

Securing the Future of Canberra's Clubs:
A Transition Strategy for Community, Workforce, and Wellbeing
Submission for the Independent inquiry into the future of the ACT clubs industry
Prepared by ClubsACT

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

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"The government knows well the vital contribution our community clubs make to the vibrancy and cohesion of ACT society."
— Shane Rattenbury (Minister for Gaming), ministerial statement on gambling harm minimisation, 9 Feb 2023, ACT Hansard

Chapter 1: Executive Summary

1.1 ClubsACT presents this submission to the ACT Legislative Assembly to outline a realistic, partnership-based reform model that secures the future of Canberra's community clubs. The sector serves over 505,000 members and contributes over $35 million annually to the ACT community. Analysis comparing the 2015 ClubsACT submission with current figures shows a dramatic rise in club membership intensity across the ACT.

1.2 The inquiry's scope encompasses the economic, social, and employment contributions of clubs; the impacts of regulatory changes (e.g., gaming and harm minimisation); opportunities for diversification and transition planning; tax and fiscal frameworks; land use and infrastructure; and sustainability practices. ClubsACT understands the term sustainability to refer to the proportionate replacement of revenue.

1.3 Drawing from our previous submissions to the Inquiry into Cashless Gaming in the ACT (2023) and the Inquiry into Loneliness and Social Isolation (2024), and aggregated data from ClubsACT's industry-wide survey, conducted between August and September 2024 (See **Appendix B**), we address each element of the inquiry's scope below. We advocate for policies that recognise clubs' unique not-for-profit model, which reinvests gaming revenues into community benefits, while proposing reforms to ensure long-term sustainability.

1.4 We emphasise the clubs' multifaceted contributions while advocating for supportive policies to ensure their sustainability amid evolving challenges such as gaming reforms, economic pressures, and demographic shifts.

1.5 This submission identifies ten core recommendations, including a transition fund, reform of lease variation charges, creation of a Licensed Clubs Act, and opposition to compulsory acquisition of electronic gaming machine authorisations. **Appendix A** provides further detail on recommendations.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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No.	Recommendation
1.	Introduce integrated cashless gaming tools to assist with preventing patron displacement to unregulated gambling
2.	Establish a holistic, market-driven, evidence-based gaming transition strategy and funding to aid diversification and safeguard community benefits
3.	Establish a Community Sustainability Tariff Framework
4.	Recognise and support the club sector in the ACT Tourism Strategy
5.	Reform Lease Variation and Land Use Charges
6.	Remove not-for-profit Club Directors from personal liabilities under the *Property Developers Act 2024*
7.	Facilitate adaptive land use (*allow more uses of Club land*) and diversification funding and evaluate their impacts
8.	Modernise regulation through a dedicated ACT Licensed Clubs Act aligned with best-practice governance
9.	Oppose compulsory acquisition of Gaming Machine Authorisations
10.	Harmonise account-based gaming and harm minimisation regulations as much as practical with the NSW Jurisdiction to address cross border issues

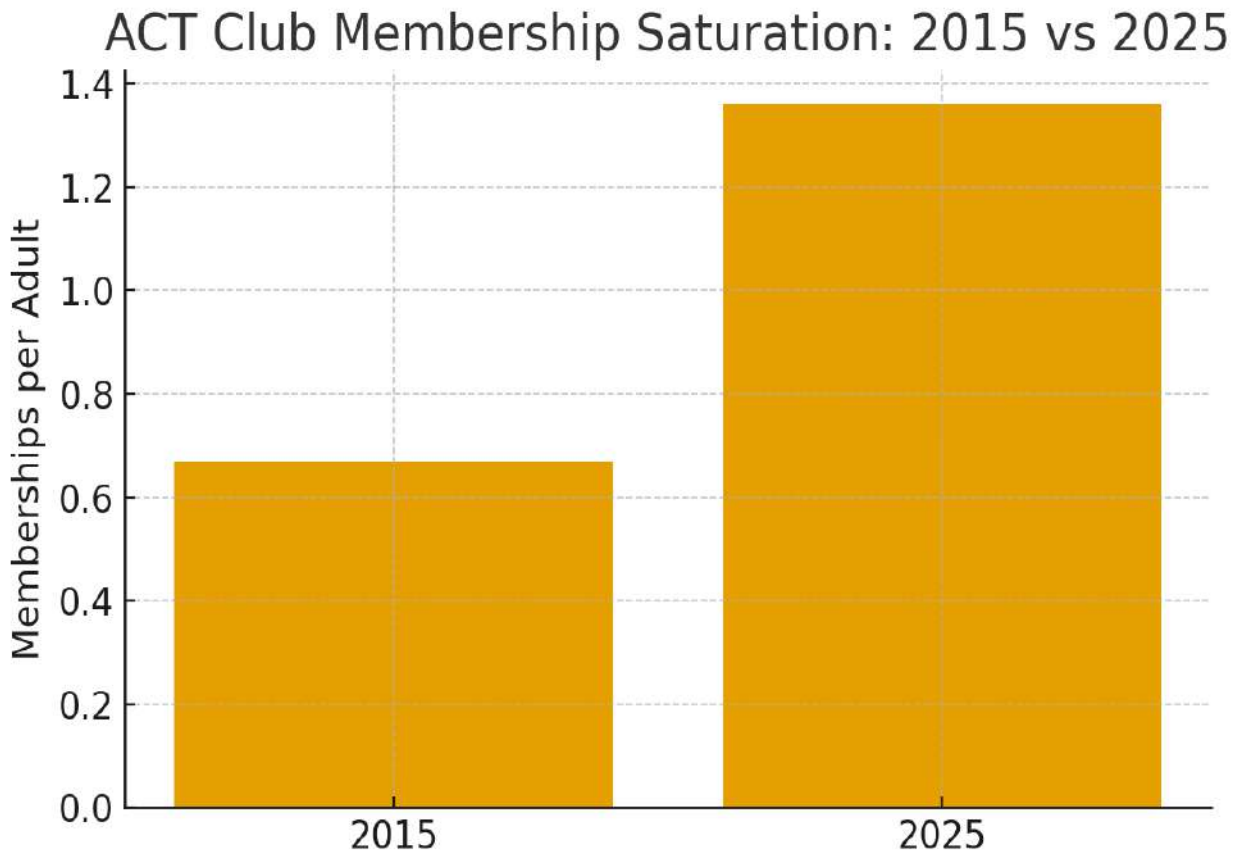
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"There is no doubt that clubs are valuable in our community."
— Shane Rattenbury, Matter of Public Importance: Community clubs, 5 May 2016, ACT Hansard

Chapter 2: Introduction – The Role of ACT's Club Sector

2.1 ClubsACT, established in 1974 as the peak representative body for the ACT's not-for-profit community clubs, welcomes this Inquiry into the Clubs Industry. Representing a diverse array of small, medium, and large clubs—including sporting, cultural, and social venues—we advocate on behalf of a sector that is integral to Canberra's social fabric, economic vitality, and community wellbeing.

2.2 In 2015, approximately 200,000 adults were members of at least one club—equivalent to around **67 memberships per 100 adults**. In 2025, the Territory records more than **505,000 individual memberships**, translating to **136 memberships per 100 adults**. This doubling of membership saturation, despite relatively modest population growth, demonstrates that Canberra's club sector has become one of the most deeply embedded community participation networks in Australia. Far from an industry in retreat, clubs are now relied upon by the community at unprecedented levels—meaning further restrictive regulatory interventions risk destabilising a system at peak utilisation.



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2.3 Our members, from sporting clubs to cultural associations, serve over 505,000 members, which equates to nearly every adult Canberran holding at least one club membership. ACT clubs collectively own assets exceeding $1.5 billion and contribute more than $35 million annually to community initiatives—both mandatory and voluntary. They play a critical role in insulating the ACT from money-laundering risks through the not-for-profit, community-based model unique to Canberra[1].

2.4 ClubsACT represents a sector that underpins Canberra's community, economy, and wellbeing. The ACT Gambling and Racing Commission's 2024–25 Annual Report confirms the licensed club sector's importance to the Territory—contributing $66.9 million in taxes and levies and $2 million in harm-prevention grants, while voluntarily reducing gaming authorisations from 5,022 to 3,494 since 2015. This Tax figure is down from 73 million identified in 2015 by KPMG in the National Clubs Census (*https://www.clubsnsw.com.au/sites/default/files/2020-07/2015-national-clubs-census-report---final.pdf*)

2.5 Recent ACT Treasury data (2024) show a **9% fall in real per-capita in-venue gambling expenditure since 2018**, confirming a steady decline in club-based gaming. Over the same period, national data show **online gambling participation increasing by more than 50%**, with online wagering now representing **over one-third of total gambling spend**. Yet the ACT's gambling-harm prevalence has remained **essentially static** at around **0.8% problem gambling**. Taken together, the evidence shows that **harm-minimisation in licensed venues has worked**, while the real growth in gambling is occurring **outside the regulated club environment**.

2.6 As Minister Shane Rattenbury noted in 2022, clubs "support our sporting teams, employ hundreds, and offer places to meet." NDIS Minister Bill Shorten echoed this, highlighting clubs' role in forming lifelong friendships. Yet, without supportive policies, regulatory pressures risk eroding this foundation. We urge the Assembly to adopt our recommendations, ensuring clubs thrive as engines of economic growth, social inclusion, and wellbeing.

2.7 This inquiry is a pivotal opportunity and ClubsACT stands ready to collaborate for a resilient future where community truly starts here.

[1] ClubsACT Submission to the ACT Government Cashless Gaming Inquiry 2023; ACT Wellbeing Framework 2023

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"The government recognises that clubs play a significant role in our community."
— ACT Government statement, 2011 gaming debate, ACT Hansard

Chapter 3: Clubs as Economic and Social Anchors

3.1 This chapter presents detailed data on club assets, employment, and community investment, showcasing their foundational role in Canberra's social resilience and wellbeing.

Economic Contributions of the Clubs Industry

3.2 ACT clubs drive economic activity through direct investments, community contributions, and fiscal inputs. Aggregated industry-wide data shows total community owned assets over $1.5 billion, with $800 million+ invested in the last decade. Annual payroll exceeds $120 million, supporting local economies.

3.3 Community contributions total $35 million+, including $15 million mandatory (e.g., $4 million to harm mitigation) and $20 million voluntary. These figures highlight clubs' role in recirculating funds locally, unlike for-profit entities, and demonstrate their insulation from broader governance risks in the gaming sector.

Social Contributions and Community Impact

3.4 Clubs combat social isolation, as evidenced in our 2024 submission. With 8.8 per cent of Canberrans often lonely, clubs provide inclusive spaces for vulnerable groups. Industry-wide, cultural support totals $2 million+ direct and $3.5 million in-kind, while sporting investments reach $3.5 million, engaging thousands. Venues offer extensive dining and function spaces, enhancing wellbeing and fostering community ties.

Employment Contributions

3.5 Clubs employ more than 9,926 employees across all categories. This includes 3-5 per cent with disabilities and diverse representation. This workforce reveals a robust footprint that supports the ACT's economy, communities, and workforce. Given high casualisation rates and seasonal variances, the fulltime/part-time employment figures of 3074 have been adjusted to include 9,926 (as a casual share of 69 per cent as a midpoint from the standard industry range of 66–72 per cent). The data sets exclude supply chain data and reflect the sector's flexible, community-oriented staffing model. These figures are based on responses from a representative sample of clubs,

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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extrapolated to the sector's 47 venues. Superannuation and taxes total $32 million+, providing flexible jobs and skill pathways in hospitality.

Not-For-Profits Owned by Members

3.6 Clubs are Not for Profit Associations and Companies Limited by Guarantee. This often gets overlooked in debate and policy crafting. Those Clubs with EGM's have them because their members wish to have them. They retain them because they wish to retain them. They hand them back when they wish to hand them back. The Clubs, with their members support, choose their business models to allow them to continue to be the social anchors and economic contributors to the Canberra community that they are. This allows them to sustain sports, cultural and senior's groups, community organisations and social ventures. They treat gambling harm seriously and often provide support frameworks more than their obligations require because profit is not their purpose. Government policy fails to recognise or encourage this, and this Inquiry has a unique opportunity to re-calibrate the settings to encourage clubs to continue to serve the greater good. The Recommendations from this Inquiry musty set a new evidence driven baseline for policy going forward or clubs and the community they serve will be the victims.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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"Our long-term vision is for sustainable community clubs that are not reliant on gambling revenue."

— Dr Marisa Paterson (Minister for Gaming), ministerial statement foreshadowing the independent inquiry into the future of the ACT clubs industry, 5 February 2025, ACT Hansard

Chapter 4: A Vision for Transition and Reform

The Landscape

4.1 This chapter outlines the proposed **market-driven reform model,** combining harm minimisation, sustainable diversification, and industry-government collaboration. The chapter emphasises the importance of balanced policies and evidence-based transition frameworks over abrupt regulatory shifts.

4.2 ACT clubs are economic powerhouses as key significant contributors to the ACT. Driven by the industry generating substantial revenue and reinvesting that revenue in the community. Industry-wide totals show total payroll exceeding $120 million annually, with asset values surpassing $1.5 billion and investments over the past decade totalling more than $800 million. Pipeline investments for the next five years exceed $400 million, signalling confidence in diversification.

4.3 Clubs contributed over $15 million to mandatory community funds, including the Gambling Harm Prevention Mitigation Fund ($4 million+), Diversification Fund ($3 million+), and Chief Minister's Charitable Fund ($1.5 million+)[2].

4.4 Additional voluntary contributions topped $20 million, alongside $7 million+ in extra taxes. These figures underscore clubs' role as not-for-profit entities that recycle gaming revenue—primarily from electronic gaming machines (EGMs)—back into community infrastructure, without the profit-driven risks seen in for-profit venues like casinos.

4.5 Unlike other jurisdictions, ACT EGMs are confined to regulated, community-focused clubs, insulating the territory from money laundering and governance failures as highlighted in our 2023 cashless gaming submission.

4.6 Clubs are the heartbeat of social cohesion, combating loneliness and isolation as detailed in our submission to the Inquiry into loneliness and Social Isolation 2024. With Canberra's population mobility, ageing demographics, and suburban sprawl exacerbating isolation (e.g., 8.8 per cent of Canberrans often feeling lonely[3]), clubs provide inclusive spaces. They support seniors' programmes, cultural events, and

[2] Data drawn from the ClubsACT Industry Survey 2024

[3] ACT Wellbeing Framework 2023

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recreational activities, fostering belonging for vulnerable groups including seniors, young people, people with disabilities, parents, carers, LGBTIQA+ individuals, and migrants/refugees.

4.7 In the 2023/24 year, industry-wide, clubs invested $2 million+ in cultural activities and $3.5 million in-kind support, promoting heritage and social ties. Sporting investments reached $3.5 million in direct support (including $2 million for female activities) and engaged thousands of players across genders and abilities. In-kind support for community activities unrelated to core purposes reached $6.5 million+, with venues offering dining, functions, and green spaces.

4.8 Clubs are major employers, particularly for casual and part-time workers in hospitality. This includes diverse hires: 3-5 per cent with disabilities, and representation from non-binary and other underrepresented groups.

4.9 Payroll taxes and superannuation contributions total $32 million+, with workers' compensation at $5 million+. Clubs employ locally, supporting transient populations like students and migrants, and provide pathways for skill development in a sector facing labour shortages.

4.10 Addressing the scope's focus on regulatory impacts, we note EGMs' role in funding these contributions but advocate for balanced reforms. Our cashless gaming submission emphasised that cashless systems alone do not minimise harm; they should integrate with evidence-based measures to avoid shifting patrons to unregulated online gambling.

Recommendation:

4.11 Cashless gaming systems should integrate:

- Voluntary pre-commitment tools,
- spending alerts, and
- self-exclusion options

to avoid displacing patrons toward unregulated online gambling platforms[4].

4.12 To secure clubs' future, we propose a holistic transition strategy, detailed in our recommendations section (see **Appendix A**). This includes:

- government-industry partnerships for diversification,
- enhanced harm minimisation,
- tax reforms,
- optimised land use, and

[4] ClubsACT Submission to the ACT Government Cashless Gaming Inquiry 2023

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- sustainability incentives.

Clubs as Partners in Sustainability and Liveability

4.13 ACT clubs are among the Territory's largest stewards of community land and green space, collectively. These assets directly enhance Canberra's liveability, supporting recreation, biodiversity, and community connection without drawing on government maintenance budgets.

4.14 ClubsACT conducted a comprehensive industry-wide survey of licensed community clubs across the ACT during August–September 2024. Across all 42 responding venues (out of 47 liquor-licensed club venues in the ACT), survey data and standardised facility-based estimates indicate that **ACT clubs collectively manage between 500 and 700 hectares of publicly accessible green space**—including golf courses, sports ovals, bowling greens, landscaped grounds, and waterfront precincts (over 500 hectares were identified directly through the ClubsACT survey and an extrapolation up to 700 hectares was attained through public information accessible on the nature of the club facilities identified, such as golf club greens etc).

4.15 This footprint represents a significant total of the urban land area in the ACT, underscoring the sector's major role in maintaining open space otherwise funded by government. With over 500 hectares of open green space, Clubs provide sport, recreation, and environmental stewardship that directly enhances Canberra's liveability. Recognising these contributions through a concessional utility tariff would incentivise further investment in sustainability measures, including solar energy, water recycling, and biodiversity maintenance.

4.16 Water tariffs as currently apply, treat Clubs as purely commercial operations with no recognition of the not-for-profit nature of Clubs or the fact their facilities are provided for community benefit not commercial interests.

4.17 Over 70 per cent of clubs have already installed solar generation, water-efficient irrigation, and recycling systems—delivering measurable carbon reductions and energy savings. This commitment contributes to the ACT's 2045 Net-Zero target and exemplifies the community-scale sustainability that government policy aims to incentivise.

Recommendation:

4.18 To recognise this environmental and social contribution, ClubsACT proposes a Community Sustainability Tariff Framework:

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- Electricity Tariff Rebate: Reduced commercial energy rates for accredited not-for-profit clubs demonstrating verified renewable installations and community benefit.
- Water Tariff Adjustment: Concessional pricing reflecting the maintenance of community green assets that substitute for government park expenditure.
- Performance Reporting: Clubs to publish annual environmental and community stewardship data to maintain transparency and eligibility.

4.19 Such a framework would align fiscal incentives with sustainability outcomes—rewarding organisations that contribute directly to Canberra's urban wellbeing, environmental performance, and social resilience[5].

[5] ACT Government 2045 Net Zero Strategy; ClubsACT Sustainability Survey 2024

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— Andrew Barr (Chief Minister), Canberra—events *Q&A, 19 September 2019, ACT Legislative Assembly Hansard*

Chapter 5: The Club Sector and the Visitor Economy

5.1 Clubs contribute to Canberra's tourism and visitor economy via:

- Event and hospitality capacity
- Support for sport and cultural tourism
- Reinvestment into local infrastructure

They act as hidden tourism infrastructure that improves destination attractiveness.

5.2 Within the ACT's visitor economy, the club sector – represented by member-based community and sporting clubs – performs an increasingly significant role. While often overlooked in tourism strategy, the contribution of clubs reaches beyond local social infrastructure: they act as key partners and venues for visitor engagement, supporting tourism flows, events, hospitality capacity and the broader visitor experience. The following section outlines three core dimensions of this role: destination infrastructure and hospitality capacity; event and group visitation support; and the reinvestment of club-generated revenue into local community assets that enhance the visitor offer.

Destination Infrastructure and Hospitality Capacity

5.3 Community and sporting clubs in the ACT provide critical hospitality infrastructure which visitors may utilise either directly (e.g., dining, function spaces, social-sporting activities) or indirectly via enhanced amenity for a destination.

5.4 National data for licensed clubs shows that the industry contributes tens of billions of dollars in economic activity, employment and taxes, with a reported social-economic value of around $9 billion annually in NSW alone[6].

5.5 In the ACT context:

- Clubs offer meeting and event spaces, bars and restaurants, gaming and entertainment facilities, which complement tourism accommodation and hospitality venues.
- By sustaining mid-level hospitality capacity outside of hotels, they bolster the city's

[6] ClubsNSW Clubs Social and Economic Impact analysis

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ability to service both the local region and visitor cohorts (business, conference, sport, leisure).

- Clubs often support non-visitor-centred community amenity (e.g., bowls greens, social lounges, live entertainment) that visitors may also access, thereby increasing destination attractiveness and length of stay potential for out-of-town guests.
- From an advocacy perspective, the club sector underpins a layer of hospitality supply that strengthens the ACT's competitiveness as a visitor destination.

Support for Events, Groups and Visitor Segments

5.6 The club sector is strategically positioned to support visitation of groups, niche segments and event-based tourism:

- Sporting clubs, social clubs and RSL-type clubs often host conferences, meetings, reunions and tournament events. The venue, catering and function facilities (plus in-house bar/food services) provide an integrated package for group travel.
- From a tourism strategy lens, this means clubs contribute to capturing conference/meeting-tourism and leisure groups that may otherwise be channelled into hotel/resort-only venues – thereby diversifying the visitor mix.
- Given that clubs often operate extended hours (for dining, entertainment, gaming, live music) they can support the night-economy component of visitor stay, contributing to a more vibrant city offering.
- Clubs provide value for domestic regional travellers who may pass through Canberra and seek accessible and affordable hospitality and social venues. In short, the club sector amplifies the ACT's event-hosting capacity and contributes to capturing and retaining visitor spend and visitation duration.

Re-Investment into Community Assets Enhancing the Visitor Offer

5.7 A distinctive attribute of the club sector is the not-for-profit, member-based model: many clubs reinvest surpluses into community facilities, sporting infrastructure, social programs and local volunteering. For example, national research shows registered clubs contribute large volunteer hours, community donations and sporting-facility funding[7].

5.8 For the ACT:

- The reinvestment of club-generated funds into community infrastructure improves amenity which enhances the overall visitor experience (e.g., improved sporting fields, community halls, landscaping, venue amenities, event capability).

[7] Golf Australia research

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- Clubs with strong community support often partner with local tourism agencies and event organisers, layering social-value and community narrative into the visitor economy offering (for example heritage RSL clubs; ethnic/community clubs showcasing cultural heritage).
- The sector's employment and wages – including casual, part-time and full-time roles – support the local labour market which in turn sustains hospitality capacity and service levels available to visitors.

5.9 Therefore, by reinvesting into community assets and services, the club sector strengthens the destination's foundational capacity, delivering benefits that bolster the visitor economy beyond direct tourism spend.

Key Data and Indicators

5.10 Although there is no publicly available ACT-specific tourism-linked dataset for the club sector alone, a range of national and state-level data provide a strong basis for extrapolation and identifying the sector's potential contribution:

- The ClubsNSW "Economic & Social Impact of Clubs in NSW" report estimates that clubs in NSW deliver $9 billion per annum in social and economic contribution, support 75,500 jobs, and pay over $1.2 billion in taxes[8].
- At the national level, the peak body Clubs Australia states that licensed clubs across Australia and New Zealand employ more than 140,000 people[9].
- The tourism satellite accounts and economic analysis undertaken by Tourism Research Australia show that tourism contributes significantly to GDP, employment and regional infrastructure, providing a rationale for why hospitality-based community venues matter to a destination.
- A benchmarking report for Queensland community clubs' notes that the sector—through hospitality, gaming, functions, food and beverage, and other ancillary services—generates over $2.2 billion in economic activity in that state10.

5.11 From this evidence base we derive that the ACT club sector:

- Provides hospitality and event capacity that supports both local residents and visitor segments (including group travel, conferences, sports tourism, night-economy extensions).
- Employs a significant number of people (full-time, part-time, casual) thus contributing to workforce capacity aligned with the visitor economy.

[8] ClubsNSW Economic and social impact of Clubs in NSW
[9] Clubs Australia CP 380 Sustainability reporting https://download.asic.gov.au/media/lvynplcu/clubs-australia-incorporated-cp-380-submission_redacted.pdf
[10] Community Clubs Industry Benchmarking Report, DWS Hospitality Specialists

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- Re-invests surpluses into community assets (facilities, green-space, sporting infrastructure) which enhance destination attractiveness and visitor amenity.
- Acts as a 'hidden' layer of tourism infrastructure which complements accommodation, major venues and visitor attractions—but is often not separately quantified in visitor economy metrics.

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— Andrew Barr (Chief Minister), Canberra—events *Q&A, 19 September 2019, ACT Legislative Assembly Hansard*

Chapter 6: Current Policy Conflicts and their Impacts

6.1 This chapter highlights tensions between gaming reform and club sustainability. It critiques:

- The reduction of net gaming machine revenue (NGMR) with replacement revenue
- Cross-border gambling displacement
- Loss of venue-based harm minimisation capability
- The future budgetary burden on government.

6.2 Current ACT Government policy, as outlined in ACT Labor's *Community Clubs Plan* and the *Letter to the Clubs Sector (June 2024)*, pursues two competing objectives: **reducing gambling harm** through mandated EGM reductions and cashless gaming, while also **supporting a sustainable club industry** through diversification initiatives.

6.3 These goals, though individually valid, are in direct tension. Imposing regulatory measures that diminish club revenue while requiring clubs to self-fund diversification undermines both financial sustainability and harm minimisation outcomes. Restricting access to regulated venues will drive increased cross-border gambling in NSW and rising participation in unregulated online gambling, both of which heighten rather than reduce harm. The Inquiry should therefore recognise this conflict and consider recommendations that enable the Government to rebalance its policy framework, ensuring harm minimisation is achieved through a viable, community-based club model, not at its expense.

Current policy Implications for the ACT[11]

6.4 If current policy settings continue to progressively dislocate traditional club revenue streams—especially those linked to NGMR—the **ACT Government will be compelled, well before 2042, to directly fund core community services that clubs presently underwrite**: affordable function rooms, sport and recreation facilities, and small-grant and in-kind support for local sport, charitable and cultural groups. This is because:

[11] Selected sources for this section are included in Appendix C (e.g., ACT GRC Community Contributions Scheme and Code of Practice; ACT Audit Office Report No. 5/2018; PwC Impact Analysis of the Community Contributions Scheme; ACMA compliance updates and BetStop statistics; AIFS/AGRC and ANU research on online gambling participation and harm; and Liquor & Gaming NSW data).

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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1. Statutory community contributions are hard-wired to NGMR and fall as NGMR falls;
2. Policy is explicitly oriented to reducing gambling-derived revenue; and
3. Displaced gambling spend shifts to online and cross-border markets with weaker venue-based protections, increasing harm while removing clubs' capacity to intervene in-person.

The current model hard-wires community benefits to NGMR

6.5 ACT clubs must deliver minimum community contributions tied to NGMR (with ring-fenced portions for harm-prevention and charitable funds). As NGMR declines, both statutory and voluntary supports for junior sport, charitable and cultural groups, ground maintenance, and room-hire subsidies decline in lockstep. The Government's Diversification and Sustainability Support Fund (DSSF) further confirm the intent to shift clubs away from gambling revenue; helpful though it is, the DSSF is limited compared with the recurrent scale historically funded from NGMR.

6.6 Implication: unless there is a replacement funding mechanism, the Territory Budget will need to purchase these community services directly as NGMR falls.

Displacement is real: spend moves online and across the border

6.7 When access to supervised, land-based gambling is constrained, a material share of gambling migrates to online channels and to nearby NSW venues. National and ACT studies during and after venue restrictions show rapid growth in online participation and elevated harm rates among regular online gamblers. Given the ACT's proximity to Queanbeyan-Palerang venues (~15 minutes from Civic), any strong access or price differential will leak play to NSW, reducing NGMR and contributions in the ACT while exposing consumers to environments with fewer in-person safeguards.

Venue-based interventions are uniquely effective—and online can't replace them

6.8 The ACT Code of Practice and Commission guidance recognise that trained staff in venues are well-placed to identify and respond to signs of harm, including referral and on-site self-exclusion. These practical, face-to-face interventions are intrinsic to club environments and cannot be replicated by offshore sites and apps. Shrinking the footprint of supervised, accountable venues without concurrently addressing online and cross-border risks can increase total harm rather than reduce it.

What this means for the ACT Budget (2025–2042)

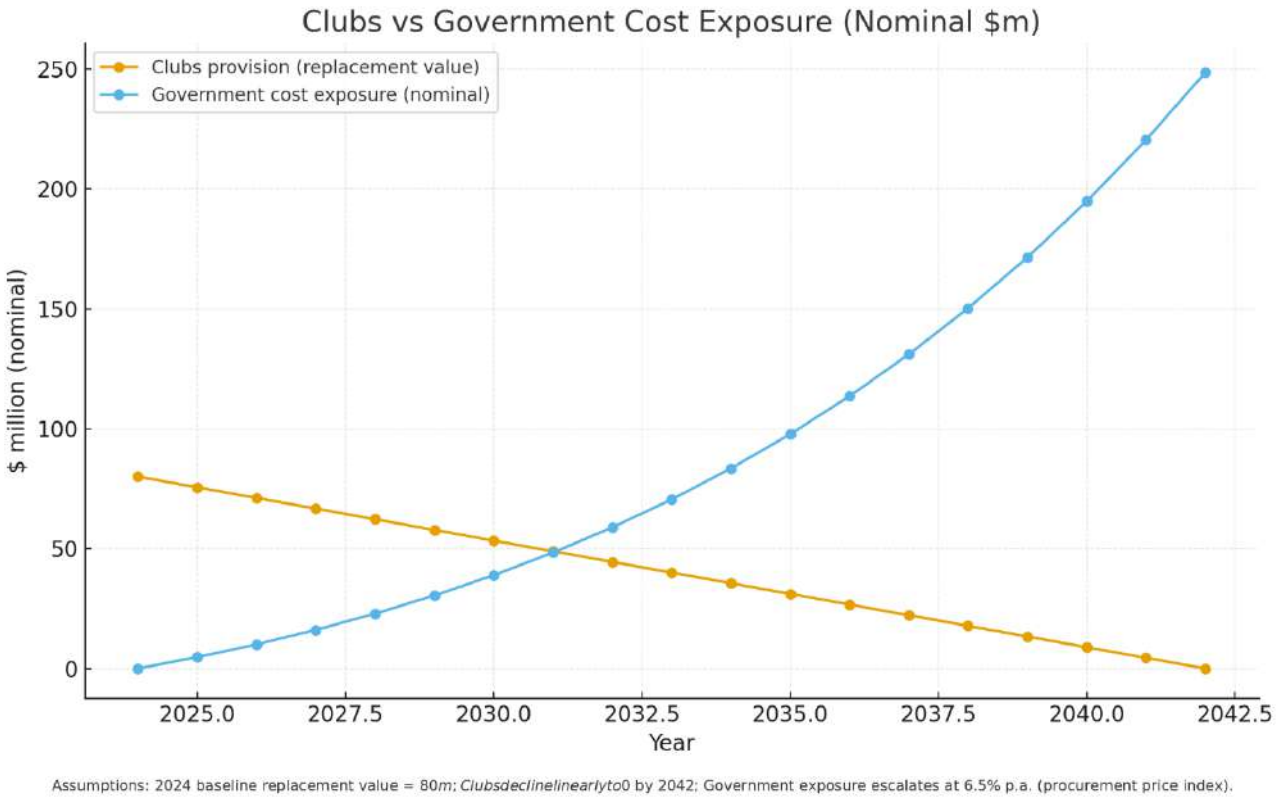
6.9 Without a replacement mechanism, falling NGMR means:

a) higher direct costs to maintain community sport infrastructure, subsidised room hire and small-grant programs;
b) lost harm-minimisation capacity as supervised venues contract while risky consumers migrate to online/offshore products; and

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c) economic leakage to NSW venues with associated loss of activity and community contributions within the Territory.

6.10 Conclusion: on current trajectory, the ACT will have to buy the services clubs now deliver from NGMR—well before 2042.



(Note: This chart models the projected shift in community service funding responsibility between Canberra's licensed clubs and the ACT Government under current policy and fiscal settings. The decline in clubs provision is less likely to be linear given current policy mechanisms and may see more severe step downs.

*A baseline value of **$80 million in 2024** was used to represent the estimated **replacement cost** of services currently provided by clubs to their communities — including subsidised sport, community facility access, and green-space maintenance. It assumes this contribution declines **linearly to zero by 2042**, reflecting increasing regulatory pressure, declining gaming margins, and reduced capacity to cross-subsidise social outcomes.*

*The Government's "cost exposure" line represents the value of services that would need to be **purchased externally** (through NGOs or Not-for-profit General Market Replacement* – NGMR*) as club-based provision diminishes. This exposure escalates at an assumed **6.5% per annum** compound rate, consistent with public-sector wage growth and procurement inflation.*

The result is a clear inflection point in the mid-2030s where Government expenditure would surpass the sector's current total contribution — indicating that, without structural reform, the ACT will face rapidly increasing direct costs to replace services that clubs presently deliver at no cost to the taxpayer).

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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Policy options to avoid higher harm and higher costs

6.11 To keep community benefits whole while reform proceeds, the Inquiry should recommend that Government:

1) Create a Community Club Services Procurement stream—multi-year service-purchase agreements with eligible clubs for
    i. subsidised community room hire;
    ii. sport-ground maintenance and access;
    iii. small-grant administration; and
    iv. on-site harm-minimisation capability.
2) Maintain and scale a capital program for diversification—restart and expand the DSSF post-inquiry with KPIs that lock in recurring non-gaming earnings.
3) Stabilise community contributions during transition—introduce a budget-funded 'Community Contribution Guarantee' to prevent funding cliffs.
4) Address displacement in parallel—support robust national online-gambling reforms and align protections across online and venue products to reduce arbitrage.
5) Ring-fence the continuity of community services presently underwritten by NGMR via a direct, multi-year procurement and grants framework;
6) Restore and scale investment in club diversification; and
7) Sequence harm-minimisation reforms with strong anti-displacement measures (online and cross-border). This preserves community access to affordable facilities, reduces the risk of harm increasing via displacement, and avoids larger, unplanned budget outlays by 2042.

6.12 Given the above national/state benchmarks, it is reasonable to apply a conservative "scaling" approach for the ACT (recognising ACT's population share, number of clubs, destination role). While precise figures for Canberra's clubs and direct visitor spend are not publicly broken out, the sector's contribution can reasonably be estimated to the following effect:

- If NSW clubs yield $9 billion in economic contribution annually and considering ACT's proportional size (ACT is approximately 1.5 per cent of Australia's population), a pro-rata estimate of clubs' contribution might be in the tens to low hundreds of millions of dollars annually for the ACT.
- The employment footprint of the ACT club sector supports the visitor economy by maintaining hospitality staffing (kitchen, bar, events, cleaning, entertainment) which is also available to visitor groups and events beyond local membership.
- On the events side, clubs provide function and meeting spaces, bars/restaurants, live entertainment venues and social infrastructure that destination-marketing could leverage for business events, sport tourism and

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T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

group conferencing—enhancing the ACT's capacity to capture higher-yield visitor segments.

- The reinvestment of revenue into community/sporting assets means that club venues help sustain ancillary infrastructure (greenspace, community halls, bowls greens, social sports) that increases visitors' stay potential and support ancillary visits (e.g., family travellers, day-trippers, regional passengers).
- Because clubs operate outside the traditional 'hotel/resort' model, they represent flexible, mid-tier hospitality supply capable of underpinning local tourism flows (day visitors, intrastate travellers, sports-tourism visitors) in off-peak periods and in diverse locations around the ACT.

Recommendation:

6.13 In framing the ACT's strategy for the future of clubs, and in positioning the sector to optimise its contribution to the visitor economy, the following policy-points are relevant:

- Recognise the club sector explicitly in the ACT Tourism Strategy as a partner in the visitor economy—not solely as a community or social sector entity.
- Ensure regulatory and funding frameworks (licensing, function-space facilitation, dual-purpose tourist/hospitality licensing, gaming/entertainment permitting) enable clubs to effectively capture visitor group business and partner with tourism bureaus.
- Support investment incentives or grants for club venues to upgrade function/hospitality facilities, enhancing their attractiveness for conferences, reunions and event visitation.
- Encourage data capture within the club sector, so that visitation, guest spend, duration of stay and event-group metrics are better understood—allowing the ACT Government, for example via Tourism Research Australia or the ACT visitor economy unit, to quantify the club-sector's tourism contribution locally.
- Foster collaborations between the club sector and Canberra's convention, sport and leisure event strategies (e.g., leveraging clubs as satellite venues for major events, evening entertainment hubs for visitor groups, and hospitality anchors for sport tourism).

6.14 The community and sporting club sector in the ACT plays a multifaceted role within the visitor economy: as part of the hospitality infrastructure, as a venue network for events and group visitation, and as an investor in community-amenity that underpins destination attractiveness.

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"From nearly 5,000 machines in 2018 to 3,424 now—about a 30 per cent reduction in the number of machines in the territory."

— Dr Marisa Paterson (Minister for Gaming), gaming inquiry statement, 7 May 2025, ACT Hansard

Chapter 7: Gaming Machine Revenue – Real and Adjusted Trends

7.1 Economic analysis shows:

- Per-capita and inflation adjusted gambling spend is declining
- Wage-adjusted gaming losses are also decreasing
- Trends support that existing harm minimisation measures are working
- This supports ClubsACT's opposition to compulsory machine reductions.

7.2 This section integrates analysis of ACT gaming-machine revenue trends adjusted for inflation, population growth, and wage growth between 2021–22 and 2024–25. Data sources include the ACT Gambling and Racing Commission (GRC), the Australian Bureau of Statistics (ABS), and the Reserve Bank of Australia (RBA).

Real-Terms and Population-Adjusted Trends

7.3 When adjusted for inflation and population growth, the ACT's gaming-machine revenue data demonstrates a consistent decline in gambling intensity. While total gross gaming revenue (GGR) rose modestly in nominal terms from $143.5 million in 2021–22 to $190.6 million in 2024–25, the Territory's population increased from approximately 461,000 to 495,000 during the same period. Expressed per capita, GGR fell from $399 per person in 2022–23 to $385 per person in 2024–25 — a decline of around 8–9 per cent in real terms. This shows that the average ACT resident is spending less on gaming machines each year after adjusting for both inflation and population growth.

Wage-Adjusted Comparison

7.4 To assess the relative economic burden of gambling losses, real GGR was compared with wage growth trends as measured by the ABS Wage Price Index (WPI). The results show that real GGR declined by around 6 per cent since 2022–23, while the WPI rose by approximately 7 per cent over the same period. This indicates that the share of income spent on gaming machines has fallen, confirming a real and relative decline in gambling expenditure.

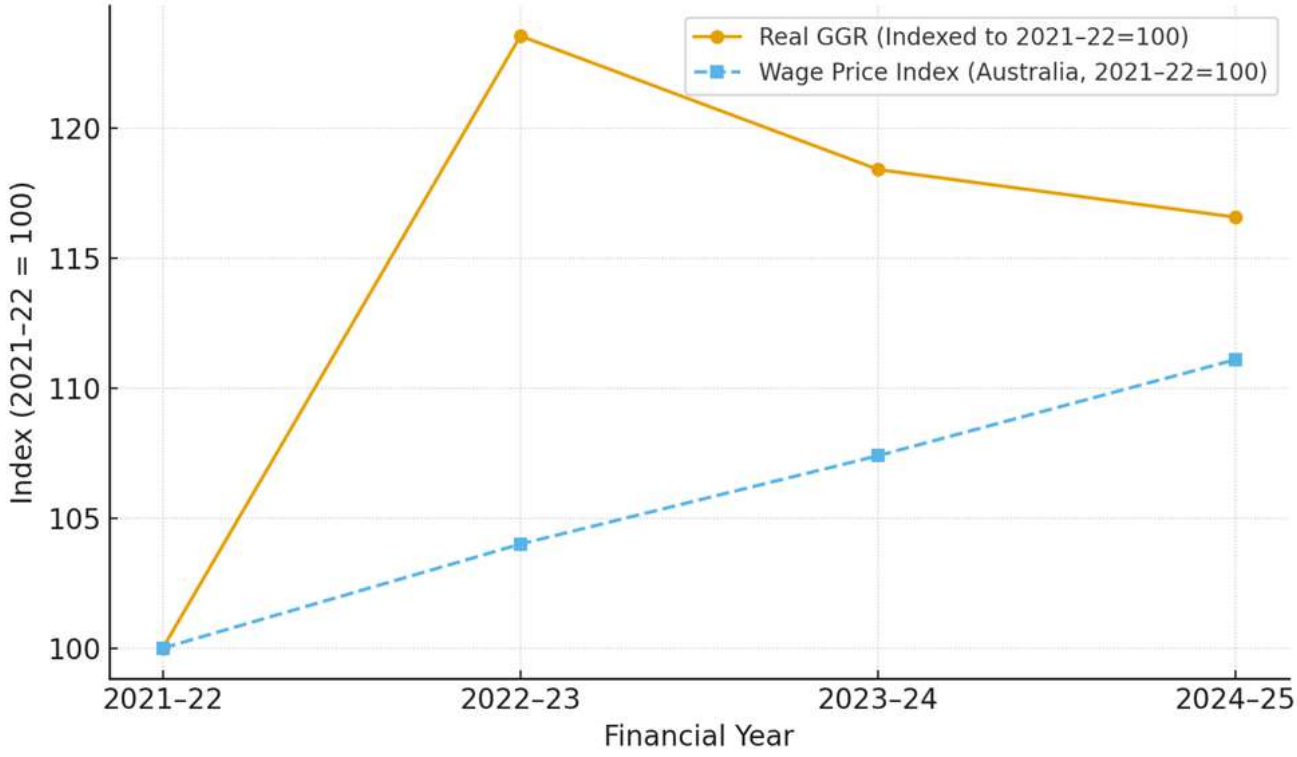
Methodology

7.5 After accounting for inflation, population, and wage growth, ACT gaming-machine losses have declined in both real and relative terms. Residents are losing less in purchasing-power and per-person terms, and wages are rising faster than gambling expenditure. This

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

confirms that voluntary, market-driven reform continues to achieve measurable harm-reduction outcomes without the need for further mandatory restrictions[12]. See **Table 1**.

Table 1: ACT Gaming Revenue vs Wage Growth (2021-22 to 2024-25)



[12] Data sources: ACT Gambling and Racing Commission Annual Reports (2021–22 to 2024–25); The Canberra Times (16 October 2025); ABS Wage Price Index (Cat. No. 6345.0); ABS Consumer Price Index (Cat. No. 6401.0); ABS Estimated Resident Population (Cat. No. 3101.0); RBA Inflation Calculator. Deflation base: 2024–25 dollars, using CPI and RBA data. Adjustments: Inflation adjustment for real GGR, population adjustment for per-capita GGR, and wage-index comparison for relative affordability. Interpretation: Declining real and per-capita GGR combined with rising wages indicates reduced gambling intensity and a lower relative financial burden.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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"The inquiry will focus on future uses of club owned land that provide community benefit as part of establishing new sustainable business opportunities for clubs."
— Dr Marisa Paterson, inquiry terms of reference statement, 3 Sept 2025, ACT Hansard

Chapter 8: Diversification and Land Use Opportunities

8.1 This chapter outlines:

- $400 million in diversification projects in the pipeline
- Over 500 hectares of green space managed by clubs
- Opportunities for mixed-use developments, affordable housing, and sustainability initiatives
- Financial and regulatory barriers to land use change

8.2 Clubs are diversifying with $400 million in pipeline investments but require government support for non-gaming revenue streams.

Tax and Fiscal Frameworks

8.3 Introduce tax rebates for verified community reinvestment projects, replacing generic sustainability rebates, aligning with best-practice fiscal policy[13].

Land Use and Infrastructure

8.4 Clubs maintain over 500 hectares of green space[14] in the ACT. Land use reforms should enhance Clubs capacity to protect this for community use, enable adaptive developments and promote a capacity for the club industry to increase their capacity to provide stewardship of community green space.

Sustainability Practices

8.5 Over 70 per cent of clubs implement solar panels and recycling; incentives can scale these efforts for broader environmental benefits.

Diversification and Development Issues

8.6 As not-for-profit entities deeply embedded in the ACT community, clubs are actively pursuing diversification strategies to reduce reliance on gaming revenue, in line with the inquiry's focus on transition opportunities and regulatory reforms. However, significant barriers in the current development landscape—particularly around lease variations and proposed licensing regimes—hinder these efforts.

[13] ClubsACT Industry Reform Recommendations 2025
[14] ClubsACT Diversification and Land Use Survey 2024

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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"We are reducing the red tape burden on community clubs while maintaining a strong focus on harm minimisation."

— Government reform statement, 10 Feb 2015, ACT Hansard

Chapter 9: Regulatory Burden and Legal Challenges

9.1 Topics covered in this chapter include:

- The impact of lease variation charges (LVC)
- Clubs' concerns with the *Property Developers Act 2024*
- Risks to volunteer directors, project viability, and housing development potential.

Lease Variation Challenges

9.2 This section draws on ClubsACT's prior advocacy, including our 2023 submission on the *Property Developers Act 2024* and our recommendations for reforming the LVC, to outline these challenges and propose actionable solutions.

9.3 The LVC represents a major impediment to club diversification and broader economic growth in the ACT. Imposed when a lease is varied or subdivided, the LVC ties into enhanced commercial property rate assessments, often adding hundreds of thousands—or even millions—of dollars in unpredictable costs to projects. For instance, one local club experienced a 930 per cent increase in rates on community ovals and public carparking following a rate review, severely impacting cash flow and deterring reinvestment. Additionally lease purpose clauses out rank zoning possible uses to the detriment of diversification opportunities.

9.4 In a challenging trading environment where approximately 40 per cent of ACT businesses expect to report a loss this year, such charges exacerbate viability issues, restrict investment in productivity-enhancing initiatives (e.g., automation, staff training, or facility upgrades), and risk capital flight to more favourable jurisdictions like New South Wales.

9.5 For clubs, which maintain over 500 hectares of green space and community infrastructure, the LVC acts as a disincentive to adaptive land use. Many clubs hold concessional leases originally granted for community purposes and varying these to enable diversification—such as developing mixed-use sites with housing, events spaces, or sustainable enterprises—triggers substantial LVC liabilities. This not only erodes the financial feasibility of projects but also conflicts with the ACT Housing Strategy's vision for an equitable, diverse, and sustainable housing supply.

9.6 The strategy emphasises providing land and housing development opportunities,

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

setting a 15 per cent target for social and affordable housing, maintaining a healthy development pipeline, and facilitating innovative design. Yet, the LVC's volatility undermines these goals by deterring infill developments, higher-density redevelopments, and community-led housing initiatives on club-owned land. Existing prohibitions on PRZ2 zoning also restricts residential and aged care developments at odds with current government policy.

Recommendation:

9.7 ClubsACT has consistently advocated for LVC and Lease reform, highlighting its drag on productivity and investment. Removing or reforming the LVC and leasing system would improve cost certainty, free up capital for job creation (potentially supporting the sector's 6,000+ roles), and encourage reinvestment into community assets.

9.8 This aligns with calls from the broader business community, including the Business Chamber, Property Council, and Australian Hotels Association, for greater transparency, improved appeal mechanisms, and reforms to prevent relocation risks and stalled projects.

9.9 By addressing these issues, the ACT Government can unlock productivity, enhance housing supply, and support clubs' role in sustainable community development, aligning with the ACT Government Parliamentary and Governing Agreement's commitment in the 10th Legislative Assembly to facilitate club diversification for social housing and land supply purposes.

Concerns Regarding the Property Developers Act 2024

9.10 Compounding lease variation issues are the provisions of the *Property Developers Act 2024*, which ClubsACT strongly opposed in our dedicated submission on the original Bill. The Bill introduced a broad licensing regime for residential developers, encompassing activities such as subdividing or consolidating property and applying to vary leases—core elements of club diversification strategies.

9.11 While aimed at addressing historical failures in the construction market driven by commercial, for-profit developers and builders, the Act fails to differentiate between these entities and not-for-profit organisations like clubs.

9.12 This lack of distinction exposes our members to undue burdens, directly contradicting the ACT Government's diversification agenda and Housing Strategy objectives.

9.13 Key concerns include:

- **Retrospectivity and Broad Scope**: The Act's retrospective elements could apply to ongoing or planned club projects, creating uncertainty and potential liabilities for

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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developments already underway. Its wide-reaching requirements—spanning four pieces of legislation—make compliance challenging for inexperienced not-for-profit entities with limited resources, unlike sophisticated commercial operators.

- **Defect Rectification Regime**: Clubs, as community-focused organisations, would be subject to stringent defect rectification obligations, potentially holding them accountable for issues beyond their control in collaborative developments. This regime, designed for profit-driven failures, overlooks the not-for-profit model where clubs reinvest proceeds into community benefits rather than maximising returns.

- **Personal Liability for Directors and Board Members**: Of grave concern is the proposed exposure of club directors and board members—often volunteers or community representatives—to personal liability for rectification costs, with potential 10-year individual exposures. This could deter skilled individuals from serving on boards, undermining governance in a sector reliant on community leadership.

- **Conflict with Government Objectives**: The Bill inherently contradicts Appendix 1: E(6) of the Parliamentary and Governing Agreement mentioned above, which commits to facilitating club diversification for social housing and land supply. It also undermines the ACT Housing Strategy's goals, such as reducing homelessness through partnerships, strengthening social housing assistance, increasing affordable rental and ownership options, and building a diverse mix of housing types. By imposing these barriers, the Act risks stifling innovative, community-supported developments that could address housing shortages while generating non-gaming revenue.

9.14 These issues are not abstract; they directly impact clubs' ability to transition, as evidenced by stalled diversification projects due to regulatory complexity and financial risks.

Recommendations for Overcoming Diversification and Development Barriers:

9.15 To enable clubs to diversify effectively and contribute to sustainable economic, social, and environmental outcomes, ClubsACT recommends the following reforms, building on our prior submissions:

1. **Reform or Remove the Lease Variation Charge**: Implement a budget-neutral phase-out of the LVC over 3–5 years, replacing it with a broader, more stable revenue framework (e.g., modest adjustments to commercial property rates or land tax) to maintain fiscal integrity while spreading the burden evenly. Provide transitional relief for not-for-profit entities and small-to-medium projects, including

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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caps on year-to-year rate volatility and clear timelines to reduce uncertainty. This would boost housing supply by encouraging infill and higher-density developments on club land, potentially delivering thousands of new units aligned with the 15 per cent social/affordable housing target.

2. **Exempt or Tailor Regulations for Not-for-Profit Entities**: Amend the Property Developers Act (or successor legislation) to exempt or provide streamlined pathways for not-for-profit organisations like clubs.

   This includes carving out protections against retrospectivity, limiting personal liability for directors/board members, and simplifying licensing for community-led developments. Establish a dedicated not-for-profit stream within the regime to recognise clubs' unique role in reinvesting into social housing, community infrastructure, and green spaces.

3. **Facilitate Adaptive Land Use and Diversification Funding**: Prioritise club-owned land in urban planning, granting preferential zoning for mixed-use developments that integrate revenue-generating activities (e.g., affordable housing, co-working spaces, eco-tourism, or event venues) with community benefits. Allocate $20 million in targeted grants for diversification projects, focusing on sustainable outcomes such as solar farms, community gardens, Community batteries or accessible housing. Mandate independent reviews of lease variations to ensure transparency and fast-track appeals, addressing business sector concerns.

   Land use reforms should explicitly protect more than 500 hectares of club-maintained green space for community use and adaptive development[15].

4. **Support Productivity and Housing Growth**: Commission an independent inquiry into rates, valuations, and LVC, as advocated by ClubsACT and partners, to restore confidence and quantify productivity gains (e.g., job creation, new floorspace). Introduce plain-language guidance and online tools for forecasting post-reform impacts and convene cross-portfolio forums to align reforms with housing priorities. For clubs, this could unlock over 500 hectares of maintained green space for public benefit, reducing government burdens while generating stable revenue streams.

5. **Monitor and Evaluate Impacts**: Embed measurable outcomes in all reforms, such as KPIs for housing units delivered, jobs created, and reductions in gaming revenue dependency. Conduct annual impact assessments to ensure no unintended harms to community contributions, with adjustments informed by industry consultation.

[15] ClubsACT Diversification and Land Use Survey 2024

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9.16 By implementing these recommendations, the ACT Government can empower clubs to lead in diversification, transforming potential barriers into opportunities for growth. This not only safeguards our economic and social contributions but also positions the sector as a partner in addressing housing shortages, enhancing productivity, and building a resilient, inclusive Canberra.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

"The ACT Labor and Greens Government recognises that community clubs play an essential part in the social life of many Canberrans, as a meeting place and sponsor of community events."
— ACT Labor–Greens Parliamentary & Governing Agreement, November 2020

Chapter 10: Toward a Dedicated ACT Licensed Clubs Act

10.1 This chapter calls for a purpose-built legislative framework with:

- Tiered licensing
- Clear governance rules
- Provisions for harm minimisation and diversification
- Sector-specific compliance standards
- NSW model presented as illustrative practice.

10.2 ClubsACT has long argued for the need and benefits of establishing a Licensed Club Act for the ACT. Bringing an "industry" lens can strengthen sustainability, positioning licensed clubs under a dedicated Act and regulating them as an industry rather than solely through gambling and alcohol frameworks, creating a policy environment that supports long-term viability, good governance, community benefit, and harm minimisation in a balanced way.

Key reasons:

10.3 Tailored, risk-proportionate regulation

- Clubs differ from pubs/casinos: they are member-based, community-oriented, and often not-for-profit. A bespoke Act can calibrate obligations (e.g., governance, financial reporting, board competencies, member democracy) to these characteristics rather than applying settings designed for commercial hospitality or gaming venues.
- Risk-based compliance (e.g., scaled requirements by size, revenue mix, and risk profile) reduces unnecessary burden on small clubs while maintaining robust standards for larger or higher-risk operations.

10.4 Whole-of-industry policy coherence

- A single legislative home allows government to address the full value chain—governance, workforce, training, infrastructure, community contributions, digital innovation, and diversification—rather than piecemeal regulation anchored only in alcohol or gambling statutes.
- It enables clear industry objectives (viability, community benefit, safe participation) and aligns subordinate instruments (codes, standards, licensing tiers) to those

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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objectives.

10.5 Improved sustainability and investment signals

- Greater regulatory certainty and fit-for-purpose rules improve access to finance and encourage long-term capital investment in facilities, energy upgrades, accessibility, and technology.
- A dedicated Act can facilitate streamlined approvals for low-risk revenue diversification (e.g., wellness, arts, childcare, co-working spaces, e-sports), decreasing reliance on gaming and alcohol while meeting local needs.

10.6 Stronger governance and accountability

- Clubs can be held to industry-specific standards: board competency frameworks, conflict-of-interest rules, transparent member engagement, community benefit reporting, and financial resilience requirements (e.g., reserves policies).
- Periodic capability reviews and mandatory training for office-holders professionalise the sector and reduce insolvency risk.

10.7 Balanced harm minimisation

- Alcohol and gambling harm safeguards remain integral, but a dedicated Act embeds them within a broader framework that also promotes prevention through design, staff training, data-led interventions, and diversified activities that reduce risky consumption patterns.
- Clear, club-specific compliance pathways (e.g., integrated incident reporting across alcohol, gaming, and safety) lift standards without duplicative red tape.

10.8 Workforce development and quality service

- An industry lens supports tailored qualifications, apprenticeships, and continuous professional development in hospitality, community sport administration, events, facility management, and safeguarding.
- Better workforce pipelines improve service quality, member satisfaction, and retention.

10.9 Community value and social capital

- Many clubs subsidise grassroots sport, volunteering, arts, and local events. A bespoke Act can recognise and require transparent community reinvestment, with measurable targets and public reporting.

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- Formal recognition of social impact underpins social licence and justifies proportionate regulatory settings.

10.10 Administrative efficiency and cost reduction

- Consolidating fragmented obligations across multiple Acts into a coherent framework reduces compliance duplication (audits, reporting schedules, fees), freeing resources for service delivery and community programs.
- Digital-by-default licensing, standardised data definitions, and a single regulator or coordinated regulators improve oversight and reduce costs.

10.11 Local planning and infrastructure alignment

- A dedicated Act can integrate with planning and zoning to support multi-use community hubs, co-location with sport and recreation, and adaptive reuse—critical for regional sustainability.

10.12 Resilience and transition planning

- Industry-level monitoring (financial health indicators, participation trends) enables early intervention support for at-risk clubs and structured pathways for mergers, shared services, or orderly wind-down that preserve community access.

Illustrative practice in NSW

10.13 New South Wales (Australia) regulates "registered clubs" under a dedicated statute alongside liquor and gaming laws. The tailored governance, membership, and community benefit obligations demonstrate how a bespoke framework can improve sector oversight while enabling community contributions.

10.14 While contexts differ, this model shows the advantages of treating clubs as a distinct industry with clear objectives beyond liquor/gaming control.

Recommendation:

Suggested elements for a Licensed Clubs Act

- Purpose: sustainability, community benefit, safe participation, and responsible operation.
- Licensing tiers: scaled by size/risk with proportionate obligations and fees.
- Governance: director competency standards, transparency, member democracy, related-party rules.
- Community benefit: defined eligible contributions, minimum benchmarks or "explain" provisions, audited reporting.

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- Harm minimisation: integrated alcohol/gambling risk management, staff training, data reporting, and periodic independent reviews.
- Diversification: streamlined approvals for low-risk, non-alcohol/gambling activities and events.
- Data and oversight: unified reporting, risk-based inspections, performance dashboards.
- Transition: phased implementation, regulatory sandboxing for innovation, support for small/regional clubs.

Expected outcomes

- Reduced compliance burden and clearer rules of the game.
- Greater investment, innovation, and revenue diversification.
- Improved governance and financial resilience.
- Sustained or increased community contributions and participation.
- Better harm-minimisation outcomes with less reliance on high-risk revenue.

10.15 In short, treating clubs as an industry through a dedicated Licensed Clubs Act aligns regulation with purpose, improves compliance quality while lowering cost, and creates the conditions for sustainable, community-centred operations.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

"The successful uptake of the voluntary surrender scheme means that the compulsory surrender program is no longer required."
— Dr Marisa Paterson, gaming inquiry statement, 7 May 2025, ACT Hansard

Chapter 11: Opposition to Compulsory Acquisition of Electronic Gaming Machines

11.1 ClubsACT strongly opposes mandatory surrender of machine authorisations. This chapter outlines:

- Financial risks to loan agreements
- Legal arguments under self-government legislation
- Risks of increased gambling harm through displacement
- Financial risks to covenants in existing loan arrangements
- Sector-wide destabilisation.

11.2 ClubsACT has consistently expressed its **strong opposition to the compulsory acquisition of Electronic Gaming Machine (EGM) authorisations**, most recently during debate last year on the *Gaming Machine (Compulsory Surrender) Amendment Bill 2024*. The Club Sector has participated since 2015 in a "voluntary" acquisition program underpinned by an insufficient per machine authorisation value of $15,000.

11.3 The current proposed schedule for compulsory or advanced acquisition of machine authorisations as enunciated in Government policy, would **far exceed any realistic timeframe within which clubs could develop or implement equivalent replacement revenue streams**.

11.4 The sector, driven by government policy, has already undergone a **"voluntary" reduction of approximately 30 per cent** since 2015 — from 5,022 to around 3,500 authorisations — representing a genuine reform that has achieved measurable harm-minimisation outcomes without destabilising community venues.

Impact on Financial Sustainability and Diversification Capacity

11.5 The planned compulsory program would remove the very revenue base that finances the industry's transition and diversification projects. **Funds generated by EGMs are the principal means through which clubs service debt, invest in new facilities, and deliver community programs**. Forcing additional reductions under an arbitrary timetable will directly strip the sector of the capacity to invest in alternative revenue streams such as housing, hospitality, sport, and sustainability initiatives.

11.6 The **financial impact extends well beyond lost trading revenue**. Many ACT clubs are

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

bound by **banking covenants** that link the value of their loans and credit facilities to the number of EGM authorisations held and the revenue they generate.

11.7 Any compulsory reduction in authorisations would likely **trigger loan reviews or covenant breaches**, jeopardise ongoing financing arrangements and render clubs ineligible for further investment. Critically, this covenant issue has **never been addressed in the development of the Government's policy**, leaving a fundamental flaw in both its economic rationale and its legal validity.

Legal and Policy Concerns

11.8 As outlined in ClubsACT's correspondence to Government, **gaming-machine licences and authorisations constitute identifiable and transferable property rights**. Under **section 23(1)(a) of the *Australian Capital Territory (Self-Government) Act 1988 (Cth)***, the ACT Legislative Assembly **has no power to enact laws for the acquisition of property other than on just terms.**

11.9 The proposed legislation does not appear to meet that constitutional standard. The valuations cited in the Bill — between **$15,000 and $20,000 per authorisation** — are grossly outdated and inconsistent with independent market assessments, which estimate the true commercial value of an ACT gaming-machine authorisation at **well in excess of $200,000.** This disparity underscores the inequitable and arbitrary nature of the proposed acquisition framework.

Policy Inconsistency and Unintended Consequences

11.10 No other Australian jurisdiction has contemplated a comparable compulsory-acquisition regime for community-based gaming authorisations. To impose such a model in the ACT would amount to **prohibition by regulation**, not reform by design. It is **inconsistent with the ACT Government's broader health-based approach to harm minimisation**, which emphasises regulation, prevention, and treatment rather than outright prohibition — for example, in the management of illicit-drug policy.

11.11 Moreover, forced reductions of EGMs in community venues will **undermine harm-minimisation objectives**, not advance them. By constraining access within regulated, supervised environments, the policy will:

- **Displace patrons to nearby NSW venues**, producing significant cross-border leakage of expenditure and government revenue; and
- **Accelerate migration to unregulated online gambling platforms**, which are already experiencing strong growth in participation and present far greater risks to consumers.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

11.12 These outcomes would directly contradict the stated purpose of the Government's reforms and risk destabilising a community-based model that has proven effective in both governance and harm-reduction terms.

Regulatory Environment and Gaming Reforms

11.13 EGMs in not-for-profit clubs minimise harm compared to casinos. We support the market driven introduction of cashless gaming, with safeguards, but oppose cash bans to prevent shifts to unregulated platforms. Cashless gaming systems should integrate voluntary pre-commitment tools, spending alerts, and self-exclusion options to avoid displacing patrons toward unregulated online gambling platforms[16].

Market-Driven Transition Framework for Gaming Reform

11.14 ClubsACT supports a structured, market-driven transition toward modernised gaming systems that prioritise harm minimisation while preserving community viability. Evidence from other jurisdictions demonstrates that heavy-handed, abrupt regulatory changes—such as mandated cashless gaming or machine reductions—can destabilise venues, accelerate job losses, and shift play to unregulated or online platforms, undermining the very objectives of reform.

11.15 Comparable reforms in New South Wales and Queensland have demonstrated that voluntary, incentive-based frameworks achieve sustainable machine reductions while maintaining club viability. The ACT's own record now mirrors these successful models[17]. ClubsACT does, however, oppose compulsory acquisition of machine authorisations and has noted the failure of the ACT Government to provide fair compensation for the surrender of machines and authorisations.

11.16 A market-led approach allows technology adoption to evolve through competition, consumer choice, and government-industry partnerships. By incentivising early adopters, providing transitional rebates for verified harm-minimisation systems, and phasing in changes aligned with consumer readiness, reform outcomes can be achieved sustainably.

11.17 This framework aligns with principles of economic efficiency and social licence—delivering the same public health outcomes without sacrificing fiscal stability or community benefit. Reforms should be co-designed with industry to maintain public confidence, safeguard jobs, and ensure gaming reform supports—not erodes—Canberra's community infrastructure[18].

[16] ClubsACT Submission to the ACT Government Cashless Gaming Inquiry 2023
[17] Productivity Commission 2023
[18] Victorian Department of Justice, 2023; NSW Government Roadmap for Gaming Reform, 2023

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T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

Recommendation:

11.18 ClubsACT position makes clear that the **industry will vigorously oppose any compulsory acquisition of EGM authorisations beyond the current "voluntary" limit**. Sustainable, evidence-based reform must proceed through **market-driven mechanisms and negotiated transition frameworks**, not through forced divestment or regulatory prohibition. The proposed approach is neither economically defensible nor consistent with the Government's stated policy principles of harm minimisation, community partnership, and fair process.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

"The ACT and NSW Governments agree to prioritise efforts that reduce complexity and align regulatory and legislative environments where appropriate, to benefit cross-border communities."
— ACT–NSW Memorandum of Understanding for Regional Collaboration, *Guiding Principles / Areas for Co-operation (MoU, 2011; reaffirmed 2016 & 2020)*

Chapter 12: Jurisdictional Harmonisation

12.1 A roadmap for aligning ACT policy with NSW and other states. The goal is to:

- Share infrastructure and technology
- Reduce cross-border leakage
- Harmonise self-exclusion systems
- Improve cost-effectiveness and harm prevention outcomes.

12.2 ClubsACT strongly advocates for jurisdictional harmonisation of gaming policies with New South Wales (NSW) and potentially other jurisdictions such as Victoria, as a pragmatic and evidence-based pathway to enhance harm minimisation, ensure economic stability, and address the realities of porous borders. This should see the ACT Government working closely with the NSW Government on the development of Account based gaming standards.

12.3 Drawing on insights from the 2024 ACT Gambling Survey and international models like Sweden's Svenska Spel, a coordinated framework would enable a market-driven transition to cashless gaming while retaining cash-based options for a reviewable 10-year period.

12.4 Cashless gaming systems should integrate voluntary pre-commitment tools, spending alerts, and self-exclusion options to avoid displacing patrons toward unregulated online gambling platforms[19].

12.5 This approach integrates voluntary pre-commitment systems with adjustable default loss limits, cross-jurisdictional self-exclusion registries, and facial recognition technology (FRT), balancing public health, crime prevention, and regulatory efficiency. Below, we outline how this harmonisation represents a more cost-effective strategy for the ACT Government, delivers enhanced harm minimisation outcomes, and effectively manages cross-border challenges.

Cost-Effectiveness for the ACT Government

12.6 As a small jurisdiction, the ACT faces significant barriers in independently influencing technology providers to invest in bespoke solutions for cashless gaming, anti-money

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T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

laundering (AML) measures, and harm prevention tools.

12.7 Harmonisation with NSW and Victoria would leverage shared infrastructure and standardised technological specifications, reducing implementation costs through interoperable systems and collaborative procurement (e.g., joint FRT software and account-based models linked to banking products).

12.8 Cashless gaming systems should integrate voluntary pre-commitment tools, spending alerts, and self-exclusion options to avoid displacing patrons toward unregulated online gambling platforms[20]. This removes the need for the ACT to fund standalone research and development, which could otherwise exceed millions in public expenditure. For instance, aggregated industry data indicates that a phased 10-year transition would preserve government revenue by avoiding abrupt declines in poker machine taxes—estimated at $1.2 billion annually across NSW alone—while providing tax offsets to incentivise voluntary adoption.

12.9 By pooling resources, the ACT Government achieves economies of scale, minimising administrative burdens and ensuring long-term regulatory stability that supports productivity and reduces pressure from industry lobbying. This is far more efficient than isolated reforms, which risk short-term economic instability and inhibit clubs from diversifying into non-gaming revenue streams, ultimately shifting greater financial responsibility onto the government for community services.

Enhanced Harm Minimisation Outcomes

12.10 A harmonised approach would elevate harm minimisation to best-practice levels by preventing displacement to unregulated online gambling, which has surged to 26.9 per cent participation among ACT adults in 2024 (up from 22.1 per cent in 2019), particularly among young men (32.5 per cent) and residents in areas like Tuggeranong and Gungahlin. Key measures include default weekly loss limits on voluntary pre-commitment systems, allowing users to opt for modifications after cooling-off periods or counselling, and integration with FRT for proactive compliance in high-risk venues.

12.11 The 2024 ACT Gambling Survey reveals persistent harm trends, with 9.4 per cent of adults at some level of risk and 0.8 per cent experiencing severe problems, exacerbated by weekly gambling (25.8 per cent moderate-risk or problem gamblers).

12.12 Harmonisation addresses this by creating a cross-jurisdictional self-exclusion registry linked to the National Self-Exclusion Register (NSER), ensuring excluded individuals cannot evade restrictions. Evidence from models like Svenska Spel demonstrates that

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16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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tiered defaults reduce high-risk behaviours without deterring recreational users, while also strengthening AML controls to deter organised crime.

12.13 Politically, this positions the ACT Government as a leader in public health, responsive to community concerns about addiction and legacy harm to families, while preserving clubs' social contributions without abrupt disruptions.

Addressing Porous Border Realities

12.14 The ACT's proximity to NSW creates porous borders that undermine isolated reforms, as evidenced by revenue shifts during COVID-19 closures: EGM losses in the ACT corresponded with 100%+ gains in Queanbeyan when NSW venues remained open. Harmonisation eliminates incentives for "regulatory shopping" or "border hopping," where patrons cross into NSW to access cash-based EGMs or evade self-exclusion, thereby maintaining the integrity of harm prevention measures. By aligning policies—such as standardised exclusion registries and FRT interoperability—the framework closes cross-border loopholes, ensuring consistent enforcement and reducing displacement to unregulated online platforms (e.g., sports betting at 42.1 per cent of online participation).

12.15 This not only enhances consumer protections for vulnerable groups but also removes inter-jurisdictional competition on regulatory frameworks, fostering intergovernmental leadership and public confidence.

12.16 In the context of ACT population growth projections (surpassing 800,000 by 2065, driven by migration), this collaborative model provides a stable, adaptable environment that safeguards community wellbeing without the economic fallout of unilateral changes.

Recommendation:

12.17 Jurisdictional harmonisation offers the ACT Government a cost-effective, politically defensible path forward, delivering superior harm minimisation and border management compared to standalone efforts. ClubsACT recommends immediate collaboration with NSW and Victoria to pilot this framework, ensuring clubs' sustainability and preventing the government from bearing the full cost of replacing essential community roles.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

"The panel will prioritise deep engagement with clubs industry stakeholders and other relevant stakeholders to develop recommendations to government on an industry transition plan."
— Dr Marisa Paterson (Minister for Gaming Reform), Gambling—clubs inquiry *ministerial statement, ACT Legislative Assembly Hansard, 7 May 2025.*

Chapter 13: Responses to Consultation Questions

13.1 This section directly addresses the specific questions posed in the Inquiry's consultation paper. Topics include:

- Safeguarding contributions
- Transition impacts
- Land use for social/environmental outcomes
- Evaluation of guiding principles
- Suggestions for additional consultation and policy alignment.

Question 1: What contributions made by clubs to the ACT community need to be sustained and safeguarded as part of this transition?

13.2 The contributions of ACT clubs that can be sustained and safeguarded include their role as community anchors, and fire/smoke safety hubs (as notably evidenced in 2003), providing social cohesion, economic reinvestment, and support for vulnerable populations. Specifically, clubs' not-for-profit model ensures that gaming revenues are channelled back into the community through $35 million+ in annual contributions, supporting sports, cultural events, and infrastructure. Their function in combating loneliness—through inclusive programmes for seniors, migrants, and LGBTIQA+ groups—can be protected, as highlighted in our 2024 submission.

13.3 Employment opportunities, particularly flexible roles for over 6,000 workers, including those with disabilities, are vital for workforce stability. Safeguarding involves policy protections against regulatory overreach that could erode these benefits, such as maintaining EGMs in regulated club environments to prevent harm migration to online platforms. Transition strategies should prioritise funding to preserve these elements, ensuring clubs remain viable hubs for community wellbeing.

Question 2: What broader impact can this transition have (for example on the ACT community, cross-border issues, gambling harms) and how should these impacts be addressed?

13.4 The transition away from gambling revenue could have profound impacts on the ACT community, including reduced funding for social programmes ($35 million+ annually at risk), job losses in hospitality (potentially affecting 6,000 roles), and increased social

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

isolation without club venues as gathering spaces. Cross-border issues may arise, with Canberrans shifting to NSW venues or unregulated online gambling, exacerbating harms like addiction and financial loss without ACT oversight.

13.5 Gambling harms could paradoxically increase if patrons move to less-regulated environments, as noted in our cashless gaming submission. To address these, a phased transition with government subsidies ($50 million over 10 years) should mitigate economic fallout. Cross-border collaboration with NSW could harmonise regulations, while enhanced harm minimisation training in clubs ($10 million fund) would build on their existing oversight capabilities. Community impact assessments should guide the process, ensuring no net loss in social benefits.

13.6 Cashless gaming systems should integrate voluntary pre-commitment tools, spending alerts, and self-exclusion options to avoid displacing patrons toward unregulated online gambling platforms[21].

Question 3: What are your views on potential strategies to support clubs to make the transition away from gambling revenue?

13.7 We support multifaceted strategies that enable diversification without undermining viability. Key approaches include government grants for non-gaming ventures (e.g., $50 million fund for hospitality expansions and community enterprises), tax incentives for reinvestment, and partnerships with tourism bodies to promote clubs as event hubs. Pilot programmes, such as intergenerational social initiatives, could build on our loneliness submission to create new revenue from wellness services. Training subsidies for staff upskilling in non-gaming operations are essential. However, strategies can be evidence-based, avoiding abrupt EGM reductions that could force closures. A 10-year transition roadmap, co-developed with industry, would ensure sustainability, with metrics to track progress and adjust for unintended harms.

Question 4: With respect to the use of club-owned land specifically, what uses should be considered that could create revenue opportunities and contribute to sustainable economic, social and environmental outcomes for the ACT?

13.8 Club-owned land, spanning over 500 hectares, offers opportunities for mixed-use developments that generate revenue while delivering sustainable outcomes. Considered uses include affordable housing integrations (e.g., co-locating units with club facilities to address housing shortages), community gardens and green spaces for environmental benefits, and renewable energy installations like solar farms. Revenue could stem from leasing for events, co-working spaces, or eco-tourism ventures. Club

[21] ClubsACT Submission to the ACT Government Cashless Gaming Inquiry 2023

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venues also play a significant role as meeting hubs that could potentially be even more utilised as community centres.

13.9 Socially, this supports inclusive infrastructure for vulnerable groups; economically, it diversifies income beyond gaming; environmentally, it promotes biodiversity and carbon reduction. Policies should facilitate zoning changes with safeguards to retain community access, ensuring alignments with ACT sustainability goals.

Question 5: What are your views on the proposed guiding principles for strategies and solutions? What is missing?

13.10 We broadly endorse the proposed guiding principles, which likely emphasise sustainability, community benefit, and evidence-based reform (assuming alignment with inquiry terms). They rightly prioritise harm minimisation and diversification. However, they may overlook the not-for-profit ethos of clubs, which differentiates them from commercial entities. Missing elements include explicit recognition of cross-border risks, mandatory impact assessments for regulatory changes, and protections for employment in transitional phases. Principles should also incorporate equity for vulnerable communities and measurable outcomes, such as Key Performance Indicators for social cohesion metrics from ACT Wellbeing data.

Question 6: Are there other insights or considerations that you would like to share with the Inquiry panel?

13.11 Additional insights include the need for ongoing industry consultation to avoid one-size-fits-all policies, given clubs' diversity (e.g., small cultural vs. large sporting). We highlight the potential for clubs to integrate with broader ACT initiatives, such as NDIS programmes or mental health strategies, amplifying their role in wellbeing. Economic modelling should account for the multiplier effects of club investments (e.g., $800 million over a decade stimulating local supply). Finally, interstate examples from jurisdictions like Victoria demonstrate successful transitions through collaborative funds; the ACT could adapt these to safeguard our unique community model.

13.12 Recent commentary has suggested that “harm minimisation is failing” because “revenue generated from gaming machines increased from $186.5 million to $190.6 million despite nearly 200 machines being removed.” This flawed analysis is often used to advocate more stringent harm minimisation regulatory reforms. This interpretation is misleading and reflects a fundamental misunderstanding of what these figures represent. The numbers cited are **territory-wide gambling losses**, not **club profit**. They represent **gross gaming revenue** – the total amount players lose – before a single dollar of tax, levies, wages, utilities, insurance, loan servicing, compliance, or other operating

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expenses is deducted. To present these losses as "revenue to clubs" or "profit" is simply inaccurate.

From each dollar of gaming loss, clubs must pay:

- **Gaming machine tax**, among the highest in Australia
- **8–8.8% of net gaming machine revenue** in mandated community contributions
- **Two additional 0.4% levies** for harm-prevention and charitable funds
- All normal business costs, including the wages of thousands of local workers

Once these are considered, the **actual surplus retained by clubs is only a fraction** of the headline figure.

13.13 It is also misleading to suggest that a small year-on-year increase in gross gaming revenue signals that harm-reduction measures are ineffective. The ACT's population has grown significantly, rising from roughly **460,000 in 2021 to more than 475,000 in 2024**. When adjusted for population, **per-adult gambling losses have fallen over time**, even as the total number of machines has decreased. A modest increase of approximately $4 million in territory-wide losses across a growing population does not constitute evidence of rising harm or program failure. It is inappropriate to imply that this entire amount represents revenue or profit to ACT clubs. If commentators wish to make a serious contribution to the debate on gambling harm, it is essential to distinguish between **gross player losses**, **club operating revenue**, and **actual profit after tax and costs**. Conflating these categories only misinforms the public and undermines evidence-based policy.

13.14 We also have some further insights with respect to the harm minimisation objectives of the ACT Government. **The 2024 ACT Gambling Survey confirms that only 0.8% of ACT adults meet the criteria for problem gambling (PGSI 8+).** This level is **consistent with the strongest harm-minimisation outcomes achieved in comparable Australian jurisdictions** and reflects a system in which gambling harm is effectively contained within a legal, regulated market. Internationally, the ACT's prevalence level sits within the **high-performing band (0.7–1.0%)**. Accordingly, **a prevalence of around 0.8% represents a successful harm-minimisation outcome in the ACT context**. We are concerned about potential unintended consequences from further regulatory interventions as addressed in this submission. Chapter 14 addresses this matter in further detail.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

"Ensuring Australia's onshore market stays competitive is essential, because if people can't find the products or prices they want here, they don't stop gambling — they just go offshore."
— Responsible Wagering Australia, *Illegal Offshore Gambling: A Growing Threat* (2025)

"Australia's world-leading consumer protections are only effective if people stay within the system, and right now, it's too easy to bypass them offshore with a few clicks."
— Responsible Wagering Australia, *Illegal Offshore Gambling: A Growing Threat* (2025)

Chapter 14: A harm-minimisation nexus - when tighter venue rules push play online and offshore

14.1 The ACT's latest gambling survey shows that, in venue-based play, harm-minimisation has been broadly successful: only 0.8 per cent of adults meet problem-gambling criteria in a regulated market with strong consumer protections and highly visible responsible-gambling programs. This is a good outcome by national standards. But it also means the ACT is now at a **policy nexus**: if additional restrictions are imposed on clubs without parallel action in the online environment, there is a real risk that "success" in venues will simply drive consumers into less safe channels – especially illegal offshore gambling – where harm is higher and protections are absent.

14.2 Recent national research by H2 Gambling Capital for Responsible Wagering Australia (*Responsible Wagering Australia, Illegal Offshore Gambling: A Growing Threat (2025) see attachment E)* shows how quickly this displacement is already occurring:

- Australia's **illegal offshore market has more than doubled since 2019**, with Australians now losing **$3.9 billion a year**, projected to rise to **$5 billion by 2029**.
- Illegal offshore operators now account for **36 per cent of all online gambling**, and the overall "channelisation" rate – the share of gambling with licensed providers – has fallen to **64 per cent**, well below the 90 per cent benchmark seen in best-practice jurisdictions.
- **One in every five dollars wagered on sports, and one in seven dollars wagered on racing, now goes to illegal offshore operators**, not licensed Australian providers.
- A quarter of all illegal offshore online gambling spend is on **products that are banned onshore** – online casino and live in-play betting – demonstrating that restrictive product settings in the regulated market do not eliminate demand, they simply push it offshore.
- Critically, **50 per cent of people gambling offshore have done so while registered with BetStop**, meaning self-excluded or high-risk consumers are actively being drawn into the least regulated part of the market.

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T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

- Almost **half of online players cannot reliably tell whether a site is licensed or illegal**, and **three in five** report seeing advertising for illegal operators, predominantly via social media and influencers.

14.3 This evidence matters for the ACT because our current harm-minimisation framework is built on the assumption that most gambling occurs in **high-visibility, regulated club environments** where staff intervention, pre-commitment, self-exclusion and compliance checks are practical. The national data show that when the onshore, regulated offer is made progressively less attractive – through higher tax, tighter product and marketing restrictions, and reduced convenience – gamblers **do not stop gambling**; a growing share simply moves to online and offshore providers that:

- pay **no tax or product fees**;
- offer **banned products** such as online casino and live in-play betting;
- provide **better odds and aggressive bonuses** (cited by 48% and 44% of offshore players respectively as key reasons for using illegal sites);
- and operate **outside all ACT and Commonwealth harm-minimisation settings**, including BetStop, activity statements and staff intervention.

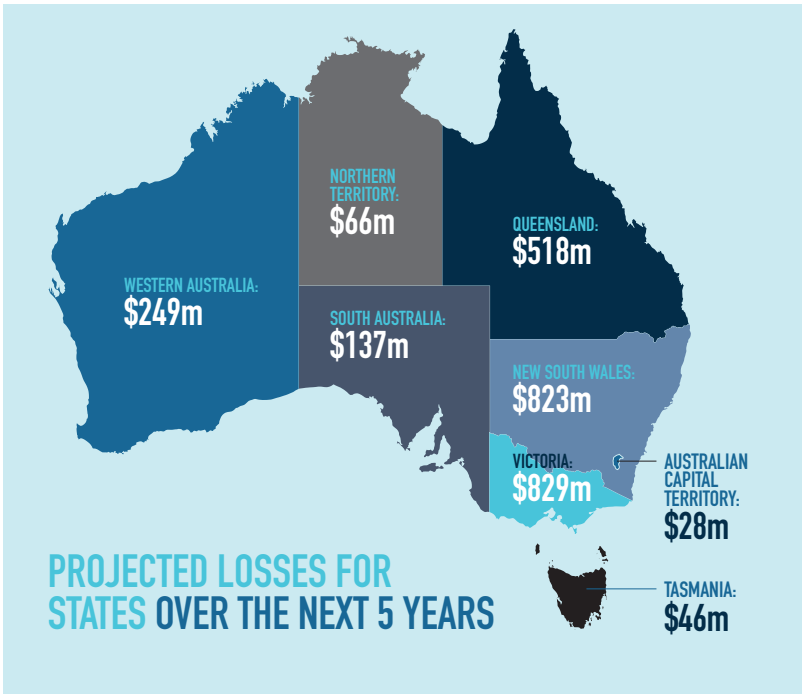
14.4 For the ACT, further ratcheting down on club-based gambling in isolation – without an equally strong national and digital enforcement framework – risks **undermining the very harm-minimisation successes we have achieved in venues**. It would likely:

- accelerate the migration of higher-risk players into unregulated online and offshore channels;
- weaken "channelisation" into the regulated system, reducing the leverage of ACT-based tools such as venue self-exclusion, mandatory training and in-venue identification of harm; and
- shift gambling expenditure from an environment where community benefits and tax are returned locally, into a channel that **returns nothing to the ACT's community, sport or health system**.

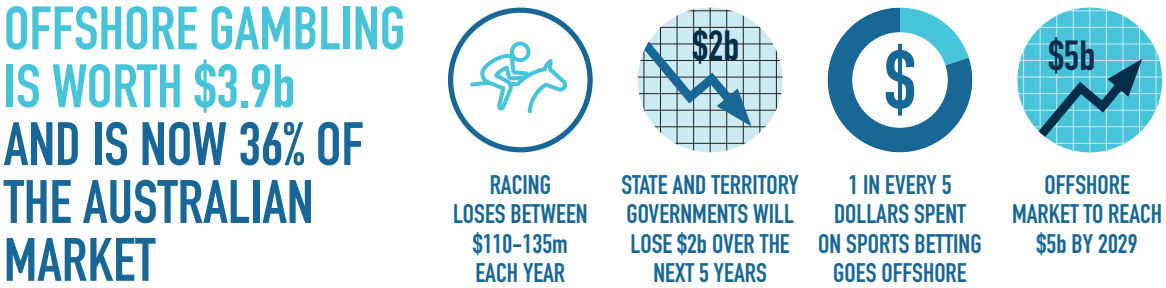
14.5 Accordingly, ClubsACT's position is that **any further tightening of club-based regulation must be assessed against its likely effect on online and offshore gambling trends**. The emerging national evidence suggests that piling additional restrictions and costs onto already low-harm, tightly regulated venues, without addressing illegal offshore supply, risks crossing a tipping point where ACT policy no longer reduces harm overall – it simply **exports it to the digital black market**, beyond the reach of the ACT Government's harm-minimisation and consumer-protection framework.

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14.5 As the following information from the *Responsible Wagering Australia, Illegal Offshore Gambling: A Growing Threat (2025)* report indicates, the issues associated with combatting gambling harm are complex and escalating. The ongoing efforts to continually target the low hanging fruit of EGM regulation on a jurisdiction-by-jurisdiction basis are not only misguided but ultimately counterproductive and apparently encouraging a modal shift by gamblers to online platforms.



14.5 ClubsACT has continually requested the ACT Government seek a more unified national approach on these issues with other jurisdictions and the Federal Government and we have received only perfunctory and largely impotent responses. We strongly urge the ACT Government to lead the debate on a more cohesive and collegial national approach on gambling more broadly. We believe there is an over focus on EGM's in the ACT despite the successes we have achieved in addressing gambling harm. This fails to meaningfully impact on harm prevalence but severely impacts on club industry viability. Meanwhile, the greater and increasing harms associated with online and unregulated gambling go largely ignored.



16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

"Recommendation No 1…was for the Assembly to formally acknowledge the role that ACT clubs play and the contribution they make to the wellbeing of the people of the ACT."
— Shane Rattenbury, 5 May 2016, referring to PAC inquiry, ACT Hansard

Chapter 15: Submission Conclusion and Sector Outlook

15.1 ClubsACT presents a clear choice:

- Embrace co-designed, evidence-based reform for growth and sustainability
  or
- Persist with disjointed policy leading to club closures, social harm, and rising public costs.

It ends with a stark warning: without urgent reform, up to five more clubs may close within 18 months and more will follow. The viability of the entire sector hangs on a precipice.

15.2 ClubsACT initiated this inquiry not merely to defend the status quo, but to recalibrate the public discourse around Canberra's clubs and advocate for a policy framework that is bipartisan, evidence-based, and free from the emotive polemic that often clouds discussions about poker machines. The current trajectory of government policy—marked by compulsory EGM reductions, cash bans, and regulatory overreach—is not only economically unsustainable, but socially counterproductive.

15.3 Unless the recommendations outlined in this submission are implemented, both clubs and the ACT Government will face significant and irreversible losses. Community contributions, employment, and social infrastructure—currently underwritten by gaming revenue—will decline sharply, forcing the Government to absorb costs that clubs have long carried. The ACT Budget will be burdened with funding community sport, subsidised venues, and harm minimisation programs that clubs presently deliver at scale.

15.4 The porous border with NSW is not a theoretical concern—it is a proven threat. Evidence from COVID-era closures and recent gambling surveys confirms that when access to regulated, supervised venues is restricted, gambling spend migrates across the border and online, where harm is higher and protections are weaker. This displacement undermines the very goals of harm minimisation and erodes the ACT's regulatory integrity.

15.5 Moreover, the current policy direction will disproportionately impact casual and recreational players—not those at highest risk. By reducing access to safe, supervised environments, the reforms will push low-risk patrons into riskier behaviours, increasing overall harm. The assumption that fewer machines equal less harm is dangerously simplistic. Harm minimisation is not achieved through prohibition—it is achieved through education, innovation, and partnership.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

15.6 ClubsACT has demonstrated that a market-driven, evidence-based transition—co-designed with industry—can deliver better outcomes. Voluntary reductions, integrated harm minimisation tools, and jurisdictional harmonisation with NSW offer a smarter path forward. The ACT must avoid the trap of regulatory isolation and embrace collaborative reform that preserves community benefit while reducing harm.

15.7 This submission largely addresses key issues of sustainability, yet the Government and the community must really consider a strategy for growth. Diversification as it stands is not a viable strategy for long term sustainability, and certainly not one aimed at growing the industry. Diversification must be built into a growth strategy to truly provide industry sustainability. Sadly, the policy debate is framed not around growth but phased decline. The greatest loss, should this not change, will be felt by the Canberra community broadly.

15.8 Whilst you consider this submission, we stress that ClubsACT is currently anticipating the potential closure of up to 5 Clubs within the next 18 months unless there is a fast and serious change of the current regulatory and business environment. This is not said to be alarmist but reflects the stark reality of the landscape faced by our industry. More than 30 Clubs have closed since the early 2000's (**Appendix D**), now, with only 47 left and with the anticipation of more closures, our industry faces very real threats to its sustainability as clearly outlined in this submission.

15.9 In short, the ACT Government must choose between a future of sustainable, community-led clubs or one of rising harm, lost revenue, and diminished social cohesion. The recommendations in this submission are not optional—they are essential. The time for decisive, informed action is now.

15.12 ClubsACT appreciates this opportunity to comment and submit a unified industry view. We seek ongoing collaboration with Government to ensure the Club industry remains a valuable contributor to the social and economic fabric of the ACT.

Kind regards

Craig Shannon
CEO
ClubsACT
22 November 2025

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

Appendices

ClubsACT Industry Reform Recommendations Summary (2025)

For a Sustainable, Community-Focused Future

Appendix A: Recommendations

Refer Chapter 4: A Vision for Transformation and Reform

- Enhance EGM Safeguards Through Evidence-Based Trials

Avoid blanket bans on cash or ATMs. Instead, fund $10 million in club-based staff training for early harm identification and intervention.

- Facilitate Innovation Trials for Harm Minimisation

Allow voluntary trials of account-based play, dynamic limits, and feedback systems, supported by transitional tax incentives — embedding harm minimisation through innovation, not prohibition.

- Adopt a Market-Driven Reform Model

Implement a phased, incentive-based transition to cashless and digital gaming systems, co-designed with industry to protect community funding, jobs, and public trust. Reform must remain evidence-based, not imposed through compulsory measures, ensuring that harm minimisation is achieved through a viable, community-based model — not at its expense.

- Establish an ACT Clubs Transition Fund ($20 million)

Co-funded by government and industry to support diversification, workforce reskilling, and harm-minimisation technology uptake, enabling clubs to reinvest responsibly and build future-ready operations.

- Maintain Continuous Industry–Government Partnership

Create a permanent consultative forum to co-design reforms, monitor outcomes, and ensure independent, evidence-based policy evaluation and review.

- Implement a Community Sustainability Tariff Framework

Introduce concessional electricity and water tariffs to recognise clubs' maintenance of more than 500 hectares of community-accessible green space.

- Enable Green Infrastructure Investment

Expand concessional finance access for solar, battery, and water-efficiency upgrades, and recognise such investments as community contributions under the ACT's Community Contribution Scheme.

- Embed ESG Reporting Requirements

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
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Adopt a sector-wide Environmental, Social, and Governance (ESG) reporting framework aligned with ACT and national standards (GRI, SASB), strengthening transparency and eligibility for rebates and grants.

- Launch a Clubs Innovation and Digital Capability Program

Establish an innovation fund to support adoption of digital management, data analytics, and energy-efficient systems for operational efficiency and community service excellence.

Refer Chapter 6: Current Policy Conflicts and their Impacts

- Introduce Community Reinvestment Tax Rebates

Reward clubs that exceed mandatory contribution thresholds (currently 8.8 per cent of NGMR) to strengthen local investment in sporting, cultural, and social infrastructure.

- Reform the Tax and Fiscal Framework

Align state and federal tax treatment of not-for-profit clubs, simplify compliance, and provide fiscal certainty that supports reinvestment in harm-minimisation initiatives and community facilities.

- Community Contribution Guarantee (Transitional)

Introduce a budget-funded top-up that maintains community contributions at baseline levels where verified NGMR declines outpace diversification during the transition period, preventing funding cliffs for community groups.

Establish multi-year service-purchase agreements with eligible clubs for:

(i) subsidised community room hire;

(ii) sport-ground maintenance and access;

(iii) small-grant administration for sport/culture; and

(iv) on-site harm-minimisation capability (including Gambling Contact Officers). This preserves community services as NGMR declines during the transition.

- Create a Community Club Services Procurement Stream

Refer Chapter 9: Regulatory Burden and Legal Challenges

- Reform Lease Variation and Land Use Charges

Remove or cap lease variation charges for not-for-profit clubs developing affordable housing, sustainability projects, or community infrastructure, enabling genuine land-use diversification.

- Exempt or Tailor Regulations for Not-for-Profit Entities

Amend the *Property Developers Act 2024* (or successor legislation) to limit personal liability for directors/board members and simplify licensing for community-led developments. Establish a

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dedicated not-for-profit stream to recognize the clubs' unique role in reinvesting in social housing, community infrastructure, and green spaces.

- Prioritise Club Land in Urban Planning

Integrate club land within the ACT's urban strategy — favoring mixed-use development combining green space, housing, aged care, childcare, and sport — ensuring continued community benefit while supporting diversification.

- Institutionalise Evidence-Based Monitoring

Create a Club Vitality Index tracking diversification, employment, harm reduction, and community impact over time — ensuring policy remains data-driven and outcome-focused.

- Support Shared Infrastructure Development

Encourage co-location of club facilities with public amenities — childcare, libraries, sport, aged-care, wellness centers — to reduce duplication and enhance accessibility.

Refer Chapter 10: Toward a Dedicated ACT Licensed Clubs Act

- Develop a Dedicated Licensed Clubs Act

Create a modern legislative framework that regulates governance, transparency, and community benefit reporting, while enabling sustainable diversification and providing legal certainty for long-term investment.

- Diversify into Experience-Based Revenue Streams

Support clubs expanding into family, wellness, tourism, coworking, and arts-based enterprises to reduce reliance on gaming and strengthen long-term resilience.

- Strengthen Workforce and Governance Capability

Invest in accredited training, apprenticeships, and governance programs to ensure leadership continuity and a skilled hospitality workforce.

- Promote Youth Engagement and Membership Renewal

Develop programs — such as esports, volunteering, arts, and social enterprise — to engage younger demographics and support generational renewal in club membership and community participation.

Refer Chapter 11: Opposition to Compulsory Acquisition of Electronic Gaming Machines

- Oppose Compulsory Acquisition of Gaming Machine Authorisations

Reject any proposal for compulsory surrender or acquisition of EGM licences beyond the current voluntary limit. The proposed schedule for forced reductions far exceeds the sector's capacity to develop replacement revenue streams, jeopardising diversification projects, loan covenants, and

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T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

financial sustainability. This is effectively prohibition by regulation, inconsistent with the ACT's health-based harm-minimisation approach.

Refer Chapter 12: Jurisdictional Harmonisation

- Harmonise Regulatory Systems with NSW

Pursue interoperable harm-minimisation tools (e.g. self-exclusion registries, cashless systems) to reduce cross-border gambling displacement and maintain regulatory integrity.

ClubsACT's reform pathway delivers a balanced, evidence-based framework that aligns harm minimisation with financial sustainability. It rejects regulatory prohibition in favor of collaboration, innovation, and accountability, ensuring Canberra's community clubs remain strong, sustainable, and central to the ACT's social fabric through to 2045.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

Appendix B: ClubsACT Industry-wide Survey 2024

Industry Survey Methodology and Data Interpretation

To support this submission, **ClubsACT conducted a comprehensive industry-wide survey** of licensed community clubs across the ACT during **August–September 2024 primarily based on the 2023/24 financial year**. The survey was designed to capture consistent, quantitative and qualitative data on the sector's **economic, social, environmental, and employment contributions**, aligning with the Inquiry's Terms of Reference.

Survey Design and Participation

The survey instrument was developed collaboratively with member clubs and structured around the ACT Inquiry consultation framework. It comprised both numerical and descriptive questions spanning:

- Membership and workforce composition (including gender and diversity indicators)
- Employment expenditure, superannuation, and payroll contributions
- Direct and in-kind community contributions across sport, culture, and social inclusion
- Financial inputs including taxation, utilities, insurance, and supply-chain costs
- Land use, green space, and sustainability practices.

Survey links were distributed electronically to all 47 licensed community club venues in the ACT. Follow-up consultations and verification were undertaken through ClubsACT to ensure data accuracy and completeness. Valid responses were received from 42 venues, representing approximately 91 per cent of all venues and over 87 per cent of total industry employment and membership coverage.

While individual question response rates varied—averaging around 56 per cent across numerical fields—the participating venues included all major multi-venue groups and most medium and smaller independent clubs. Accordingly, the dataset provides a representative and authoritative snapshot of the current footprint and performance of the ACT club sector.

Data Treatment and Interpretation

All numerical data presented throughout this submission have been **aggregated directly from the survey dataset** compiled by ClubsACT. This submission also utilises publicly available government data where available. The ClubsACT Survey figures are reported on an **ACT-wide, industry-level basis**, representing verified totals or calculated aggregates across all respondents.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

In line with standard research practice for voluntary industry surveys:

- All totals and averages presented should be regarded as **conservative minimum estimates**.
- Where non-response occurred, no upward extrapolation was applied unless explicitly noted.
- Accordingly, the true value of sector-wide contributions—particularly in community, sporting, and cultural support—is likely to be **significantly higher** than the totals reported.

Verification and Use in this Submission

Survey data were cross-checked against historical ClubsACT submissions, available ACT Gambling and Racing Commission reports, and relevant Treasury datasets to ensure internal consistency. Each data point referenced in this submission derives either directly from this 2024 survey or from official government reporting.

The figures presented therefore reflect the **best available empirical evidence** of the sector's scale, impact, and contributions, and should be interpreted as a **minimum baseline** for assessing the ACT club industry's economic, social, and environmental value to the Territory.

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

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2. ClubsACT Industry Survey (Aug–Sept 2024). Internal dataset compiled by ClubsACT, representing 95 per cent of the ACT club industry workforce and operations.

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5. ACT Government 2045 Net Zero Strategy ACT Climate Change Strategy - Climate Choices

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T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

10. DWS Industry report https://dws.net.au/wpcontent/uploads/2024/08/DWS_Benchmarking-Report_FINAL_compressed.pdf

- Online gambling now dominates, with 56.1 per cent of gamblers participating online at least half the time. This includes 88.5 per cent of sports bettors and 76.9 per cent of race bettors. (Suomi, Hahn & Biddle, 2025).
- Despite legal restrictions, online EGM participation rose from 6.5 per cent to 12.0 per cent, and online casino games from 4.8 per cent to 11.8 per cent, indicating a shift to unregulated platforms. (Suomi, Hahn & Biddle, 2025).
- Online gambling is strongly associated with psychological distress and loneliness, particularly among younger and CALD populations. (Suomi, Hahn & Biddle, 2025).
- 5.9 per cent of adults report being harmed by someone else's gambling, with higher rates among young people, CALD communities, and low-income groups. (Suomi, Hahn & Biddle, 2025).

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16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

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13. ClubsACT Industry Reform Recommendations (2025)

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Chapter 9

15. ClubsACT Diversification and Land Use Survey (2024). Sectoral analysis of pipeline projects and adaptive land-use potential across the ACT club sector.

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16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

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16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

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16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

Appendix D: Club Venue Closures *(note: some buildings, facilities, land and community contributions may have been taken on by other licensed clubs)*

- Akuna Club
- Belconnen Soccer Club Hawker
- Braddon Club
- Brumbies Sports & Social Club
- Buffalo's Leagues Club
- Canberra City Bowling Club
- Canberra Club
- Canberra Royals Rugby Football
- Canberra RSL Memorial & Citizens Club
- Canberra Services
- Canberra Workers Club
- Capital Golf Club
- Eastlake Kaleen
- Fyshwick Sports Club
- Hungarian Australian Club
- Italo-Australian Club
- Magpies City Club
- Magpies Sports Club Belconnen National Sports Club
- Serbian Australian Settlers Social & Cultural Club
- Serbian St Sava Club
- Slovenian Australian Club
- Soccer Club of Canberra
- South Pacific Rugby Club
- Southlands Sports Club
- Sports Club Kaleen
- The Coolabah Club
- The Downer Club
- Tradies Woden
- Tuggeranong Valley Leagues Club
- West Belconnen Leagues Club
- West Deakin Hellenic Bowling Club
- Western District Rugby Union Club
- Yamba Sports Club

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T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au

Appendix E: See attached Document

Illegal Offshore Gambling: A Growing Threat, Australia Offshore Market Analysis, 2025 November 2025

16 National Circuit BARTON ACT 2600 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T: +61 6273 4694 • M: +61 438444467 • E: ceo@clubsact.com.au • W: www.clubsact.com.au