charitable groups and sporting groups
- Use of Club staff for grounds and facility maintenance, in some cases, relieving councils of on-going day-to-day management and or maintenance responsibilities
- Direct contributions to the work of Local Government by providing facilities, financial contributions, planning involvement, catering and/or staff for local Government initiatives
- Enhancement of services and facilities provided by local Government
- Provision and maintenance of gardens and urban landscape upgrading
- Sponsorship of local festivals and community events
- Environmental initiatives

**Emergency Services / Disaster Relief**

- Funding for State agencies such as the SES, hospitals, fire and ambulance services
- Providing emergency accommodation and shelters during natural disasters
- Providing resources to support community recovery in times of crisis by way of material aid to victims and support workers
- Financial support for families who have lost their homes to fire or as a result of other disaster, or for other individuals in need of assistance.

## Appendix 2

### INFORMATION YOU MAY REQUIRE TO COMPLETE THE SURVEY

Key Information Needed	Possible Source
<b>Part A: General Questions</b> <ul style="list-style-type: none"> <li>• Club Certificate of Registration</li> <li>• Liquor Licence Number</li> <li>• Club member list at the most recent financial year end</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Statements</li> </ul>
<b>Part C: Employment &amp; training</b> <ul style="list-style-type: none"> <li>• Salary and wages</li> <li>• Employee personal information</li> </ul>	<ul style="list-style-type: none"> <li>• Payroll reports</li> <li>• Club wages schedule/payment summary</li> </ul>
<b>Part E: Gaming machines</b> <ul style="list-style-type: none"> <li>• Gaming licence details and/or requirements</li> <li>• Gaming revenue details</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Statements</li> </ul>
<b>Part F: Community Support</b> <ul style="list-style-type: none"> <li>• Cash Donations Information</li> </ul>	<p><b>Depending on which state your Club operates in, you may require the following information to complete</b></p> <ul style="list-style-type: none"> <li>• NSW: Your latest Community Development and Support Expenditure (CDSE) return;</li> <li>• TAS: Your latest Community Development and Support Expenditure (CDSE) return;</li> <li>• ACT: Your latest Community Contributions Report (CCR); or</li> <li>• VIC, QLD &amp; NT: Your latest Community Benefit Statement (CBS).</li> </ul>
<b>Part G: Finance questions</b> <ul style="list-style-type: none"> <li>• Financial Information</li> <li>• Debt financing arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Statements</li> <li>• Your Club's internal accounting records (including management reports &amp; trading reports)</li> </ul>
<b>Part H: Taxation issues</b> <ul style="list-style-type: none"> <li>• Tax information</li> </ul>	<ul style="list-style-type: none"> <li>• Your Club's latest income tax return</li> </ul>





## Contacts

The contacts at KPMG in connection with this report are:

**Cameron Roan**

*Partner*

(02) 9335 7480

[croan@kpmg.com.au](mailto:croan@kpmg.com.au)

**Matthew McCarron**

*Partner*

(02) 9335 7793

[mmccarron@kpmg.com.au](mailto:mmccarron@kpmg.com.au)

**Peter Ball**

*Partner*

(07) 3233 9449

[pball@kpmg.com.au](mailto:pball@kpmg.com.au)



[kpmg.com.au](http://kpmg.com.au)

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