

# 2015 NSW Club Census - Financial Viability of Clubs

The 2015 Clubs Census indicates that the NSW Club industry experienced modest improvements in financial viability between 2011 and 2015.

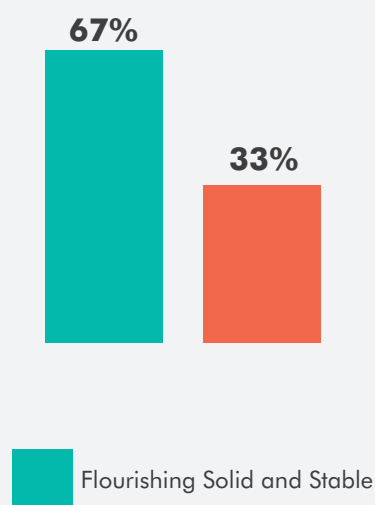


## 33%

Clubs showing signs of distress or serious distress in 2015

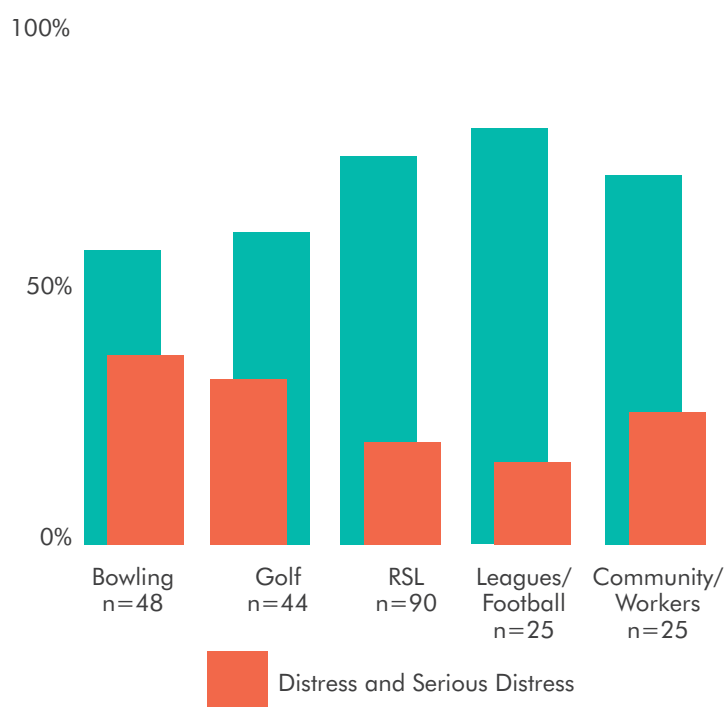
This is measured by earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue consistent with the criteria set out by the Independent Pricing and Regulatory Tribunal in 2008 and is based on 194 responses to the Clubs Census.

Financial viability of Clubs in NSW



## 65

Club Closures in NSW Since 2011



## 40%

Clubs at risk of financial distress in 2015

In 2008, the Independent Pricing and Regulatory Tribunal outlined a measure of clubs at risk of financial distress as measured by their EBITDARD as a percentage of total revenue and is based on 194 responses to the Clubs Census. In 2015, 40 per cent of clubs were at risk of financial distress.

## 72%

Clubs in NSW that formally expressed interest in amalgamation since 2011 and have not amalgamated

109 Clubs have formally expressed their intent to amalgamate since 2011.

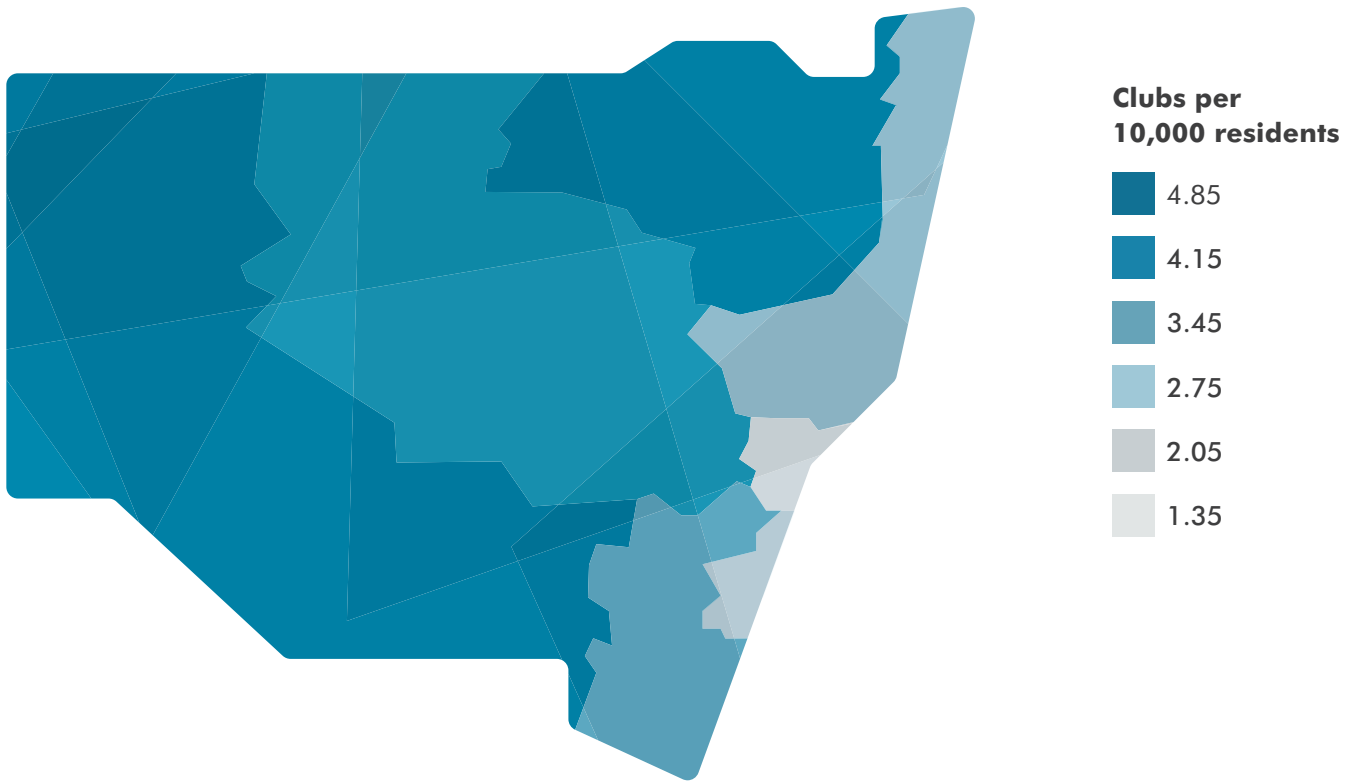


This information has been extracted from, and should be read in conjunction with, the report prepared by KPMG outlining the key findings from the 2015 National Clubs Census. A copy of this report is available at <http://www.clubsnsw.com.au/news/publications/nsw-club-census>.

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Larger Clubs are able to leverage their operational scale to grow and invest increasing their financial sustainability.

# Number of Clubs Per Capita



## Case Study

### 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

### Hurstville RSL Club

**7,500**  
Members

**\$1.5m**  
Total Revenue

**-\$250k**  
Net Profit

### South Hurstville RSL Club

**5,500**  
Members

**\$4.4m**  
Total Revenue

**+\$308k**  
Net Profit

## 2015

### The Pinnacle

**13,900**  
Members +7%

**\$7.6m**  
Total Revenue +29%

**\$1.2m**  
Net Profit

Club amalgamation is a useful strategy for generating operating scale, however a number of clubs seeking amalgamation as a last resort have not been successful in amalgamating prior to closure.