

## Highlights

The Allen Consulting Group was commissioned by ClubsNSW to conduct a study of the socio-economic impact of registered clubs in New South Wales.

In 2007, there were 1359 clubs that were members of the registered clubs association, ClubsNSW, representing over 90 per cent of the estimated total number of clubs in NSW. Since 2003, the number of registered clubs (who are members of ClubsNSW) has fallen from 1375 to 1359 clubs. This mirrors the general decline in the number of registered clubs since 2003 from 1560 clubs to 1535 clubs. There are various types of clubs in NSW including sporting, social, cultural, ethnic, worker, professional, returned services, leagues and football clubs.

To provide an overview of the economic and social contribution of clubs in NSW in 2007, all member clubs of ClubsNSW were invited to participate in a socio-economic impact assessment (SEIS) survey. A total of 443 clubs responded to the survey, a response rate of 32.5 per cent. In this report, the results of the 2007 SEIS survey are compared with the survey results from two previous surveys undertaken in 1999 and 2003.

Since 2003, the financial position of clubs has been characterised by:

- growth in revenue, although clubs have diversified their revenue sources and were considerably less reliant on gaming machine revenue in 2007 than they were in 2003;
- a reduction in the average profitability of the larger sized clubs and an improvement in average profitability for small and medium sized clubs;
- growth in the value of capital assets held by clubs; and
- growth in capital expenditure.

Clubs in NSW continue to make a significant and growing economic contribution to the NSW economy. The following economic indicators demonstrate this:

- total revenues earned have grown by 4.1 per cent per annum since 2003 to around \$5.4 billion in 2007;
- capital expenditure (investment) has grown by 22 per cent since 2003, with total capital expenditure around \$858 million in 2007;
- average profitability of clubs has increased from around 9 per cent in 2003 to 19 per cent in 2007; and
- total taxation paid has increased from \$969 million in 2003 to \$1.26 billion in 2007. This is equivalent to an annual growth of around 7 per cent.

Despite these trends, the total wages bill has increased only slightly between 2003 and 2007 (7 per cent) and it has not kept pace with growth in inflation and average weekly earnings in the same time period. The reduced number of employees in the club movement may explain this — the number of employees has fallen from around 51 700 employees in 2003 to 43 300 employees in 2007.