

## A statement to our community

*On basketball, the 25-year structural problem, and what it will take to fix it*

We welcome the support of our elected representatives, and we value the relationships we hold with every sporting group that calls the PVRSC home. Basketball has been a significant part of this centre's story, and we genuinely hope to see our community playing here again.

We also have an obligation — to the broader community, to Penrith City Council, and to the thousands of people who use this facility — to be honest about the situation we are in, and what it will take to keep this centre open. This statement sets out the full picture, including parts of the history that have not previously been shared publicly.

---

### We support mediation. We always have.

When Penrith City Council expressed its wish for mediation, we acknowledged that request and remain willing to engage in a constructive process. **We have not closed the door on basketball returning to this building.** We have never closed that door.

What we have said — clearly, consistently, and with the numbers to back it up — is that any arrangement must be financially sustainable for the facility. That is not a negotiating position. It is a legal and governance obligation.

---

### Where this problem started: January 2001.

To understand the current situation, you need to understand a decision made 25 years ago.

In December 2000, Penrith City Council received a report on the financial difficulties of what was then called Penrith Sports Stadium. As part of its consideration, Council resolved to request that the Basketball Association provide **a business plan demonstrating its capacity to pay for the use of the Stadium.** That resolution is documented in the confirmed minutes of Council's Ordinary Meeting of 11 December 2000.

The response was a structural reorganisation. From **31 January 2001**, the Penrith Basketball Association took on responsibility for organising competitions, games, and referees. As recorded in Council's own report of 2 July 2001, the Stadium advised that *"the Basketball Association has taken on the responsibility (and the cost) of organising the games/competitions and of providing the referees etc. The Stadium now merely rents out court space at an hourly rate."*

That single sentence describes the structural problem the PVRSC has been living with for 25 years.

The current circumstances did not arise from decisions of the present Board alone. They are the result of historical structural choices made over many years, including a prolonged period where basketball-aligned representatives continued to hold positions within the PVRSC governance and advocated for favourable arrangements.

No single group caused the current challenge, and no single group should carry the blame. The issue is structural, historical, and now requires a modern solution.

### **What the 2001 restructure created**

**Before 2001:** The Stadium operated the competitions and collected the participation revenue. One organisation, one P&L, one accountability structure.

**After 2001:** The Basketball Association collected all participation revenue — match fees, registrations, and nominations. The Stadium collected only a court hire rate per hour.

**Who bore the costs:** The Stadium — solely responsible under its 99-year Council lease for all operating costs, maintenance, asset renewal, compliance, insurance, and loan obligations.

By 2024, basketball competitions alone was generating approximately \$881,000 per year in participation revenue from PVRSC's courts, excluding registrations and other fees. PVRSC received \$352,000 of that in hire fees. The facility that bore 100% of the costs captured 40% of the value generated on its own courts.

This structural imbalance did not emerge suddenly. It was documented in Council's own reports from 2001 onwards, acknowledged at multiple meetings, and addressed repeatedly through loans and grants rather than structural reform. In 2004, Council contributed \$6,000 toward termite damage repairs. In 2005, a further \$25,000 loan was provided for floor repairs to courts 3 and 4 — the same recurring problem that consumed courts 5 and 6 in 2023 at a cost of \$1.638 million.

### **PVRSC's long advocacy for new or upgraded facilities.**

It is important the community understands that the PVRSC has never been passive about the inadequacy of the current building. We have been advocating for a new or significantly upgraded indoor sports facility in this region since the early 2000s — before the current debt structure existed, before the floor failures began, and long before the current political debate.

That advocacy was sustained, documented, and ultimately successful. **It was The PVRSC's persistent advocacy that helped bring the new indoor multisport facility at Gipps Street into existence.** The case we made to government — that Western Sydney was critically underserved for indoor courts, that demand was growing, and that the region needed a purpose-built solution — was heard and acted upon by the NSW Government, with the support of the then Minister for Sport, Stuart Ayres, who acknowledged the contribution of this centre's advocacy to that decision.

We are proud of that outcome. A new, well-resourced facility that will serve tens of thousands of people across the region. We supported it then and we support it now.

Which is precisely why the question of how the PVRSC fits within that evolving network — and what Council's expectations are for this facility alongside the new one — is not an administrative nicety. It is the central planning question that will determine whether this facility remains viable or becomes a stranded asset with \$2.54 million in Council loans still outstanding on it.

### The question PVRSC's own advocacy creates

The PVRSC helped build the case for a new facility at Gipps Street. That facility will serve the region well.

But our 10-year financial model — the model on which Council's own loan was made — depends on sustained utilisation at this facility for the full decade to service approximately **\$2.54 million in Council loans**.

At the end of that model, **\$1.18 million in Council loans will still be outstanding**. If users migrate to the new facility in years three to seven, the revenue base required to service loans owed to Council is directly threatened.

The PVRSC is not asking Council to choose between the two facilities. We are asking Council to be transparent about how both facilities are positioned, so that this centre can be governed responsibly and the community's investment in both assets is protected.

## The 2023 loan and what it was based on.

In September 2023, Council approved a \$1.638 million loan to the PVRSC for the replacement of the termite-damaged floors in courts 5 and 6. The loan was approved on the basis of a genuine pathway to financial sustainability.

That pathway was **the merger of The PVRSC and The PDBA** — a structural reunification of the facility operator and the competition operator that would address the revenue imbalance created in 2001.

This was not the PVRSC's assumption alone. On **15 September 2023** — days before Council approved the loan — the PDBA wrote to Council stating they "*support the continued exploration of options to move forward as one business*" and were supportive of discussions considering "*a potential merger between the two organisations.*" That letter is recorded in Council's own report of 25 September 2023.

### The Board's motion accepting the loan — October 2023

The PVRSC Board's formal resolution accepting the loan explicitly recorded the basis on which it was accepted:

- Modelling updated using PDBA current financial data
- Modelling that ensures ongoing stability to cover R&M and asset replacement
- Preparedness to accept the advice of Council's independent advisor on the appropriate business model
- Acknowledgement that PDBA staff would be selectively integrated into the new structure

The Board's letter to Council also stated that Council had expressed the view that "*time should be allowed for PVRSC to do the negotiations necessary and the physical changes required.*"

The loan was taken on the documented understanding that The PDBA had accepted the merger in principle, that Council's independent review would guide the model, and that time would be allowed for the transition.

---

## What happened next.

The PDBA did not proceed with the merger. Instead, as PVRSC worked toward cost recovery — adjusting hire rates to reflect the true cost of operating a compliant facility — PDBA left the building.

They are now seeking to return as a hirer at **\$100 per court per hour, fixed for a period of up to 18 months**. This is not a return to the arrangement the loan was predicated on. It is a request to continue the same structural arrangement that created 25 years of financial fragility — PDBA collecting participation revenue, PVRSC bearing the costs — at a rate that does not cover those costs.

**The first repayment on the \$1.638 million loan is due 30 June 2026.** PVRSC's bank balance at 31 December 2025 was \$29,528. Without deferral and a sustainable operating model, PVRSC cannot meet that obligation. Council, through its elected body, is being asked to consider matters where financial, community, sporting and political considerations may intersect. That makes a clear, fair and independently grounded process especially important. The role of elected representatives in these circumstances is not to pursue short-term popularity, but to make the right decision in the long-term interests of the community, the facility, and future generations who will rely on it.

---

## Let us explain the problem simply.

Imagine you own a three-bedroom house. Your mortgage, rates, insurance, electricity, and maintenance cost **\$30,000 a week** to keep. A tenant offers to rent two rooms for **\$6,800 a week**. That is a real contribution. But it leaves **\$23,200 a week** still to find — and the bank, the insurer, and the electricity company do not accept goodwill as payment.

Our facility requires approximately **\$1,558,000 a year** to operate, service its debt, and maintain minimum provisions. A single large hirer at the requested rate contributes approximately **\$352,000**. The remaining **\$1,206,000** must come from other sources.

### The real numbers — from our financial statements

**\$1,316,000** in operating costs (staffing, building overheads, kiosk, compliance)

**\$207,000** in debt service (loan repayments)

**\$35,000** minimum in capital expenditure

**\$3,085,000** in total debt, including **\$2,535,000 owed to Penrith City Council**

*These are audited obligations. They do not move because a political arrangement is negotiated.*

---

## Who are we actually here to serve?

Council has stated it wishes to support approximately 3,000 basketball members. We respect that advocacy.

But we ask our community to consider an independent finding.

### **Independent assessment — Otium Planning Group**

An independent demand analysis identified approximately **10,000 people within a 15-minute catchment of PVRSC** who want to participate in indoor sport.

This figure applies to **basketball alone** — based on AusPlay 2024–25 national participation data (approximately 4.7% of adults and 6.9% of youth). Other indoor sports represent additional unmet demand.

If the Council's figure of 3,000 active members is accepted, that leaves **7,000 people who want to play basketball and currently cannot**. They are also our community.

Political advocacy that focuses on returning one organisation at a rate that does not sustain this facility is not serving those 7,000 people. It is not even fully serving the 3,000 — because a financially unviable PVRSC closes its doors to everyone.

The question should not be “**how do we get one group back in?**” It should be “**how do we build a sustainable facility that serves all 10,000?**”

---

### **The rising costs are not a choice.**

Every financial crisis the PVRSC has faced — in 2001, in 2004, in 2005, in 2020, in 2023, and now — has its roots in the same place: a structural arrangement that separated participation revenue from facility cost, and a building that has aged without the reserves needed to maintain it.

Those costs now include:

- Insurance premiums that must be financed annually because the upfront cost cannot be absorbed from operations
- Electricity — the largest variable cost, consumed every evening and all weekend this facility operates
- Compliance and WHS obligations that continue to grow and cannot be deferred
- \$3.08 million in debt, the majority owed to Penrith City Council, that must be serviced regardless of utilisation
- An asset base that requires a growing sinking fund — which does not begin accumulating until 2029 under the current model

These are not discretionary. Every hire arrangement that does not reflect the true cost of operating this facility is a subsidy — paid not by the politician who negotiated it, but by deferred maintenance and ultimately by the community when the building can no longer be sustained.

---

### **A question that must be answered.**

The PVRSC spent years advocating for new indoor sports infrastructure in Western Sydney. That advocacy contributed directly to the decision to build the Gipps Street facility — a decision acknowledged by government at the time. We are proud of that contribution.

But it creates a planning responsibility that has not yet been met. Our 10-year financial model requires **sustained utilisation at this facility for the full decade** to service the loans owed to Council. A new facility opening mid-plan and drawing users away is not simply a competitive challenge — it directly threatens serviceability of loans owed **to Council itself**.

We have formally asked Council to confirm:

- The general expectation regarding cost recovery under lease-based operating models for indoor court facilities within the LGA
- The allocation of lifecycle renewal responsibility within such arrangements
- Where the PVRSC sits within Council's evolving indoor sports facility network as the Gipps Street facility comes online

**This confirmation is not a formality.** It is the difference between a governance framework that can succeed and one that is undermined before it begins. Our community — and the ratepayers who have funded both Council's loans to this facility — deserve a transparent answer.

---

## **A respectful note to our elected representatives.**

We have enormous respect for our local councillors and representatives. Advocating for community groups is a noble function of elected office.

We ask only that the same energy be applied to the harder questions: how does this facility sustain itself? Who is responsible for the asset it sits in? And what does Council's own planning mean for the community that depends on both facilities?

**Advocating for a hirer to return at a rate that does not sustain this facility is not advocacy for the community.** It is advocacy for one organisation, at the expense of the 7,000 unserved participants and the long-term viability of a community asset with \$2.54 million in Council loans still outstanding.

We ask our community — and ask them to remember at the ballot box — that **sustainable advocacy means asking hard questions about how the facility pays its bills**, not just how one group gets back in. And it means demanding honest answers about how Council plans to manage both the facility it already funds and the new one it is building.

---

## **What a sustainable path forward looks like.**

There is a version of this facility's future in which basketball returns, the full community is served, and the centre remains financially viable alongside the new Gipps Street facility. We want that outcome.

That path requires three things simultaneously:

- Any hire arrangement reflects the true cost of operating a compliant, safe, regional indoor facility — not a rate set when costs were fundamentally different
- The PVRSC retains the unconditional right to generate revenue from all courts and time slots not occupied by any single hirer, including by running centre-managed programs for the 7,000 unserved participants

- Council provides the governance clarity sought — on cost recovery expectations, renewal responsibilities, and the PVRSC’s position in the network alongside Gipps Street — before decisions are made that cannot be undone

None of these is unreasonable. All are necessary. If any is removed through political pressure, the model does not work — and a significant community asset, with \$2.54 million in Council loans still outstanding, is placed at risk.

---

## **We remain committed to this community.**

The PVRSC has served the Penrith community for decades. We advocated for new infrastructure when it was needed. We accepted debt obligations on the understanding that time would be allowed for structural reform. We have produced a detailed, independently reviewed business plan that Council’s own consultant found to have strategic alignment.

Basketball has been part of this centre’s story, and we hope it will continue to be. Our obligation extends to every person in that 10,000: the netball player, the futsal team, the school group, the family at the kiosk, the disability sport participant, and every person not yet through our doors.

Keeping this facility open, compliant, and financially sustainable **is** the community service. We have always understood that. We ask Council, and the community, to hold us to it — and to hold everyone involved in this situation to the same standard.

We welcome genuine dialogue, support the mediation process, and remain hopeful that a workable arrangement can be found. We ask only that workable means financially viable, structurally honest, and genuinely transparent about the planning decisions that will shape this community’s sporting future for the next twenty years.

---

### **The Board and Management of the PVRSC**

Penrith Valley Regional Sports Centre Ltd  
30 Herbert Street, Cambridge Park NSW | [www.pvrsc.com.au](http://www.pvrsc.com.au)  
*April 2026*