


# *ClubsACT Phase 2 Submission: Co-design Contextual Lessons*

*"It's been a place you could, you know, you go and meet your friends. You've lived anniversaries and celebrated different things, even things like it's a sporting club. You can go down there watch the cricket. You can celebrate Australian events, because you know, they've got many screens that show that sort of thing. You can delve into the poking machines if you want to flutter, you know, you can have a meal there. It's sort of like, you know, a second home at times. You know, currently, I have family that are away from Canberra, and whilst I do my cooking, I can just go down to the club and have a meal. You know, it's there every day. You know, I can sort of have a meal and drink. You don't have to play the pokies to be a member. But, you know, I just found it's just, you know, kick in the guts, really, that they want to go down that. But it's like a lot of things, cost wise, things that haven't gone too well, and I think that's one of the main reasons."*

Anthony, ABC Radio Canberra Drive show Caller 1.12.25 discussing the closure of the Chisholm Vikings Club



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**2015 PUBLIC ACCOUNTS COMMITTEE (PAC) INQUIRY: WHAT CLUBSACT PREDICTED WOULD HAPPEN ..... 3**

1. The Clubs Sector Would Become Financially Unsustainable ..... 3
2. Stagnation or Failure of Diversification Efforts ..... 3
3. Reduced Community Services & Contributions ..... 3
4. Forced Club Amalgamations, Site Sales, or Closures ..... 4
5. Inability to Respond to Revenue Decline ..... 4
6. Ineffective Harm Minimisation if Only Clubs Are Targeted ..... 4

Summary of ClubsACT's Combined Predictions ..... 4

**CLUBSACT – PAC-ENDORSED RECOMMENDATIONS IGNORED OR REJECTED BY THE ACT GOVERNMENT ..... 5**

Executive Summary and Key Findings ..... 5
Key Areas Where Government Rejected PAC-Endorsed ClubsACT Recommendations ..... 6
1. Diversification & Land-Use Reform (Highest Priority Failures) ..... 6
2. Regulatory and Red-Tape Reduction ..... 6
3. Harm Minimisation Strategy and Evidence-Based Policy ..... 6
4. Recognition of Contribution & Sector Importance ..... 7
Detailed Summary of Key Conflicts ..... 7
Core Narrative for the Inquiry ..... 8

**WHAT THE 2015 PUBLIC ACCOUNTS COMMITTEE PREDICTED ..... 8**

What the PAC Portended if Its Recommendations Were Not Implemented ..... 8
1. Loss of Long-Term Community Club Viability ..... 8
2. Erosion of Community Benefit & Social Capital ..... 8
3. Barriers to Diversification Would Persist ..... 9
4. Continued Decline in EGM Revenue Without Compensating Business Models ..... 9
5. Increased Risk of Harm if Policy Focus Remains Outdated ..... 9
6. Rising Planning and Cost Pressures Would Undermine Smaller Clubs ..... 9

**OVERALL PORTENT: SECTOR CONTRACTION, REDUCED COMMUNITY BENEFIT, AND INCREASED INSTABILITY ..... 10**

**CONCLUSION ..... 10**



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# 2015 Public Accounts Committee (PAC) Inquiry: What ClubsACT Predicted Would Happen

The Club Industry Inquiry is now commencing Phase 2 of its timeline, Co-design. This stage and its outcomes will inevitably inform the final recommendations to government that will substantially determine the future of the Club industry in the ACT.

With the announced closure of the Chisholm Vikings Club, as part of this phase, it has become even more imperative that the panel consider the context of past policy considerations and particularly the most recent failures of policy reform from the 2015 Public Accounts Committee (PAC) Inquiry.

Considering the recommendations made at that time and what was predicted should the Recommendations not be implemented provides a manifest lesson. This analysis should guide the current Inquiry in its recommendations and considerations of advice to the Government and the Legislative Assembly. This contextual submission by ClubsACT considers the issues raised in 2015 most impacting on the current inquiry and its Terms of Reference.

## 1. The Clubs Sector Would Become Financially Unsustainable

ClubsACT warned that the ACT club sector was being placed under **intensifying financial pressure**, and that without structural reform and planning relief, many clubs would not remain viable:

"Failure to provide meaningful structural relief... will place continuing and unsustainable financial pressure on the ACT club sector."

This was an unambiguous forecast:
**Without reform, clubs would become financially unsustainable.**

## 2. Stagnation or Failure of Diversification Efforts

ClubsACT explicitly predicted that diversification would **fail or stall** if planning charges, regulations and barriers were not addressed:

"Unless Government addresses these barriers—particularly LVC, DA costs and prescriptive zoning—clubs will not be able to diversify fast enough to offset declining gaming revenues."

**Prediction:** The sector would be stuck in the same business model the Government wanted it to move away from.

## 3. Reduced Community Services & Contributions

ClubsACT directly linked Government inaction to **loss of community benefit**, warning that club contributions to sports, local charities, events, and facilities would fall:

"Continuing pressure on club finances will directly reduce community contributions and threaten the ongoing provision of community facilities."



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**Prediction:**

- Less money for local sports
- Fewer community grants
- Facilities would deteriorate or close

### 4. Forced Club Amalgamations, Site Sales, or Closures

ClubsACT predicted a wave of **amalgamations or exits**, caused by rising cost pressures and regulatory burdens:

"The unavoidable outcome is that some clubs will be forced into amalgamation or closure."

**Prediction:** A shrinking club footprint across Canberra.

### 5. Inability to Respond to Revenue Decline

ClubsACT warned the Government that gaming revenue was already falling, and that **without timely diversification**, clubs would face a financial cliff:

"Revenue decline in real terms is now entrenched… without diversification support this will undermine long-term viability."

**Prediction:** Structural revenue decline would overwhelm clubs if diversification barriers remained.

### 6. Ineffective Harm Minimisation if Only Clubs Are Targeted

ClubsACT warned that focusing regulation solely on clubs, while ignoring online and interstate gambling, would result in **no real reduction in harm**:

"Focusing the regulatory burden solely on clubs will not reduce gambling harm and will drive gamblers to higher-risk, unregulated environments."

**Prediction:**

- Harm does not go down
- Problem gamblers shift to online or NSW venues
- ACT loses oversight and early-intervention capability

### Summary of ClubsACT's Combined Predictions

ClubsACT forecast that **if Government failed to implement PAC-style reforms**:

**Economic & Sector Impacts**

- Club finances would become **unsustainable**
- More **closures, amalgamations, and asset sell-offs**



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- Diversification efforts would **fail to materialise**
- Clubs would not be able to offset **long-term gaming revenue decline**

**Community Impacts**

- Reduced **community contributions**
- Loss of **sports, arts, seniors, disability and multicultural support**
- Closure or deterioration of **local community facilities**

**Policy & Harm Minimisation Impacts**

- Gambling harm levels would **not decrease**
- Consumers would migrate to **online and interstate gambling**
- Government would lose visibility and data for harm responses

## ClubsACT – PAC-Endorsed Recommendations Ignored or Rejected by the ACT Government

### Executive Summary and Key Findings

This briefing summarises the major conflicts between the 2015 Standing Committee on Public Accounts (PAC) recommendations and the ACT Government response, focusing on the recommendations aligned with ClubsACT's evidence and priorities that were endorsed by the Legislature—but rejected or neutralised by Executive Government.

The PAC's bipartisan Inquiry into the Future of the ACT Clubs Sector produced 45 recommendations. A significant number directly reflected issues raised by ClubsACT, particularly around:

- Regulatory certainty
- Diversification and land-use planning barriers
- Cost reduction (LVC, DA fees, red tape)
- Evidence-based harm minimisation
- Recognition of clubs' community contribution

However, the ACT Government rejected or failed to implement most of the major structural recommendations, often replacing them with symbolic or procedural responses.
This created—and still creates—a persistent policy misalignment:

- PAC endorsed the reforms necessary for sector viability.
- Government declined to implement those reforms, maintaining the structural barriers the PAC explicitly identified.

This briefing details those conflicts.



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## Key Areas Where Government Rejected PAC-Endorsed ClubsACT Recommendations

### 1. Diversification & Land-Use Reform (Highest Priority Failures)

PAC Recommendations 2, 3, 7, 8

**Government position: Rejected or Noted (no action)**

The PAC endorsed several recommendations requiring the Government to actively support club diversification via planning reform and cost relief. The Government refused:

- No removal of the Lease Variation Charge (LVC) – despite PAC agreement and clear evidence it inhibits redevelopment.
- No relief from Development Application (DA) fees – PAC recommended exemption; Government flatly refused.
- No Territory Plan overlay or permitted-use list – Government rejected planning certainty, despite strong PAC support.

**Impact:** These decisions ensured that structural planning and development barriers remain unchanged to this day.

### 2. Regulatory and Red-Tape Reduction

PAC Recommendations 10, 12–13, 27

The PAC backed several reforms to reduce red tape and modernise access rules.

Government responses:

- $250 ATM withdrawal limit retained (rejected).
- Taskforce "business diversification case manager" neutered – agreed "in principle" but Government refused to provide actual advice.
- Access rules modernisation stalled – agreed "in principle" only.

**Impact:** Clubs continue to face operational barriers PAC identified as unnecessary and outdated.

### 3. Harm Minimisation Strategy and Evidence-Based Policy

PAC Recommendations 6, 18, 19, 26

PAC recommendations endorsed ClubsACT's push for data-driven, targeted harm-minimisation, but Government rejected key components:



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- Rejected a dedicated ACT Problem Gambling Action Plan Taskforce.
- Rejected differential tax rates to reward venues with stronger harm-minimisation practices.
- Refused annual reviews or implementation requirements for research findings.
- Only "noted" most enhanced research projects and did not fund them.

**Impact:** Government preserved the existing, less targeted framework and avoided accountability measures.

### 4. Recognition of Contribution & Sector Importance

PAC Recommendation 45

The PAC recommended formally assessing the social, economic, and community contribution of the ACT club sector.

Government response:

- **Key Government MLA explicitly refused to support the recommendation.**

**Impact:** Government continued a narrative undervaluing the community benefit PAC found to be substantial.

### Detailed Summary of Key Conflicts

| Structural Reform PAC Supported | Government Rejected | |
|---|---|---|
| **PAC Position** | **Government Response** | **Sector Impact** |
| Remove LVC to enable diversification | **Not agreed / No change** | Continues to block redevelopment |
| Waive DA fees for club developments | **Not agreed** | Keeps cost barriers high |
| Create planning overlay / permitted-use certainty | **Not agreed** | Clubs remain exposed to planning uncertainty |
| Create harm-minimisation taskforce | **Rejected** | No coordinated ACT strategy |
| Differential tax rates for safer venues | **Rejected** | No incentives for best practice |
| Require government to table and implement research | **Not agreed** | Weakens evidence-based policy |
| 12 months' notice before future reforms | **Rejected in Assembly vote** | Continues policy instability |
| Assess club community contribution | **Rejected** | Maintains lack of recognition |



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### Core Narrative for the Inquiry

The PAC recognised the importance of clubs and endorsed genuine reform to secure the sector's future. The Government, however, rejected or neutralised nearly all structural recommendations, leaving the core issues unresolved for a decade.

This historical pattern is critical evidence for the current Inquiry:

Whenever reform has been independently recommended, it has been repeatedly refused by Government—even when the Legislative Assembly's own committee endorsed it.

## What the 2015 Public Accounts Committee Predicted

According to the report from **October 2015**, the Public Accounts Committee (PAC) **did** foreshadow what would happen if its recommendations were not implemented—although it did so **not through a single explicit warning**, but through **multiple findings embedded throughout the report**, especially in the Committee's Conclusions and its commentary on the evidence.

### What the PAC Portended if Its Recommendations Were Not Implemented

From the PAC report, the PAC consistently communicated the following **core risks** if Government failed to act:

#### 1. Loss of Long-Term Community Club Viability

PAC stated clearly that clubs required **regulatory and policy certainty** to maintain a sustainable future. It concluded that:
"Community clubs have sought regulatory and policy certainty to enable a sustainable future for the community club sector."

The implication is direct:
**Without the reforms, clubs would not secure that sustainable future**—endangering the long-term presence of clubs "accessible to most parts of Canberra."

#### 2. Erosion of Community Benefit & Social Capital

The PAC stressed that clubs provide significant measurable and immeasurable community benefit:
"Community clubs provide significant value to the Canberra community… contributing directly and indirectly to the social capital of the Canberra community."



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By linking this value to the viability problem above, the PAC implicitly warned:
**If government did not act, the community benefits would diminish alongside club viability.**

### 3. Barriers to Diversification Would Persist

PAC made repeated findings that diversification was essential for survival:
"There is widespread agreement that community clubs need to diversify their business models away from a reliance on gaming revenue."
And:
"Paths to diversification are different for each club… regulatory and policy certainty [is needed] to enable a sustainable future."

Thus, the PAC indirectly portended that **failure to remove barriers such as LVC, DA fees, and planning uncertainty would block diversification**, exposing clubs to continuing revenue decline and financial vulnerability.

### 4. Continued Decline in EGM Revenue Without Compensating Business Models

PAC noted that gambling revenue—especially EGM revenue—**was already decreasing**:
"Evidence shows that gambling prevalence in general and electronic gaming machine revenue in particular is decreasing in the ACT."

The implied warning:
**Without diversification support, falling gaming revenue would push many clubs into financial distress.**

### 5. Increased Risk of Harm if Policy Focus Remains Outdated

PAC argued for targeted, evidence-based harm minimisation and warned that existing systems were insufficient:
PAC recommended a comprehensive action plan and expanded research to "reduce the duration of gambling problems when they arise in individuals" and better identify risk indicators.

The implication:
**Failure to adopt targeted harm-reduction reforms would allow gambling harm to persist or worsen.**

### 6. Rising Planning and Cost Pressures Would Undermine Smaller Clubs

In several recommendations, PAC emphasised the disproportionate burden on small and medium clubs, indicating:
Legislation, fees, and charges may impose "particular burdens" on small and medium clubs.



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Thus, if reforms were not implemented:
**smaller clubs would struggle or fail first**, leading to sector contraction and localised loss of community facilities.

## Overall Portent: Sector Contraction, Reduced Community Benefit, and Increased Instability

While the PAC did not issue a single explicit statement such as *"the sector will fail"*, the **cumulative message of its findings is unmistakable**:

**If reforms were not implemented, the ACT club sector would:**

- become progressively **less financially viable**
- fail to successfully **diversify**
- experience **continued revenue decline**
- face growing **planning and cost barriers**
- provide **diminished community services and social capital**
- see **smaller clubs disproportionately at risk**
- experience **stagnant or ineffective harm-minimisation outcomes**

These findings collectively amount to a clear PAC warning:

**the Government's failure to implement the recommended reforms would jeopardise the long-term sustainability and community value of the ACT clubs sector.**

## Conclusion

What was identified in 2015 has and is coming to pass. If we ignore this, the obligations Government has committed to in terms of a sustainable Club industry going forward are hollow. If the Government again ignores the 2015 advice of both ClubsACT and the PAC, the consequences observed with the Chisholm club closure will accelerate across Canberra. The outcomes of the co-design phase of the current Inquiry are crucial in this context.

On a per-person basis the density of poker machines in the ACT has fallen from roughly **15.2 → 7.0 machines per 1,000 people** (a drop of about **54%** per capita). In raw numbers, the machine count fell by ≈ 34%. But when adjusting for population growth, the decline in per-capita availability is much steeper, more than half. An outcome unmatched by any other jurisdiction.



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However, this has come at significant and increasing cost to the club industry seeing it retract significantly. What is of concern is the emerging pattern. In **2008–09**, the ACT had **62 clubs** and **12 hotels/taverns with gaming machines**.

At the end of **2024–25**, we have **37 clubs** and **5 hotels/taverns** remaining. This represents a **40% reduction in community clubs** over fifteen years. This also has had multiplier impact to the ACT community and ACT Government revenue potential.

Every Club closure, every job lost, every sport or community group that loses financial and in-kind support, every dollar of lost revenue to government, will be a deliberative policy outcome. This then must be viewed as a determined policy decision of Government should this be the outcome.

This demonstrates why we believe that the Panel must view stronger; binding recommendations as now essential.



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**3 December 2025**

**Attachment A:** 2015 Inquiry PAC 18 Clubs-sector Report
**Attachment B:** 2015 Inquiry PAC 18 Clubs-sector Government Response



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