ClubsACT
A community way of life

Mr Brendan Smyth MLA
Chair
Standing Committee on Public Accounts
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601




Dear Mr Smyth,

Please find attached our submission to the Inquiry into *Elements Impacting on the Future of the ACT Clubs Sector*.

This document is a comprehensive, constructive and reasonable submission covering the issues relevant to the inquiry.

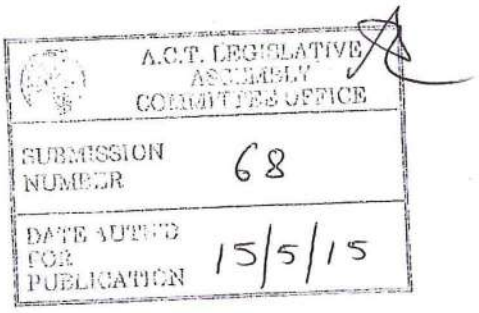
It is lodged with the support and on behalf of our members.

Please don't hesitate to contact me should you require further information and I look forward to being of service to the committee.

Kind regards

Jeff House
Chief Executive

13 May 2015




11/16 National Circuit BARTON ACT 2604 • PO Box 4579 KINGSTON ACT 2604 AUSTRALIA
T +61 2 6273 4694 • F +61 2 6273 4706 • E info@clubsact.com.au www.clubsact.com.au

Clubs Australia

ClubsACT

*A community way of life*












*Submission to the Standing Committee on Public Accounts Inquiry into Elements Impacting on the Future of the ACT Clubs Sector*

*MAY 2015*

"This club is the absolute heart of the community. It is the one place where… their children and their community members play football…it is the only place they can go and have community meetings, where they have community events, 21st birthdays…it really is the community centre of this suburb… and if we want to see the community totally bounced back, this is where those people who don't have houses for the next 12 months, this is where they'll be gathering. This is where they will start to feel like they can achieve the bounce back that we want to see them have".

Anna Bligh

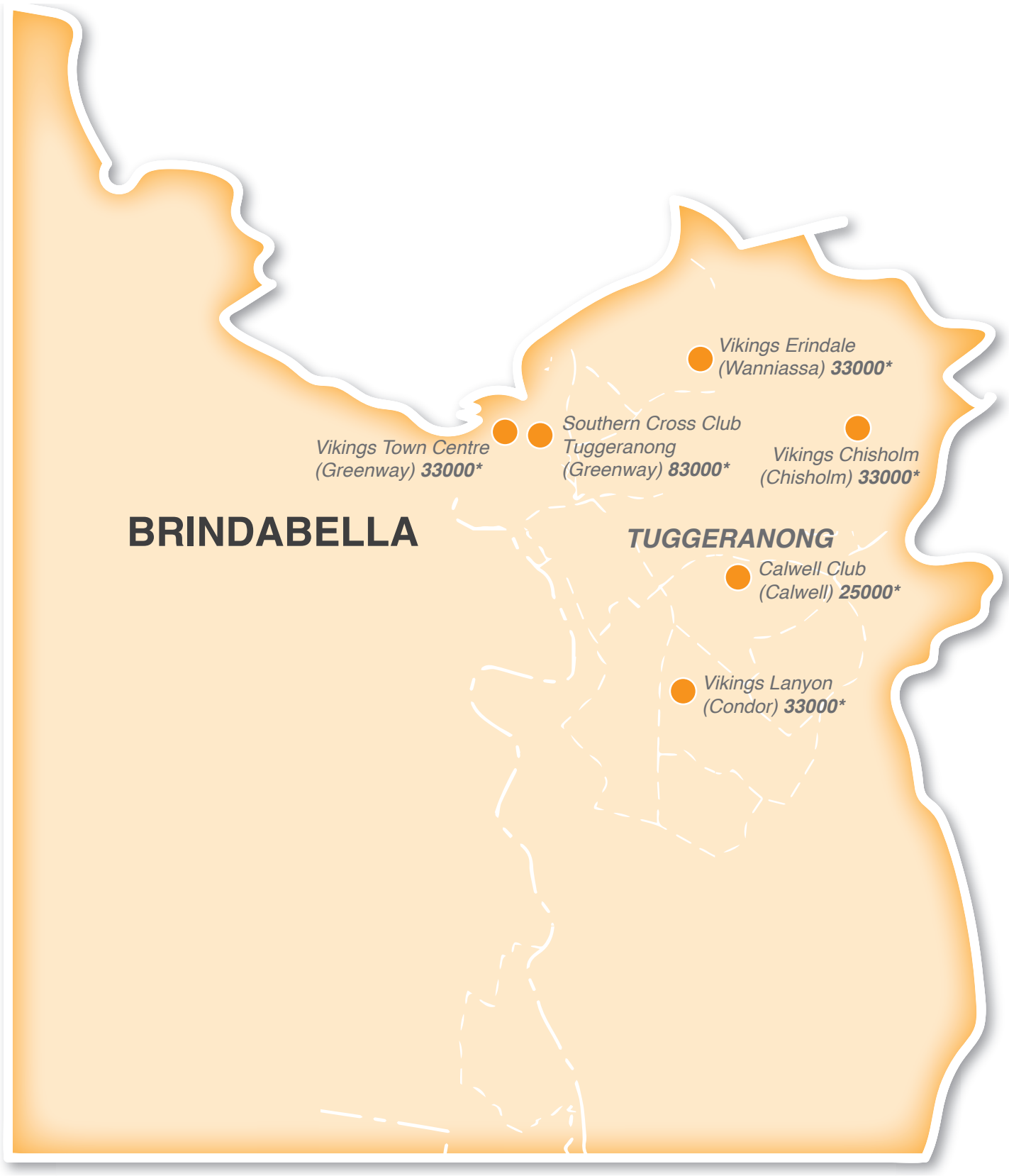
January 20, 2011

Reconstruction of the Goodna Rugby League Club following the devastating Queensland Floods

# Contents

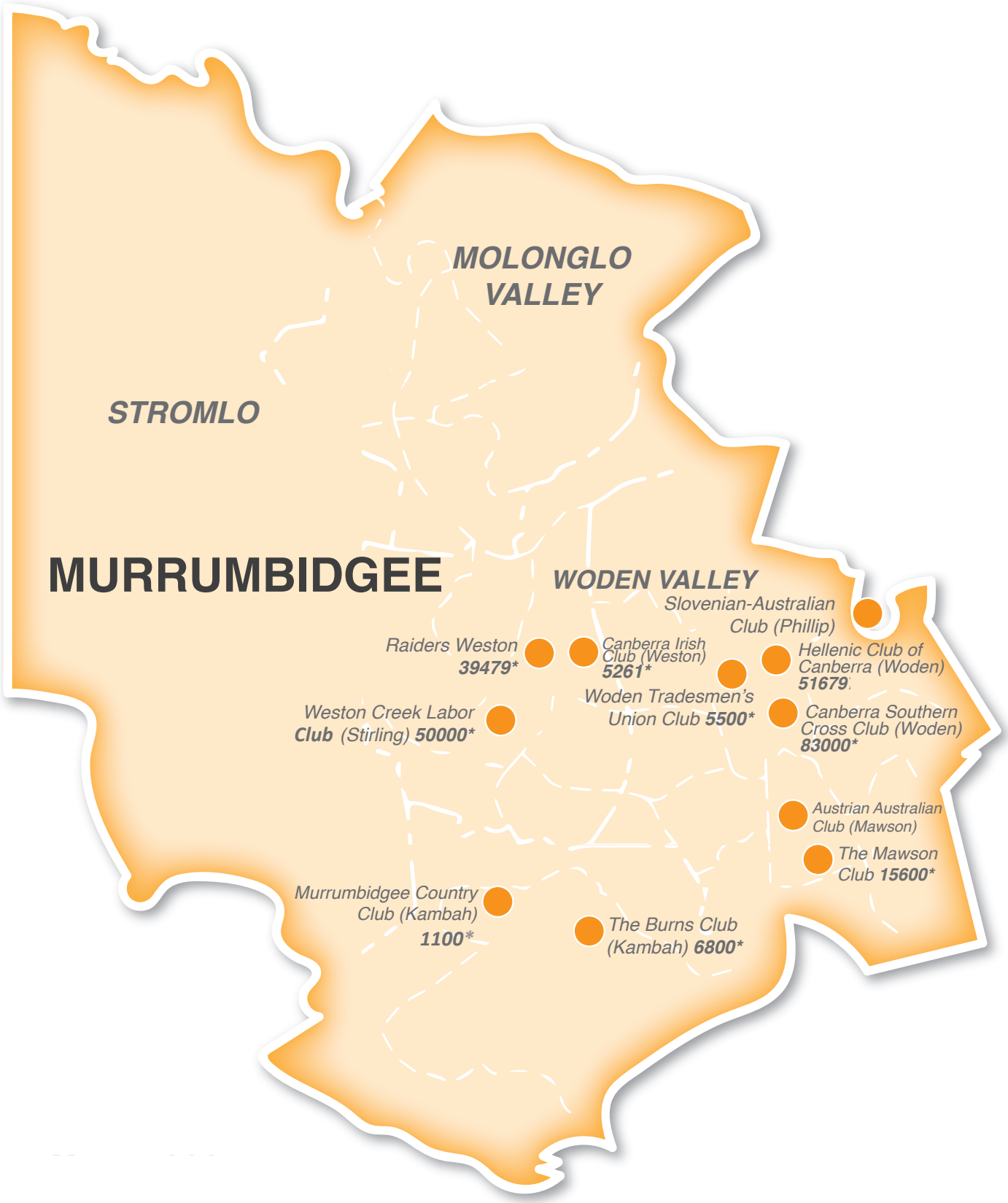

| | | |
|---|---|---|
| | Summary of Recommendations | 9 |
| 1. | Introduction | 12 |
| 2. | This Inquiry | 14 |
| 3. | Clubs and Canberra | 15 |
| 4. | Clubs and Economic and Social Contributors | 16 |
| 5. | Bleak Present and Grim Future | 57 |
| 6. | Falling Revenue and Profitability | 59 |
| 7. | Legislative, Regulatory Processes and Impact | 61 |
| 8. | Taxation and Other Charges | 70 |
| 9. | Land Development, Diversification and Business Models | 74 |
| 10. | Problem Gambling and Harm Minimisation | 83 |
| 11. | Water and Resource Management | 89 |
| 12. | Conclusion | 97 |

# Clubs and New Electorates

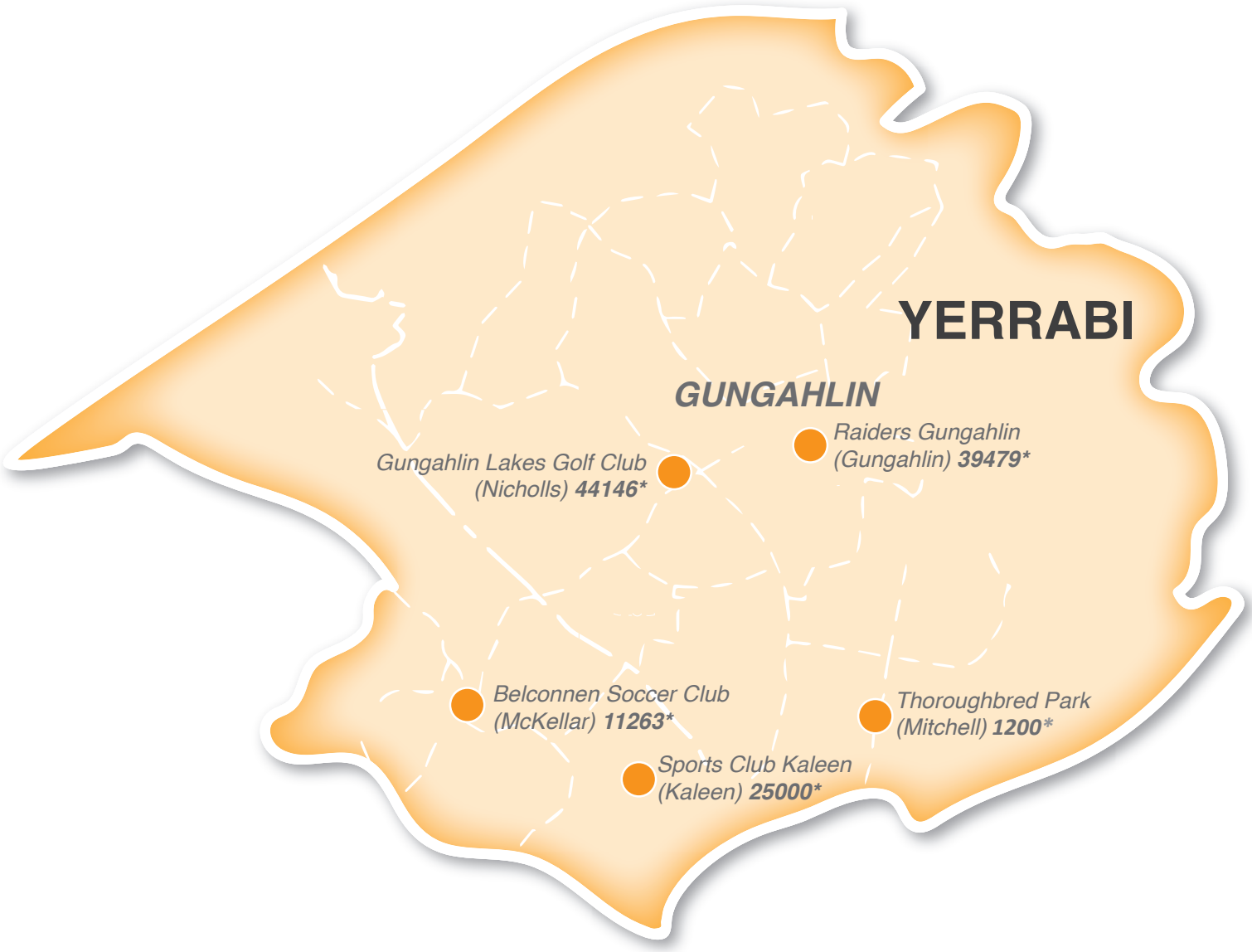


# Clubs and New Electorates




MOLONGLO VALLEY
STROMLO
MURRUMBIDGEE
WODEN VALLEY
Slovenian-Australian Club (Phillip)
Raiders Weston 39479*
Canberra Irish Club (Weston) 5261*
Hellenic Club of Canberra (Woden) 51679
Woden Tradesmen's Union Club 5500*
Weston Creek Labor Club (Stirling) 50000*
Canberra Southern Cross Club (Woden) 83000*
Austrian Australian Club (Mawson)
The Mawson Club 15600*
Murrumbidgee Country Club (Kambah) 1100*
The Burns Club (Kambah) 6800*

# Clubs and New Electorates



# Clubs and New Electorates



### Recommendation 1
*A Ministerial Advisory Group be established comprising of representatives of ClubsACT, the welfare sector, the business and sport and recreation sectors and other bodies as appropriate. This group will provide an opportunity for relevant issues to be discussed and feedback provided to the Minister.*

### Recommendation 2
*As a matter of process, any regulation or legislation that is likely to have an impact on the operating environment of licensed clubs, should be preceded by an Industry or Sector Impact Statement. This would be a detailed analysis of the likely impacts of such legislation or regulation. Industry should be consulted as part of the development of that analysis which should be produced prior to ministerial or cabinet agreement.*

### Recommendation 3
*An independent review of cross border competitive issues should be conducted with a view to identifying opportunities for eliminating differences in the regulatory approach between NSW and the ACT.*

### Recommendation 4
*Regulations should be introduced into the Legislative Assembly to give effect to the abolition of note restrictions and the implementation of an agreed cash input limit.*

### Recommendation 5
*All agencies involved in the conduct of licensee audits should publish quarterly data regarding the number of audits and inspections conducted including identifying how many audits are conducted on particular venues (without naming the licensee).*

### Recommendation 6
*A semi-independent body be established to oversight the activities of ACT regulatory agencies and officers and provide an opportunity for any regulated entity to offer feedback and seek redress where necessary. This body would also be empowered to compel data and other information from agencies regarding enforcement practices such as the frequency and conduct of audits.*

### Recommendation 7
*Access Canberra considers options to improve the efficiency of enforcement practices including extending the 'one-stop-shop' principle to the frequency and conduct of licensee audits.*

### Recommendation 8
*A working group comprising of representatives of ClubsACT and Chief Minister, Treasury and Economic Development Directorate be established to examine options for the implementation of a Central Monitoring System in the ACT.*

### Recommendation 9
*An independent review be conducted into the business practices of the ACT Gambling and Racing Commission to identify opportunities for efficiencies and other improvements in regulatory and enforcement practices.*

### Recommendation 10
*The ACT Government participates in the proposed gaming machine trading scheme by purchasing licenses to reduce the overall cap and eventually as a mechanism to distribute additional licenses as Canberra's population grows.*

### Recommendation 11
*The ACT Government consider the implementation of a scheme based on the NSW ClubGrants scheme to encourage clubs to maintain community contributions at existing high levels.*

### Recommendation 12
*Changes to the fee regime were highlighted as part of the ACT Liquor Review and the ACT Government should consider a scheme to reward low risk venues with fee rebates.*

### Recommendation 13
*The existing suite of Lease Variation Charge (LVC) remissions be extended beyond March 2016 and this policy measure should be announced well in advance of the current end date of the scheme to provide industry with certainty beyond that date.*

### Recommendation 14
*Any recommendations or other matters relating to club diversification determined to be worthy of further consideration be referred to the Community Clubs Task Force with a view to develop and propose specific policies for consideration by government and the Legislative Assembly.*

### Recommendation 15
*An omnibus variation to the Territory Plan be considered to make necessary amendments to enable clubs to undertake approved developments.*

### Recommendation 16
*Options for further Lease Variation Charge and deconcessionalisation cost remissions should be examined. These could include a LVC remission for developments undertaken by the not-for-profit sector and costs of deconcessionalising leases be significantly reduced or waived in circumstances where the applying club has been onsite for 25 years or more.*

### Recommendation 17
*A scheme be introduced which allows clubs to reduce costs associated with lease deconcessionalisation and lease variation charges by surrendering a proportion of their gaming machine licenses in return for remissions.*

### Recommendation 18
*Consideration be given to a scheme which allows clubs to receive tax credits for costs associated with redevelopments where such redevelopments will demonstrably lead to a reduction in reliance on gaming.*

### Recommendation 19
*Options for direct government financial support for clubs undertaking redevelopments be examined such as low or no interest loans and development related offsets for gaming tax.*

### Recommendation 20
*The existing ACT online exclusion database be linked with the clubs in at least Queanbeyan to enable sharing of information on excluded patrons between NSW and ACT clubs.*

### Recommendation 21
*The $250 per day ATM withdrawal limit that applies to licensed clubs be extended to the Canberra Casino.*

### Recommendation 22
*Consideration be given to expanding the scope of organisations that receive funding from the Problem Gambling Assistance Fund.*

### Recommendation 23
*Amend the existing community contributions scheme to encourage increased contributions to organizations dealing with primary or secondary impacts of problem gambling. The current $4 for $3 arrangements for contributions to women's sport would serve as a useful model.*

### Recommendation 24
*Consideration be given to restoring appropriate levels of information and data sharing between ClubsACT, individual clubs, Relationships Australia and the ACT Gambling and Racing Commission.*

### Recommendation 25
*Chief Minister, Treasury and Economic Development Directorate provide options to ensure expenditure on gambling research occurs as a result of an open, competitive, rigorous and transparent procurement process as well as options to expand the scope of potential providers of research.*

### Recommendation 26
*That the ACT Government consider the application of the Community Service Obligation program to clubs that maintain sport and recreation infrastructure.*

### Recommendation 27
*An independent review of cross border competitive issues should be conducted with a view to identifying opportunities for eliminating the difference in secondary water supply costs between NSW and the ACT.*

### Recommendation 28
*That the ACT Government consider the application of the Community Service Obligation program for recycled water.*

# 1. Introduction

This submission is lodged by ClubsACT on behalf of the ACT community club industry, the more than 2000 locals that are proud to work at a club, the 200,000 Canberrans that are members of at least one community club, the numerous groups and individuals that rely on clubs for financial and other support, the thousands of men, women, boys and girls who each week compete on our fields, play on our greens, swing on our courses, sweat at our gyms or shoot on our courts. And this submission is lodged on behalf of the large number of Canberrans, particularly the elderly, for whom the club represents a very major part of their life.

There is much that can be measured regarding the value of clubs to Canberra. Community contributions, economic activity, employment and so on are all tangible and easily identified. But there is also much which is intangible and more difficult to quantify and that is what clubs mean to their members.

There are many Canberrans who have been members of their club for their entire adult life. Many more feel an affinity for their club that goes well beyond simply thinking their club is a good place to be. To many Australians, clubs are so much more than just the bricks and mortar.

There are nearly 12 million memberships to clubs held by Australians across more than 6,500 community clubs dotted throughout every small town and big city from Exmouth to Byron Bay.

Australians love their clubs.

Canberra has been a club town since almost the very beginning of its history. Some of our clubs are more than 90 years old. All started from very humble beginnings and many have grown to be significant enterprises. But regardless of their origin, every club is established to serve a purpose. Whether it be support for sport, ethnic communities or political parties, all clubs, big or small, exist to support and enhance different elements of the Canberra community. And in that way they are unique and invaluable.

They are also in danger of being taken for granted.

The contributions clubs make to the community and the economy are certainly valued but they are also expected. More importantly, many believe that clubs can and should maintain that contribution regardless of the pressures they face or their economic circumstance.

This is not the case.

Clubs are not immune to the fundamental laws of economics.

If clubs are struggling, then the contributions they make to the purposes for which they were established as well as the broader community more generally, necessarily diminishes.

In the ACT, the club sector is struggling.

There are a number of reasons for this. Demographic change, a general economic downturn in Canberra, increased competition in the hospitality and gaming marketplace and most significantly, the impact of government decision making.

It is in this context that this submission is written - on behalf of and about an industry that is trying to manage a series of very significant challenges.

More than anything else, the club industry is looking for certainty.

It is simply impossible for clubs to manage their businesses and forward plan when the very fundamentals of their operating environment can change so suddenly and dramatically. The recent re-introduction and removal of $50 notes from clubs within 48 hours is emblematic of the extremely frustrating environment clubs are forced to operate in.

The club industry is also an industry in transition. The need for clubs to diversify and explore other, less vulnerable revenue sources has been evident for some time.  Perhaps more than any other factor, the ability of clubs to undertake this transition will determine whether they can survive.

In the recent past, politics has had too much influence on the current state of the industry.

Policy, rather than politics, should be the hallmark of the future approach in preserving and supporting an industry which is genuinely important to Canberra and many, many of its citizens.

That is genuinely a worthy objective.

# 2. This Inquiry

ClubsACT welcomes this inquiry. In many ways it is long overdue, following intense legislative and regulatory activity in the club space, both at the ACT and national levels.

However there has been insufficient genuine dialogue amongst all stakeholders. Too much has been communicated through the media and too little through constructive discussions.

This inquiry takes place in the context of the Chief Minister's statement that no reform in this area will occur without at least bipartisan, if not unanimous support.

Whilst this is not a threshold applied to many issues of Assembly debate, it is a position ClubsACT supports. However, in supporting that position, we would also reiterate that there should be more policy and less politics involved in the process of identifying and achieving necessary reform.

There are clearly different points of view around some issues with each stakeholder representing a particular constituency. But there is much more common ground.

There is clearly a need for a balanced and sensible approach to the public policy process as it impacts on clubs and this inquiry offers the opportunity to generate consensus on a wide range of issues.

For its part, ClubsACT will participate in this inquiry in a constructive, positive and proactive manner. We are keen to discuss all aspects of the issues confronting clubs, including those relating to gaming and harm minimization. We believe we have a very good story to tell. We will also listen to the views of other stakeholders and be constructive in our response.

Whatever the outcome of this particular committee process, the balanced, inclusive and reasonable approach to policy making that ClubsACT seeks must have longevity beyond the life of this inquiry.

To that end, it is appropriate that our first recommendation be focused on ensuring structures are in place to provide an opportunity for sound policy making processes.

***Recommendation 1***

***A Ministerial Advisory Group be established comprising of representatives of ClubsACT, the welfare sector, the business and sport and recreation sectors and other bodies as appropriate. This group will provide an opportunity for relevant issues to be discussed and feedback provided to the Minister.***

# 3. Clubs and Canberra

Clubs have been part of the fabric of Canberra since not long after Canberra itself was established. Clubs like the Canberra Club, the Canberra Services Club, the Canberra Highland Society and Burns Club are as old as the city itself.

Whether it be the Burns Evenings where in 1924 members of the newly formed Burns Club would have poetry written by the famous Scottish poet Robert Burns read to them. Or the opening of the Canberra Club back in February 1931. Or the ribbon cutting of the Canberra Services Club – then affectionately called 'the hut' a mere ten years later, the construction of which was partially funded by the sale of 2000 cakes, some made by Lady Gowrie, the wife of the then Governor General and President of the club until 1944.

Clubs have a rich history in Canberra.

Even one of our bigger club groups, the Vikings, had very humble beginnings in a garage where members began to meet.

It is the history of Canberra and a long held tradition that clubs establish themselves first and provide a service to the community long before other commercial operators decide to take the risk.

Such was the case 90 or so years ago when Canberra's oldest licensed club was established and little has changed in that time.

Clubs were the only place to go for a meal and a drink when Tuggeranong was first being developed more than 30 years ago and clubs have also provided invaluable social focal points in the early stages of Gungahlin's growth over the last decade.

Clubs are first because their focus is the communities in which they operate.

They are established by ordinary people who band together and are bound together by a common purpose.

However, years of growth have given way to periods of rationalization in more recent times. A number of small clubs that could not operate profitably have closed or only exist now because they have been merged into larger groups.

This will likely continue as more small clubs find the operating environment too difficult. However, the ability of club groups to absorb these smaller venues is much diminished given the prevailing financial position of the industry as a whole.

Unless something changes, the future of the Canberra club industry will be not nearly as bright as its history.

## 4.1 - Economic Contribution

In 2007, The Allen Consulting Group published a study detailing the social and economic contribution of the club industry to Canberra.

The Allen Consulting Group study of 2007 found:

- Clubs in the ACT employed 2177 people in 2007 — 62% were casual workers and an additional 29% of workers were employed full-time.
- Gross expenditure by clubs was about $208 million with more than $86 million being paid in wages, salaries and payments to contractors each year.
- Between 2002 and 2007 the number of chefs in clubs in the ACT increased by over 270% and the number of maintenance and cleaning staff, and apprentices increased by around 105%.
- Clubs in the ACT paid $60.3 million to employees in wages and entitlements. In addition, clubs paid $25.8 million to contractors.
- Club expenditure on training by clubs in the ACT totalled $2.5 million in 2007, with 56% provided through formal training. Large clubs provided around 64% of all training.
- Clubs in the ACT invested $40 million in capital expenditure and planned to spend $189 million in the next three years.
- Across all clubs, 79% of all goods and services purchased by clubs were sourced from services within the ACT.

The ACT Government receives roughly $33 million in gaming tax every year along with payments for liquor license fees, land tax, general rates, water charges and the like.

The findings of the 2007 study were reinforced by a more recent audit of the club industry nationally. The National Club Census 2011 compiled by KPMG, found the national club industry generated combined revenues of $9.6 billion from their diverse operations.

From these revenues the industry generated combined Earnings before Interest, Income Tax, Depreciation and Amortisation (EBITDA) of approximately $1.3 billion. In 2011, licensed clubs paid $2.4 billion in taxes.

Clubs nationally are large employers in both metropolitan and rural and regional areas. It was estimated that 96,000 Australians are employed in clubs with 38,000 located in rural or regional areas. More than 2300 clubs provided some kind of formal training to their staff in that year.

Capital expenditure by all licensed clubs was estimated at $1.3 billion spent across a variety of sectors including building and construction through to plant and equipment and community assets.

Finally, the total economic contribution of the club industry nationally in 2011 was estimated at $7.2 billion.

In the ACT, it is quite likely that there has been a contraction in expenditure by clubs as they reduce costs to try and compensate for significantly reduced revenue.

## 4.2 - Social Contribution

The entire purpose of the club industry is to support local communities and Canberra clubs have been doing this for more than 90 years.

For the past 15 years, ClubsACT has been the major sponsor of the Cerebral Palsy Alliance. The funding provided through this long standing relationship has allowed the Alliance to initially establish a physical presence in Canberra which meant local families didn't have to keep travelling to Sydney for treatment and therapy.

Recently, the Alliance opened their brand new, purpose built premises with the significant assistance of Sargents Pies and the ACT Government. At a morning tea held only a few weeks ago, the Governor General Sir Peter Cosgrove praised the club industry for their long standing support for the Cerebral Palsy Alliance.

The contribution clubs have made to the Cerebral Palsy Alliance is one of very many ways ACT clubs support the Canberra community.

The following pages include a list of organizations that received support from clubs in the last full financial year. The list is incomplete but still includes well over 1100 individual organisations that receive support from clubs. The list speaks for itself.

## A

Abbeyfield Society

Abbeyfield Disability ACT

Aboriginal Corporation for Sporting (Boomanulla Raiders)

Aboriginal Tent Embassy

Academy Calisthenics

Acceptance & Commitment Therapy Interest

ACT & Region Veterans Golf Association

ACT 4WD Club

ACT Aero Modellers Association

ACT and Southern Districts 4wd Club

ACT Apple Users Group

ACT Bowls

ACT Boxing

ACT Broomball

ACT CANCER COUNCIL

ACT Children's Week

ACT Cycling Federation

ACT Darts

ACT Darts - Australian Grand Masters

ACT Deafness Resource Centre Inc

ACT District Coin Club

ACT Down Syndrome Association

Act Dressage Association

ACT Eden Monaro

ACT Eden Monaro Cancer Support Group

ACT Eight Ball Association

ACT Electrical Trade Committee

ACT Endurance Riders

ACT Equestrian Association

ACT Filipino Association

ACT Fly Fishers Club

ACT Four Wheel Drive Club

ACT Gridiron

ACT Hangliding and Paragliding

ACT Herpetological Association

ACT Highland Dancing

ACT Hockey

ACT Holden Day

ACT Ice Skating Association

ACT Kindred Organisations Committee

ACT Ladies Tennis

ACT Little League

ACT Monaro District Golf Association

ACT Motor Club

ACT Motorcycle Club

ACT Muscular Dystrophy Association Inc

ACT Neighbourhood Watch Inc

ACT OzTag

ACT Pain Support Group

ACT Pistol Club

ACT Police

ACT Race & Fitness Walking Club

ACT Radio Net Pty Ltd

ACT Railway Historical Society

ACT Region Veteran Golfers

ACT Rescue and Foster Inc

ACT Rescue and Foster Inc. (Dogs)

ACT Reserve Forces Day Council

ACT Retirement Village Residents Association

ACT Right to Life Association

ACT Rock and Roll Club

ACT Rostrum

ACT Scale Modeller's Association

ACT School Sports

ACT Schools Rugby League

ACT Street Machine

ACT Total and Permanently Incapacitated Ex-Services Men/Women

ACT Umpires Association

ACT Veterans Athletic Club

ACT Veterans Cycling Club

ACT Veterans Hockey Association Inc

ACT Wizards League (Belconnen Tenpin Bowling)

ActewAGL

ACTEWAGL - Royal Canberra Show

ActewAGL Canberra & Region Wine Show

Action Calisthenics

ACTSport

Adoptive Families Association ACT Inc

AFL Canberra

AFL Masters

AFL NSW/ACT

AFL Tuggeranong Lions Junior Football Club

AFL Umpires

AFP Legacy

Aidan Vergano - Special Olympics

Ainslie Football Club

Ainslie Gungahlin Baseball Club

Ainslie Junior Football Club

Ainslie School

Ainslie Toastmasters

Ainslie Veterans Football Club

Alpini

Alzheimer's Australia

American Car Club

Animal Liberation – ACT

Angels Softball Club

Anne's Legacy

Antonakos Stella - Carmela Pacchi fundraiser

ANU Australian Football Club

ANU Cricket Club

ANU Engineering

ANU Engineering Students Association (ANUESA)

ANU Friends of AAIA

ANU Hockey Club

ANU Indoor Cricket Team

ANU Men's Hockey Club

ANU Netball Club

ANU Women's Football Club

ANU Women's Hockey Club

ANUFC (Soccer)

ANZAC Day Lunch

Arabian Riders and Breeders

Arabian Owners and Breeders

Aranda Primary School

Aranda-Cook Neighbourhood Watch

Arawang Ladies Probus Club

ARMCHAIR TRAELLERS

Aranda Afters Association

Arthritis Foundation ACT Inc

Artsound FM Inc

Association for Contextual Behavioural Science

Association Giuliani

Association of Anziani Pensionati

Asthma Foundation

Australasian Hellenic Educational Progressive Association

Australian Archaeological Institute at Athens

Australian Bravery Association

Australian Cancer Research Fund

Australian Capital Tae Kwon Do

Australian Catholic University

Australian China Friendship Group

Australian Church Women ACT Unit

Australian Cuba Friendship Society

Australian Electric Vehicle Association

Australian Family Association ACT

Australian Federal Police - Specialist Response Group

Australian Great War ACT Branch

Australian Hellenic Council

Australian Institute of Project Management

Australian Investors

Australian Lebanese Association

Australian National Eisteddfod

Australian National University

Australian Parkour Association

Australian Red Cross

Australian Republican Movement

Australian Rodeo Queen Talent Quest

Australian Rostrum (ACT DAIS) Inc

Australian Seniors Tennis

Australian Shareholders Association

Australian Society of Sports History

Australian Solar Energy

Australian Technical Analysts Association

Australia-Thailand Association

Austrian Choir

Autism Association of the ACT

Autism Spectrum

## B

Bandits Baseball Club

Barnardo's Association

Barton RSL Club

Basketball ACT

Batemans Bay Greek Community

Belconnen Artist Network

Belconnen Community Service

Belconnen Australian Rules Football Club

Belconnen Inner Wheel

Belconnen Junior AFL (Cats)

Belconnen Netball Club

Belconnen RSL

Belconnen U/7 Football (Sharks)

Belconnen United Football Club

Belconnen United Scholars

Belconnen Volleyball

Belnorth Junior Soccer Club

Belsouth Junior Soccer Club

Belwest Foxes Soccer Club

Bendigo Bank

Bendigo Cancer Council

Benny Wills Charity

Beryl Women Inc

Betsafe

Better Hearing

Better Hearing Australia Canberra Group

Billings Family Life Centre ACT inc

Black Dog Ride

Black Mountain High School

Blind Citizens Australia

Blitz Ballroom Dancing

Blood Balance

BMW Car Club

Bonython Primary School

Boomerang Softball Club

Book Group - Fourth Wednesday Reading Group

Boomerangs Softball Club Inc

Bosom Buddies ACT

Bowel Cancer Research

Bowel Cancer Trust

Bowel Care Australia

Bowning Buffaloes Cricket Club

Bowning Cricket Club

Brain Tumor Alliance Australia

Bravehearts 777

Breast Cancer

Brick Expo Enterprises

Brindabella 4WD Club

Brindabella Blues Football Club

Brindabella Calisthenics College

Brindabella Motorsports

Brindabella Ranges 4WD Club

Brindabella Women's Group

Brumbies Rugby

Burgmann Anglican School P&F Association

Burgmann Anglican School

Burns Club Cue Sports

Burns Club Pipe Band

Burns Darts Club

Burns Golf Club

## C

CACTI

Calwell High School

Calwell Little Athletics

Calwell Neighbourhood Watch

Calwell Primary School

Calwell Softball

Calwell Swans Football Club

Camp Quality

Campbell Primary School

Campbell Russell RSL

Canberra & District RL Referees

Canberra and Region Multiple Birth Association

Canberra Anglers

Canberra Antique & Classic Car Club

Canberra Big Red Kidney Walk

Canberra Blind Society

Canberra BMX Club

Canberra Bowling Club

Canberra Brave

Canberra Brewers

Canberra Budgerigar Society

Canberra Bulls Speedway

Canberra Cavalry

Canberra Central Combined Probus Club

Canberra Chess Club

Canberra City & Suburban Cricket

Canberra City Billiards Social Club

Canberra City Bowling Club

Canberra City Evening View Club

Canberra City Lions Club

Canberra City Probus

Canberra City Soccer Club

Canberra Cochlear Implant Support Group

Canberra College

Canberra College of Piping & Drumming

Canberra Diamonds Women's Netball Team

Canberra District Aquarium

Canberra District Rugby League Football Club

Canberra District Rugby League Referees Association

Canberra EV

Canberra Finnish Society

Canberra Fisherman's Club

Canberra Game Fishing

Canberra Games Society

Canberra Gliding Club

Canberra Grammar School

Canberra Hellenic Dancers

Canberra Hospital

Canberra Hospital - Give me Five for kids

Canberra Jazz Club

Canberra Jazz Group

Canberra Joomla User Group

Canberra Kart Racing Club

Canberra Lakes Pony Club

Canberra Legacy Club

Canberra Lung Life Support Group

Canberra Mandolin Orchestra

Canberra Melanoma Support Group

Canberra Men's Choir

Canberra Model Railway

Canberra Model Shipwrights Society

Canberra Model Vehicle Society

Canberra Montessori School

Canberra Multicultural Forum

Canberra North Rotary Club

Canberra Off Road Cyclists

Canberra Olympic Football Club

Canberra Physical Culture Club

Canberra Priests

Canberra Raiders Rugby League Football Club

Canberra Refugees Support

Canberra Region Junior Rugby League

Canberra Roller Derby League

Canberra Scholars

Canberra School of Tennis

Canberra Science Fiction Society

Canberra Special Children's Christmas Party

Canberra Special Children's Party

Canberra Symphony Orchestra

Canberra Theatre (Cultural Facilities Corporation)

Canberra Valley Lion Club

Canberra Special Children's Christmas Party

Cancer Ambulatory Care & Community Health

Cancer Council ACT

Cancer Support Group

CanTeen

Capital Bridge Club

Capital Cats Inc

Capital Field Archers

Capital Fitness Consultants

Capital Football

Capital Football Referees

Capital Healing Rooms

Capital of Australia Mandolinata Inc

Capital Region War Games

Capital Tigers

Caravan Club

Care Flight

Carers Association

Carmelite Monastery

Caroline Chisholm High School

Carols by Candlelight

CASA D'Abruzzo

Catechesis of the Good Shepard Canberra

Catenians 331

Catholic Justice Commission

Catholic Primary Schools Netball Carnival

Catholic Women's League - North Woden Branch

Canberra District Women's Soccer Club

Celtic Choir

Central Hockey

Centurions Grid Iron

Cerebral Palsy Alliance

Chapman Primary School

Charles Conder Primary School P&C Assoc

Charnwood Neighbourhood Watch

Charny Carny

Chifley Preschool Parent Association

Chifley Preschool Unit

Children's Hospital Foundation of Australia

Church Missionary Society

CIAO

CITC

City Group

City of Queanbeyan Pipes and Drums

Civic Rostrum Club

Civium Property

Clare Holland Hospice

CLC Golf Club (formerly Canberra Workers)

Clergy Retirement Foundation

Clovelly Eagles JRLFC

Coffee & Chat

Combined Probus Club of Cooleman Inc

Communities at Work

Community connections

Community grants lunch

Compassionate Friends ACT & Queanbeyan Inc

Comualtas - Irish Musicians

Concordia Choir

Construction Charitable Works

Cordelta

Corroboree Little Athletics

Council on the Aging ACT

Country Line Dancing Group

Country Music Association

Covenant Care

Covenant Christian School

Cretan Association

Cricket ACT

Cricket Association

Croatia Deakin Soccer Club

Cultural Fashion Parade

Curtin Carols on the Block

Cypriot Community

Cystic Fibrosis ACT

## D

Dante Alighien

Daramalan College Rowing Club

Daramalan College Basketball

Dayview Club

Deaf Rugby Australia

Deer Association

Defence Force Welfare Association

Defence Widows Support Group

Demons Softball Club

Dental Prosthetics Association

Department of Neonatology

Department of Immigration - Beyond Blue Golf Day

Diabetes Australia

Diabetes Australia (ACT)

Dickson Squash Club

Disability ACT

Ducati Club

Duffy Primary School

Dunlop Neighbourhood Watch

Duntroon Community Centre

## E

Eagle Sports Association

Eagles Baseball Club

Eagles Touch Club (ACT Touch Football)

Eastlake Cricket Club

Eastlake Demons AFL

Eastlake Junior Cricket Club

Eastlake Junior Demons AFL

Eastlake Past Players Association

Eastlake Social Golf Club

Eastlake Women's AFL

Eddison Day Club

Eden Monaro Cancer Support Group

EJ-EH Holden

Embroiders Guild ACT Inc

Emu Ridge Neighbourhood Watch

Encuentro AGM

English Class

Equestrian Park Management

Erindale College

Ethnic Disability

Euro Games Canberra

Evatt Callisthenics

Evatt Primary School

EXIT International

Experimentalists

## F

FACT BMX ACT

Faith & Light Canberra

Faith Fellowship

Featherstone Garden Club

Federal Golf Club

Federation of Calabresi

FE-HR Holden

Fiat Car Club

Filcom Basketball

Finch Club

Finnish Monday Group

Flinders Tennis Association

Flynn Neighbourhood Watch

Forrest Primary School

Forward In Faith

Foster Care Association

Foster Care Associations of the ACT

FPV & XR Club (Ford Club)

Fraser Primary School

French Conversation Group Canberra

Friends of Aranda Bushland

Friends of Ireland - Committee Meetings

Friends of Ireland - Irish Language

Friends of Ireland – Society Meetings

Friends of the Brain Injured ACT Inc

Friends of the School of Music

Friulani

Full Gospel Churches of Australia

Fusion Canberra

## G

Garran Primary School

German Choir

Gideon's International Australia

Gilmore Primary School

Ginninderra Junior Athletics Club

Ginninderra Netball Club

Ginninderra Rats Basketball

Ginninderra Senior Cricket Club

Ginninderra Toastmasters Club

Giralang Primary School

Golf Australia

Goodwin Aged Care

GOPIO Canberra

Gordon Neighbourhood Watch

Gordon Pre School

Government Paddock Users Group

Gowrie Cancer Support Council

Gowrie Court Residents Group

Gowrie Primary School

Greek & Cyprus Communities

Greek Orthodox Community of Canberra

Griffith/Narrabundah Community Council

Gruppo Incontro

Guises Creek Rural Fire Service

Gungahlin Bulls Junior Rugby League Football Club

Gungahlin Bulls Minor Rugby League Football Club

Gungahlin Eagles Rugby Union Club

Gungahlin Jets Australian Rules Football Club

Gungahlin Lakes Giants Football Club

Gungahlin Lakes Golf Club

Gungahlin Toastmasters

Gungahlin United Football

## H

Hackett Preschool

Hall Bushrangers

Hamlin Fistula

Hands Across Canberra

Harley Davidson Club

Harley Owners Group - Canberra Chapter

Hartley Challenge - Team Resolution Cogent

Hartley Lifecare Inc

Hawker Primary School

Heart and Soul Singers

Heart Foundation

Heraldry & Genealogy Society of Canberra

Hellenic RSL

Hellenic Youth Club

HFS Croatia Dancing Group

HMAS Harman

HMAS Harman - Royal Australian Navy

HMAS Sydney

Holy Family Primary School

Holy Trinity Primary School

Home in Queanbeyan

## I

Ice Dragons Dragon Boat Club

IDFA

IGA House

Immune Deficiency Foundation

Independent Disabled Ten Pin Bowlers ACT

Indian Seniors Baseball

Indians Baseball

Infinite Believers - Relay for Life 2014

Information Miner

Inner North Play School

Inner South Community Council

Inner Wheel

Intimo - Breast Cancer Fundraiser

Irish Golf Clan

ISCCC

Italian Car Association

## J

Jaguar Car Club

Jakub Gancarz - Junior Golfer

Jamison Probus

Jazz Club Canberra

John Paul College

Joyelle Calisthenics

Juggernauts Football Club

Junior Talent Squad for Athletes with Disabilities

Justice and Community Safety Social Club

Juvenile Diabetes Research Foundation

## K

Kairos Prison Ministry

Kalamias Association

Kaleen Family Fishing Club

Kaleen Tennis

Kambah Pony Club

Karilee Calisthenics

Karinya House

Karma Scout Group

Karpathian Association

Katz Netball

Kellie Brookes - Nurses in Action

Kidney Health Australia

Kids Cancer Project

Kids First Aid

Kings Swim Centres

Kingsford Smith School

Kippax Probus Club

Kippax Toastmasters

Knights of Rizal

Komodo Paddle Club

Koomarri

Kytherian Brotherhood

## L

Ladies Probus Club

Lake Ginninderra Sea Scouts

Lake Tuggeranong Rowing Club

Lake Tuggeranong Sea Scouts

Land Rover Club

Lanyon High School

Lanyon Little Athletics

Lanyon United Football Club

Lanyon Valley Dragons Football Club

Lara Jean Association Inc.

Lara Jean Foundation

L'Arche Genesaret

Latham Primary School

LEAD

League Safe

Leanne McGrath Irish Dance Group

Lebanese Forces Friends

Legacy (Laurel) Ladies

Legacy Club of Canberra

Legacy Strauss Ball

Legacy Widows

Lemnos Association

Leukaemia Foundation

Lifeline Canberra

Light Car Club of Canberra

Linux Learners (PC Users Group (ACT))

Lions Club of Canberra

Lions Club of Canberra Burley Griffin

Lions Club of Kambah

Lone Fathers Association

## M

Mackillop College

Macquarie Probus

Macular Degeneration Foundation

Magic Mania

Magicians Association

Mah-jong Group

Majura Probus

Make a Wish Foundation

Malkara School

Manquehue Dance Group

Maribyrnong School

Marist AFL Club

Marist College

Marist Rugby Club

Mah-jong Ladies

Manuka Toastmasters

Mary Help of Christians Parish South Woden

Marymead Child and Family Centre

Mawson Primary School

McGregor Primary School

McGuire Programme Support Group ACT

Menzies Group

Meg's Toy Box

Melba Men's Shed

Melba Pre-school

Melba Tennis Club

Members ACT Police Force

Men of Grace

Men of League

Men's Choir

Men's Probus Group

Men's Shed Association

Menslink

Mental Health

Mercedes Club

MG CAR CLUB

Michael Lean

Miles Franklin Primary School

Military Christian Fellowship of Australia

Military History Tours Australia

Mini Car Club

Ministry to the Newly Married

Miss World Australia ACT

Missionworx Inc

Model Aero Club

Molonglo Football Club

Monaro Division Toastmasters

Monaro Folk Society

Monash Primary School

Motor Riders Association

Movember

Multiple Sclerosis ACT

Murrumbidgee Broom Ball

Murrumbidgee Football Club

MWS ACT

MX5 Club

Mytelinian Association

## N

NAAS

Namadgi School P & C

Namadgi Sports Flyers Club

Namadgi Toasters

National Aeronautical and Aviators Society

National Austrian Choir

National Capital Equestrian Club

National Capital Horsetrails

National Capital Motor Sports Club

National Council of Women ACT

National Rugby League Limited

National Seniors Association

National Service and Combined Forces Association

National Servicemen's Assoc of Aust ACT Branch

National Servicemens Assoc of Australia

National Stroke Foundation

Naval Association

Naval Officers Club

NAWCC - Watch & Clock Collectors

NEAFL (AFL NSW/ACT)

Neighbourhood Watch Belconnen

Netball ACT

Ni Bonchi Judo Club

Nicola Hall Travini - Fund raisingTrivia Night

Ninja Cats T.F.C

North Belconnen Day Centre

North Belconnen Neighbourhood Watch

North Canberra Bears

North Canberra Futsal

North Canberra Gungahlin Athletics Club

North Canberra Gungahlin Cricket Club

North Canberra Hockey Club

North Canberra Probus

North Gungahlin Raiders Netball

Norths Basketball

Northside Lighting Cricket Club

Novaglade Sports Club

NUSA Tenggarra Association

## O

Oceania Snooker Championships

OMNIA

Ovarian Cancer Research Foundation

Ovcare

## P

Pain Support ACT

Palliative Care ACT

Palliconian Association

Palmerston District Primary School P&C

Panthers Cricket Club

Panthers Volleyball

Parentline Act Inc

Parkinson ACT

PC Users Group

Pedal Power

Pegasus Riding for the Disabled

People with Disabilities ACT

Peugeot Australia

PFLAG

Pharmaceutical Society of Australia

Phoenix House Youth Services

Phoenix Players

Physical Activity Foundation

Pines Tennis Club

Pink Hope Community Limited

Pioneer Club - Australia Day

Podmore Foundation

Police Citizens Youth Club

PPSEAWA

Pregnancy Support Service

Print Handicapped Radio of ACT Inc

Probus Club of Canberra

Probus Club of Gold Creek

Probus Club of Gungahlin

Probus Club of Ngunnawal

Probus Club of Deakin

Probus Club of East Canberra

Probus Club of Greenway

Probus Club of Lanyon

Probus Club of Tuggeranong

## Q

Ql2 Dance Inc

Queanbeyan Rugby Football Club

Queanbeyan Whites Rugby Union

Quota Club

## R

RAAF Retired Officers

Rare Cancers Australia

Red Cross Australia

Red Cross College

Relay for Life

Renault Owners Club

Retired Naval Officers Support Club

Ronald McDonald House Charity

Rosary Primary School

Rostrum

Rotaract Club of Canberra

Rotary

Rotary Club of Canberra

Rotary Club of Canberra (Circus Quirkus)

Rotary Club of Canberra Burley Griffin

Rotary Club of Gungahlin

Rotary Club of Queanbeyan

Rotary Club of Weston

Rotary Woden Daybreak

Royal Australian Navy

Royal Far West

Royal Flying Doctor Service

Royal Life Saving - RLSSA

Royal Life Saving Society - Australian Capital Territory (ACT)

Royal National Agriculture Society

RSI & Overuse Injury Association

RSL - City of Canberra Sub Branch

RSL ACT Branch

RSL Day Club

RSL Sub Branch

RSPCA

Rural Fire Service ACT

## S

Sacred Heart Primary School

Salvation Army

SCA Community Fundraising

Scandinavian Association

School Sport ACT

SCOA

Scouts ACT

Scouts Australia

Scrabble Club

Scripture Union ACT

Seechange

Send Hope not Flowers

Serra Club Canberra

Service Women's Club

Seven Streams International Church

Shout for Shelly - Fund Raiser

Shout Inc - Self Help Organisations Unit

Sids and Kids Canberra

SIRET

Sleep Apnoea Association

SNOG - Sydney Neuro Oncology Group

SNOGS - Social Network of Graduates

Snowy Hydro SouthCare

Softball ACT

Solace ACT

Soroptimists Club

South Canberra Futsal

South Canberra Netball Association

South Canberra/Tuggeranong Little Athletics

South Coast Rugby Zone

South East Tuggeranong Community Council

South East Tuggeranong Residents Association-SETRA

South Gungahlin Raiders Netball

South Tuggeranong Knights Football Club

South Tuggeranong Softball Association

SouthCare Helicopter Fund

Southern Canberra Gymnastics Club

Southern Sport Club

Southern Tablelands 4 WD Club

Southside Camera Club

Southside Community Council

Southside Community Services

Southside Rock & Roll

Southside Teachers Association

Southside Teachers Cricket Club

Southwell Scouts

Spanish Carers

Speak Easy Foundation

Special Olympics ACT

Spiritual Care ACT

Sports Medicine Australia

St Andrew's Church

St Anthony's Primary School

St Benedict's Primary School

St Bedes Primary School

St Clare of Assisi Primary School

St Clare's College

St Demetrios Church

St Demetrios Philoptochos

St Edmunds AFL Junior Club

St Edmunds College Canberra

St Francis of Assisi Primary School

St John the Apostle Primary

St John Vianney Primary School

St Joseph's Primary School

St Judes Primary School

St Mary Mackillop College

St Michaels Primary School Kaleen

St Monica's Primary School

St Nicholas Afternoon School

St Nicholas Home for the Aged

St Nicholas Pre School P and F

St Nicholas Pre-School

St Patricks Hockey Club

St Patricks Junior Hockey Club

St Peter & Paul's Primary School

St Thomas Moore Primary School

St Thomas the Apostle Primary School

St Thomas Aquinas Primary School

St Vincent de Paul

St Vincent de Paul - Drug Rehab

St Vincent's Primary School

St Vincent's Night Patrol sandwiches

St. James Uniting Church

Starlight Children's Foundation

Stella Bella Little Stars Foundation

Stirling Art Group

Stromlo High School Awards

Stroud Family Fund Raising Trivia Night

Submarines Association Trust

Supa Productions

Supporting Jasmine's Journey

Sutherland Softball Club

Swimming ACT

Swiss Club

## T

Table Tennis ACT

Table Tennis Australia

Talking Art

Tango Social Club

Taylor Primary School

Technical Aid to the Disabled

Telopea Swim Club

Tennis ACT

Tennis Seniors ACT

Thalassaemia Society of NSW

The English in Australia (TEA) Inc.

The Heartbeats

Toastmasters

Theodore Primary School

Therapeutic Goods Administration

Theresa Whitten

TIF Toastmasters

Tiger Sports Club of Bangladesh (Cricket)

Toastmasters

Tomakin Sports & Social Club

Toora Women Inc

Torana Club

Torrens Pre School

Torrens Primary School

Touch Football ACT

Touch Football Australia

Tour de Cure

TPI Association, Ex Serviceman and Women

TPI Wives

Tradies Racing Squad

Traditional Boat Squadron

Travel Club

Travelling Bowlers (formerly Southern Cross)

Trevisani

Trinity Christian College

Triton Owners Club

Triumph Car Club

Tuggeranong Community Festival

Tuggeranong 55 Plus Club

Tuggeranong Adult Riding Club

Tuggeranong Archery Club

Tuggeranong BMX

Tuggeranong Buffaloes Junior Rugby League Football Club

Tuggeranong Buffaloes Rugby League

Tuggeranong Bulldogs

Tuggeranong Bushrangers Rugby League Football Club

Tuggeranong Community Council

Tuggeranong Dog Training Club Inc

Tuggeranong Hawks Football Club

Tuggeranong Lions Junior AFL Club

Tuggeranong Little Athletics

Tuggeranong Masters Swimming Club

Tuggeranong Men's Shed

Tuggeranong Netball Association

Tuggeranong Pidgeon Racing Club

Tuggeranong RSL

Tuggeranong Senior Citizens

Tuggeranong Tornadoes Gridiron

Tuggeranong United Football Club

Tuggeranong Valley Band

Tuggeranong Valley Cricket Club

Tuggeranong Valley Lawn Bowls Association

Tuggeranong Valley Junior Rugby Union Football Club

Tuggeranong Valley Rugby Union Football Club

Tuggeranong Valley Women's Bowling Club

Tuggeranong Vikings Basketball

Tuggeranong Vikings Hockey Club

Tuggeranong Vikings Swim Club

Tuggeranong Vikings Water Polo

Tuggeranong Vikings Women's Hockey Club

## U

U3A Advanced Italian Class

U3A Books & Writers

U3A Central Africa

U3A Continuing Italian

U3A Creative Embroidery

U3A Current Affairs

U3A Current Affairs

U3A French Class

U3A Italian Conversation Class Group 1

U3A Italian Conversation Class Group2

U3A Japanese

U3A Japanese Beginners

U3A Jazz

U3A Just Writing

U3A Latin

U3A Mah-jong

U3A Music Appreciation

U3A Musical Theatre

U3A Recorder

U3A Spanish Club

U3A Write Word Group

UC Firebirds

UC Student Ass

Ulysses Club of Canberra

Ukelele's Canberra

Uni Norths Junior Rugby Club

Unified International Tae Kwon Do Club

University of Canberra (UCU)

## V

Valley Dragons Junior Rugby League Football Club

Valley FM

Valleys Hockey Club

Variety Car 45 (Bash car)

Vibrant Colours

Vietnam Veterans and Veterans Association

View Club

Vikings Badminton

Vikings Baseball

Vikings Chess Club

Vikings Cycling

Vikings Fishing Club

Vikings Social Golf

Vikings Social Tennis

Vikings Squash

Vikings Surfboat Rowing Club

Vikings Touch Football Association

Vikings Triathlon

Villagio Sant Antonio Nursing Home

VN Smiles

Volleyball ACT

Volunteering ACT

## W

Wahine Toa Ladies Darts

Wanniassa Hills Primary School

War Widows Guild of Australia

Warrigal Road Primary School

Watson Preschool Parents Association

Webb Michael - Ollie Lanham fundraiser

Welsh Club

West Belconnen Junior Rugby League Football Club

West Belconnen United Neighbourhood Watch

West Belconnen Warriors (Senior)

Western District Cricket Club

Western Districts Junior Rugby Club

Western Sydney Football Club Ltd

Weston Creeek Community Concert Band

Weston Creek Bowling Club

Weston Creek Community Council

Weston Creek Cricket Club

Weston Creek Garden Club

Weston Creek Ladies Probus Club

Weston Creek Little Athletics Club

Weston Creek Soccer Club

Weston Creek Toastmasters

Weston Creek View Club

Weston Creek Woden Dodgers

Weston Creek Womens Bowling Club

Weston Molonglo

Weston Molonglo Football Club

Weston Raiders Social Golf Club

Weston Scout Group

Weston Valley Archery Club

Wildcats AFL

Wildlife & Botanical Artists Inc

Wine Club

Woden Blues AFC

Woden Community Services

Woden Lions Club

Woden Little Athletics

Woden Rams Rugby League

Woden Rostrum Club

Woden Senior Citizens

Woden SES Volunteer Unit

Woden Valley Community

Woden Valley Festival

Woden Valley Football Club

Woden Valley Gymnastics Club

Woden Valley Rams Rugby League Football Club

Woden Valley RSL

Woden Valley Soccer Club

Woden Valley Softball

Woden Valley Toastmasters Club

Woden Valley Youth Choir

Woden View Club

Woden Wanderers Cricket Club

Woden Weston Rams Rugby League Football Club

Woden Youth Centre

Women in Racing

Womens International Club

Woodcraft Guild ACT Inc

World Vision

WRAAC

## Y

Yabbies Cricket Club

Yass High School

Yass United Rugby League Football Club

YMCA Aquatic Education

Yuin Monaro United Rugby League Team

## Z

Zonta Club of Canberra

Zonta International

Official data from the ACT Gambling and Racing Commission also shows that over the last 10 years, clubs have provided more than $150 million in community contributions. This is additional to the gaming tax paid by clubs which over the same period would be well in excess of $300 million.

Licensed clubs in the ACT have consistently provided roughly double the required amount in community contributions. The contributions clubs make to the community span sport, infrastructure, charities, politics and just about every part of community life.

Formal community contributions are only a part of the overall contribution clubs make each year to the social fabric of Canberra. Clubs also maintain significant community assets that support sport and recreation in the ACT.

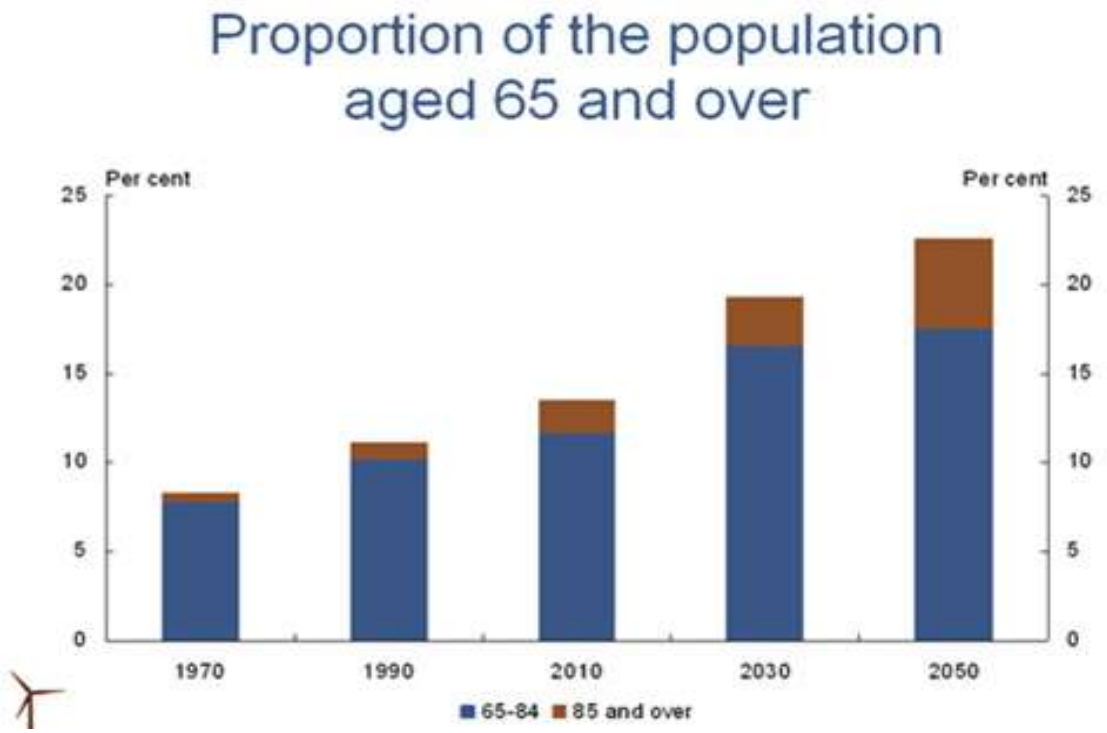
The sporting infrastructure that clubs support for the community to use is extensive.

Clubs also offer an opportunity for volunteers to engage with the community. According to the Allen Group, in 2007, at least 2553 volunteers participated in ACT clubs' activities with an estimated contribution of at least 186 243 hours.

Again, the situation in the ACT is similar to the national picture.

It was estimated that in 2011 there were 2,840 clubs that provided bowling greens, 1,450 that had golf courses, 580 with tennis facilities and 710 sporting fields for use by members and the community.

These are only a few aspects of the many contributions clubs make to the social fabric in Canberra. Indeed, the role of clubs as community hubs will only increase, particularly as Australia's population ages. It is also true that the value of clubs' role as safe places for people to congregate and recreate will increase as communities generally become more disconnected.




In a recent survey conducted by Just Better Care, an Australian provider of aged care and disability support, loneliness and social isolation was listed as the main concern of their clients. Loneliness outranked mobility and access to transport, loss of independence and financial matters, underscoring how important social inclusion and engagement is for particularly the elderly.

Indeed, social inclusion is a key concept at a time when community disconnectedness is more widespread than ever before.

In his book Disconnected Andrew Leigh summarised the national picture:

> *"Organisational membership is down. We are less likely to attend church. Political parties and unions are bleeding members. Sporting participation and cultural attendance are down. Volunteering is most likely below its post-war peak, though it did record a rise in the late 1990s. We have fewer friends and are less connected with our neighbours than in the mid-1980s. Other measures have flatlined, but few have risen."*

Against this bleak assessment, clubs and their affiliated organisations play an invaluable and increasingly rare role in providing opportunities for social connection and inclusion.

This is something that should be encouraged as much as possible.

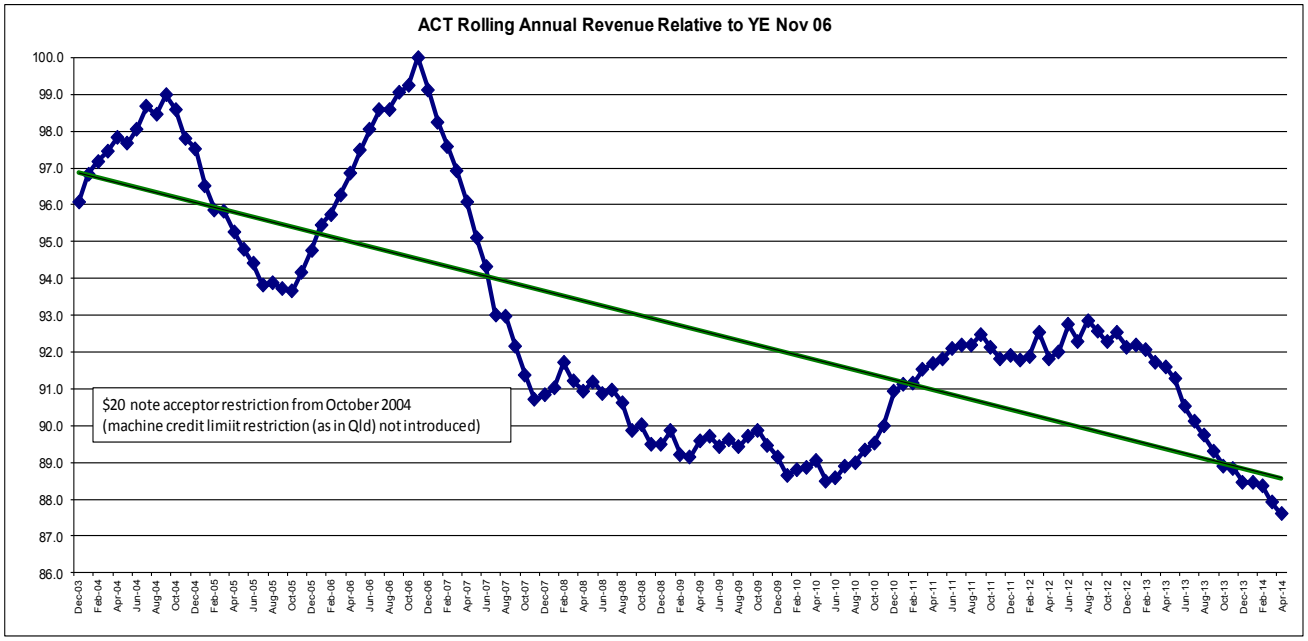
Any examination of this contribution inevitably leads to an important question.

Who does all this if clubs don't exist?

# 5. Bleak Present and Grim Future

The industry as a whole is experiencing the worst trading conditions in history with many clubs reporting their very first financial year losses.

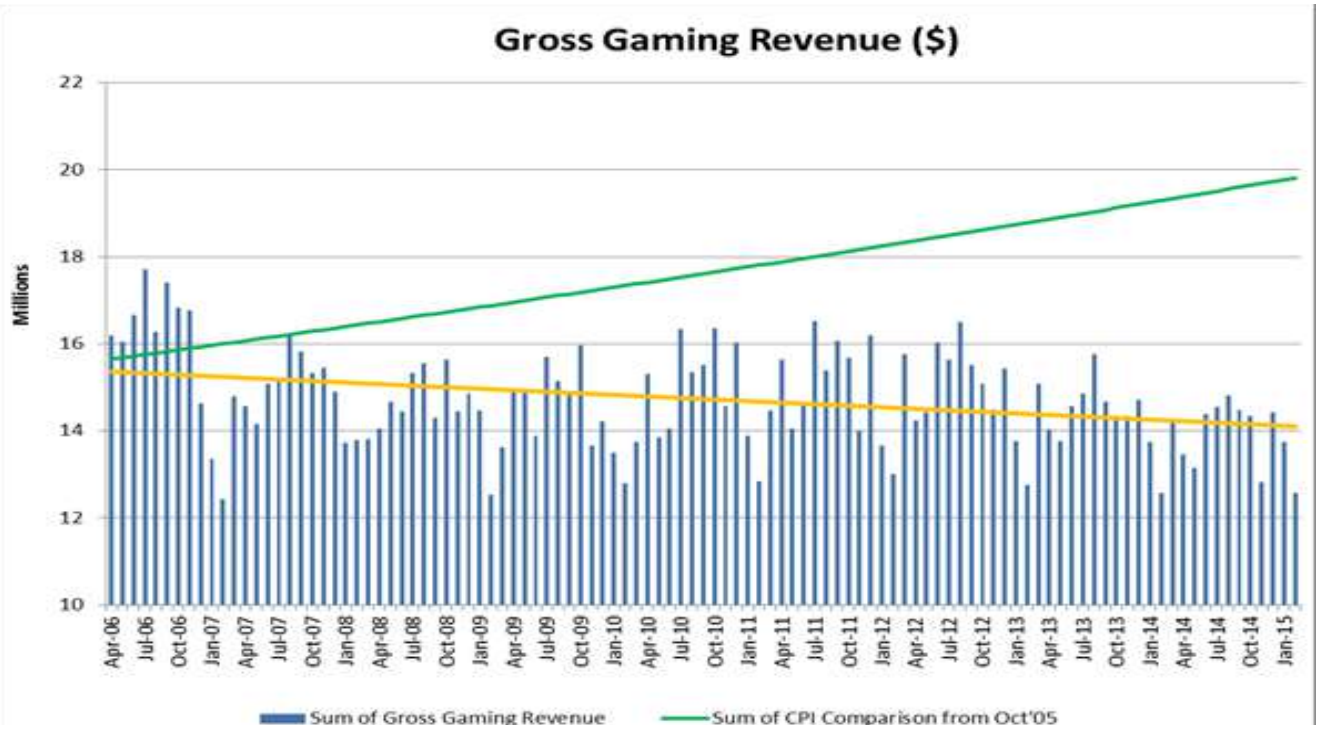
The graph below charts Gross Gaming Machine Revenue (GGMR) movement on a monthly basis. It clearly indicates a significant downward trend over the last decade.




The chart below compares GGMR to what would have occurred to gaming revenue if it grew at the same rate as the Consumer Price Index – a very modest rate of growth. The difference in dollar terms is nearly $6 million per month.

In fact gaming revenue has declined by more than a third, since 2006.

So for those who believe a reduction of gaming revenue is an end in and of itself, that end has largely been achieved. It begs the question – what level of revenue reduction would be satisfactory?



It would also be the case that gaming as a proportion of total revenue would have also decreased over recent times, currently representing roughly half of total revenue.

Without doubt the single biggest contributor to the current perilous financial position of the industry is successive decisions of government that have negatively impacted on revenue that clubs rely on generating to survice.

Certainly government decision making is not the only factor. Demographic shifts, competition in the hospitality and gaming & wagering markets along with general economic conditions in the ACT all contribute to the current situation.

This is borne out by the fact that non-gaming revenue lines in many clubs have also been falling dramatically over the last two to three years as the impact of federal public service job cuts – real and threatened – have put a stranglehold on discretionary spending.

The outlook for clubs in Canberra is challenging.

The sector as a whole grew substantially after the introduction of gaming machines in the 1970s. Many clubs invested significantly in facilities as well as acquiring other, smaller clubs. Much of this investment was in assets that were not in and of themselves profitable. For many years revenue was such that this asset base could be sustained. However, those revenues simply do not exist anymore and clubs have consequently been forced to reduce expenditure.

Further rationalization in the club industry in coming years is inevitable. There will likely be fewer venues. Unless the operating environment changes, clubs will continue the process of offloading non-profitable assets as they simply can no longer afford to sustain losses. Levels of community contributions will likely decrease and clubs will struggle to maintain competitive pricing.

The biggest challenges clubs will face over the medium to long term is continued reductions in revenue from gaming as competition for the gaming dollar further intensifies and the difference in the regulatory regime clubs face compared to other providers grows.

Whilst gaming represents a smaller percentage of total revenue now than in the past – between 50 and 60 percent – it is still the single largest revenue source for most clubs. Gaming revenue is also extremely vulnerable to external influence and by definition is a significant business risk. There is only so much any club can do to mitigate this risk.

Clubs will only survive if they can implement business models that address the array of risks they face now and into the future. There will be a number for whom this will simply not be possible.

# 6. Falling Revenue and Profitability

Licensed clubs in the ACT are not-for-profit entities. Whilst clubs, like any business, earn revenue and incur expenses, the surpluses that clubs make cannot be retained as profits and be distributed to owners or shareholders. Surpluses must be used for the benefit of the club, its core purpose and its members.

As has been mentioned, club revenue is at record lows. Gaming revenue has been falling since the introduction of smoking bans in November 2006.

Non-gaming revenue has also declined rapidly in the last two to three years. A number of clubs have experienced declines in the food and beverage parts of their business of between 5 and 35 percent.

Recently, clubs were asked to provide information regarding their profit or loss in the last audited financial year as well as their total revenue from ordinary activities and net assets for the same period. Data was received from 27 venues, nearly half of all clubs in Canberra and the results are telling.

| All Clubs Data Set | Result |
|---|---|
| Average Profit as a % of Net Assets | 0.8 % |
| Average Profit as a % of Total Revenue | 0.9 % |

Some clubs were showing profit as a percentage of net assets of -6.6, -7.4 and -20.4 percent. Figures from individual clubs for profit as a percentage of total revenue were -2.3, -11.3 and -19.1 percent.

If data from just the small clubs is examined the figures are even more stark.

| Small Clubs Data Set | Result |
|---|---|
| Average Profit as a % of Net Assets | -8.6% |
| Average Profit as a % of Total Revenue | -9.5% |

These are not only unsustainable and are far below what would be acceptable in a normal commercial environment, but highlight the fact that some clubs are in a critical condition.

Clubs have attempted to compensate for this revenue loss by reducing expenditure. This has involved reducing staffing numbers and less spending on goods and services which of course have a flow on effect to other local businesses and the economy generally.

Whilst revenue has fallen sharply, costs of doing business continue to increase. Some of these costs are government imposed fees and charges such as liquor fee increases, general rates, and exorbitant costs of water.

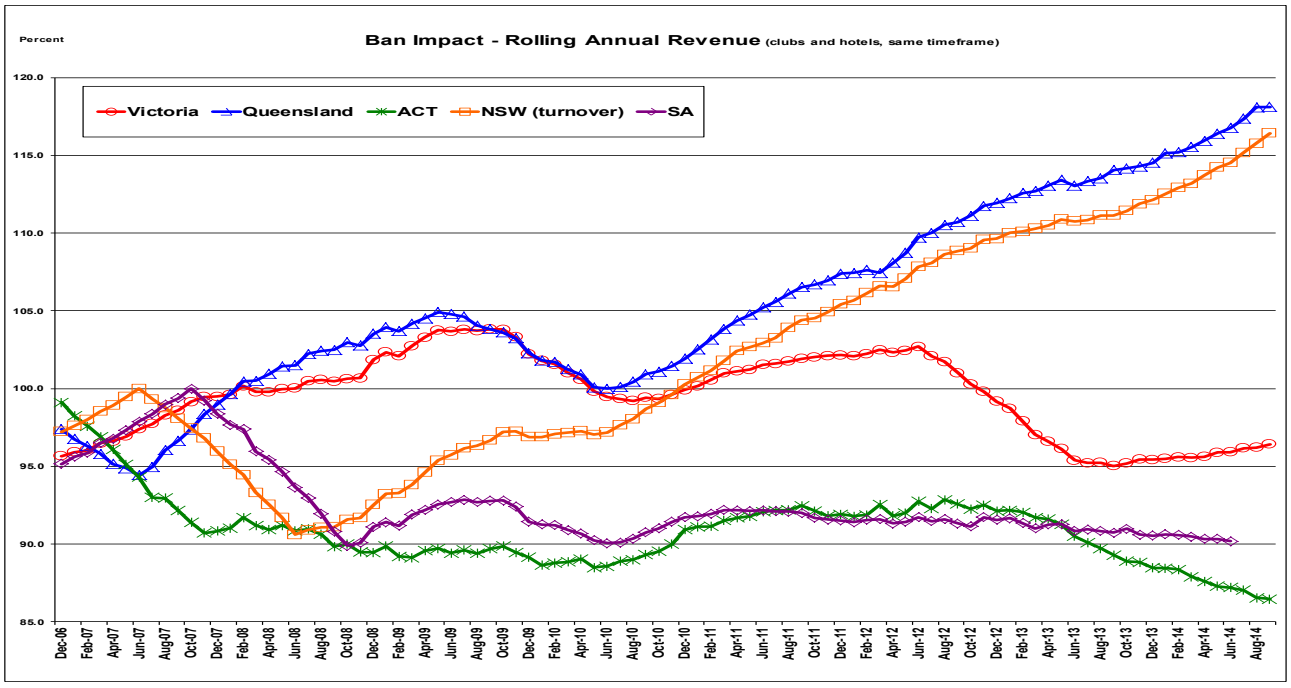
Many clubs including some of Canberra's club groups have recorded their first ever trading losses. This paints a fairly bleak picture in terms of the profitability of the industry as a whole.

Clubs continually need to try and strike a balance between service provision for their members and wider community and the need to run clubs as businesses with sound financial decision making. This is difficult given the fact that clubs exist principally to serve the interests of their members and the core purpose of the club itself. This involves maintaining assets that are inherently unprofitable and meeting funding obligations for sporting teams, ethnic organisations and the like.

This is what distinguishes clubs from other businesses. A normal, for-profit business simply would not carry the kind of unprofitable assets that the club sector maintains.

The inescapable truth is that clubs will only be able to maintain these assets if the revenue is there to do so.

The chart below compares the ACT gaming revenue results with other states. It clearly demonstrates the growth that is experienced in NSW and QLD in particular and Victoria until the decision to remove ATMs from venues was introduced.




The point this chart makes is the significant revenue reductions experienced in the ACT is not a national phenomena. The club industries in NSW and QLD in particular operate under a less restrictive regulatory environment and have a much greater degree of political certainty.

They are industries that are growing, employing more people, investing in their clubs and spending more on goods and services, paying more tax and generating economic activity.

One of the factors impacting on gaming revenue is that as alternatives to traditional, in venue gaming machines appear in the market, more and more people are choosing to spend their gaming dollar on those alternatives. Increasingly, people are choosing to go online not just to gamble, but to play virtual poker machines in that online environment.

The more restrictions and regulations that are placed on in-venue gaming makes it less competitive relative to online alternatives where the harm minimization issues are much, much more concerning.

# 7. Legislative, Regulatory Processes and Impact

The ACT Government regulates the club industry more frequently and with greater impact than most other industries. Decisions made by government in the past have had a significant impact on this sector.

Although clubs are 'not for profit' entities they, like any other business, exist in a competitive marketplace and are required to operate efficiently. This entails being able to take advantage of modern technologies and adopt optimal business processes. This needs to be a key consideration in imposing any regulatory changes on industry.

## 7.1 - Industry Impact Statements

The power and responsibility of the government and the parliament to legislate is accepted. However in the majority of instances where significant new legislation has been introduced, very little if any consideration was given to the impact of the legislation on industry.

Regulatory Impact Statements for example, are notably absent in most cases and actual consultation on industry where possible impacts are considered, let alone assessed rarely occurs.

Governments are too quick to pursue a legislative response and in most cases are reacting to headlines or a perceived problem. This reactive policy approach should more often give way to consideration of non-legislative solutions if indeed a solution is required at all.

***Recommendation 2***

***As a matter of process, any regulation or legislation that is likely to have an impact on the operating environment of licensed clubs, should be preceded by an Industry or Sector Impact Statement. This would be a detailed analysis of the likely impacts of such legislation or regulation. Industry should be consulted as part of the development of that analysis which should be produced prior to ministerial or cabinet agreement.***

## 7.2 - Cross Border Issues

It has been said many times in many contexts that the ACT is an island within NSW. The regulatory regime that clubs in the ACT face is distinctly different to the one that clubs in NSW operate under.

Clubs in Queanbeyan have no restrictions on how members can access their own money via ATMs for example. Patrons of Queanbeyan clubs are able to use notes of any denomination in the gaming machines. If members wish to smoke whilst playing a gaming machine, they can do so in specified semi-outdoor areas of the club.

There are a range of other differences in regulatory approach which have a commercial impact. In NSW for example, out of state or out of area visitors to the club can simply sign in as guests whereas in the ACT, visitors are forced to join the club or be signed in by a member.

These differences have resulted in ACT residents increasingly choosing to spend their money across the border leading to lower revenues for ACT clubs and lower taxes for the ACT Government. Clubs in Queanbeyan and the rest of NSW also enjoy a lower tax burden.

***Recommendation 3***

***An independent review of cross border competitive issues should be conducted with a view to identifying opportunities for eliminating differences in the regulatory approach between NSW and the ACT.***

## 7.3 - Note Acceptors and Cash Input Limit

The use of $50 and $100 notes in gaming machines was banned in 2004. Since that time, no evidence has been provided to indicate this has been an effective harm minimization measure.

It is worth noting that a 2001 Sydney University[1] study assessed the harm minimization potential of restricting note acceptors to a maximum $20 denomination. The findings were as follows:

> "The present study found no evidence supporting the contention that this modification would effectively reduce gambling behavior amongst problem gamblers. Therefore, it is considered that this modification would be of limited effectiveness in minimizing harm associated with electronic gaming machines but would lead to an overall reduction in revenue to the gaming venues".

ClubsACT pursued the reintroduction of $50 notes because we believe it will save clubs money and represent a convenience to club members. Under the current regime, clubs are forced to maintain cash changing machines largely because of the need for members to change $50 notes into lower denominations.

The cost of maintaining these machines and the cash they hold is significant. The reintroduction of $50 is not likely to lead to an increase in overall expenditure but will mean clubs can save money and members will not have to break $50 notes which are commonly held by club members.

Further, the abolition of note restrictions is warranted given the existence of the $250 per day ATM withdrawal limit. The ACT is the only jurisdiction in the nation to have an ATM withdrawal limit and it is worth noting that recently Queensland reintroduced $50 and $100 notes for use in clubs with no restrictions on ATM use.

Finally, ClubsACT supports the parallel introduction of an agreed cash input limit, perhaps aligned to the ATM withdrawal limit of $250, so long as the implementation costs of this measure and related issues are addressed.

Given recent history, the introduction of this package of measures should be a matter of priority.

***Recommendation 4***

***Regulations should be introduced into the Legislative Assembly to give effect to the abolition of note restrictions and the implementation of an agreed cash input limit.***

1 *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling, University of Sydney Gambling Research Unit 2001.*

## 7.4 - A Level Playing Field

Clubs in the ACT are prohibited from advertising their gaming machines. At the same time every other provider of gaming or wagering products without exception are allowed to advertise including using financial inducements to gamble.

There is a plethora of advertisements from offshore and unregulated online gaming companies, sports bookmakers. You cannot drive into Canberra along the Federal Highway without seeing the extremely poor taste, “Pile Ups Occur Frequently” billboard promoting the Canberra Casino.

There are ads from online gambling and poker machines companies at the bottom of stories about poker machines in the online version of The Canberra Times which complement ads from wagering companies which appear in both their online and print editions.

This significantly impedes the ability of clubs to be able to compete in what is a very competitive marketplace.

## 7.5 - Enforcement and Regulatory Efficiency

It is important the ACTs regulatory enforcement practices are efficient, effective and transparent. Generally, the enforcement regime meets these criteria however it is not always the case.

The establishment of Access Canberra is a welcome step as it is appropriate to separate the elements of government that formulate regulation from those that enforce it.

The ACT Gambling & Racing Commission has historically been the generator of regulation and legislation as well as the enforcer of such legislation. This has not always been a useful model as industry had very little avenue for redress or recourse and more importantly blurs the line between two important, though distinct functions.

Concerns regarding the transparency and professionalism of enforcement processes remain.

One of the challenges confronting licensees is they have no real opportunity to seek redress other than the very agency they may have a concern about or the ACT Civil and Administrative Tribunal. This is a costly and cumbersome process in many cases.

Moreover, licensees are genuinely concerned about the ramifications of speaking up when they believe they have been dealt with unfairly or unreasonably by inspectors or regulatory agencies.

Too much of the enforcement regime is based on trying to achieve ‘gotcha’ moments rather than agencies taking a more educative approach to achieving sensible regulatory objectives.

The frequency of inspections in the ACT is also well above interstate practice. More importantly, there is little to no transparency regarding the number of inspections that an agency conducts. Repeated requests of agencies to provide information on the numbers of inspections or audits conducted remain unanswered.

A new body should be established to sit alongside Access Canberra to provide fair and appropriate oversight as well as ensuring and encouraging best practice amongst inspectors.

***Recommendation 5***

***All agencies involved in the conduct of licensee audits should publish quarterly data regarding the number of audits and inspections conducted including identifying how many audits are conducted on particular venues (without naming the licensee).***

***Recommendation 6***

***A semi-independent body be established to oversight the activities of ACT regulatory agencies and officers and provide an opportunity for any regulated entity to offer feedback and seek redress where necessary. This body would also be empowered to compel data and other information from agencies regarding enforcement practices such as the frequency and conduct of audits.***

There are also instances where government regulation takes on genuinely farcical levels.

As part of the last round of anti-smoking legislation, viewing 'entertainment' from a Designated Outdoor Smoking Area (DOSA) was prohibited. The general intent of the legislation was sound however the government determined that 'entertainment' for the purposes of the Act would include any kind of sporting activity. So, for many sporting clubs, golf clubs and bowls clubs, there could not be an active DOSA which overlooked a football field, the first tee or 18th green or a lawn bowls rink.

ClubsACT lobbied to have entertainment more appropriately defined to include major sporting events and other forms of genuine, organized entertainment. However, the government rejected that appeal and maintained its view that two mates having a round of golf or a normal weekday game of lawn bowls constituted entertainment.

The farcical nature of this decision is best illustrated by the solution one lawn bowls club was forced to adopt. There are two 3 metre by 3 metre corrugated iron panels which were installed next to the club's bowling greens. Both of these panels exist for bowlers to stand behind while they have a smoke so they couldn't see the 'entertainment' taking place on the bowling greens.

Simply requiring bowlers to cover their eyes or turn their backs while they smoked may have been a less costly, though equally ludicrous solution.



Further the proposal to require mandatory food safety training just to cook a sausage and to subject such sausage sizzles to inspections by the Health Protection Service was appropriately short lived.

There are some genuine opportunities for the ACT Government to achieve efficiencies in its regulatory approach.

One of the clear opportunities for reform is rationalizing the number of different types of inspectors and inspections. Clubs currently can be inspected by representatives from the ACT Gambling and Racing Commission, Office of Regulatory Services, ACT Police, ACT Fire & Rescue and Health Protection Service to name a few. Each agency has its own inspection and audit program and so venues can be subjected to multiple audits from different agencies in any given period.

With the establishment of Access Canberra, the concept of having a single body of inspectors that are cross-skilled and can conduct audits across a range of areas should be considered. Clearly there are specialist skills required in some instances such as food safety, however where possible, licensees should be audited no more than once per year and by a single audit team.

***Recommendation 7***

***Access Canberra considers options to improve the efficiency of enforcement practices including extending the 'one-stop-shop' principle to the frequency and conduct of licensee audits.***

Relating to gaming specifically, the ACT is the only jurisdiction not to operate a Central Monitoring System (CMS). As the name suggests, a CMS is an electronic network linking all gaming machines to the regulator. The network provides real time data which enables the regulator to receive accurate information regarding the operation of gaming machines.

Such a system eliminates the need for existing paper-based processes which are more time consuming and more vulnerable to errors. A CMS would replace the need for licensees to provide revenue data to the regulator via the current paper based process for example.

Central Monitoring Systems operate very effectively in other states with NSW currently replacing their existing system. The implementation of a CMS in the ACT should be given serious consideration.

***Recommendation 8***

***A working group comprising of representatives of ClubsACT and Chief Minister, Treasury and Economic Development Directorate be established to examine options for the implementation of a Central Monitoring System in the ACT.***

More generally, the current regulatory processes around gaming are very paper-based and there are other opportunities for improvements in business practices within the gaming regulatory environment which would save government and clubs time and money.

For example, NSW has a system called Quickchange that allows clubs to advise the regulator of changes to their gaming floor layouts electronically with approvals occurring automatically. The club simply submits details of the floor plan changes to the system and it automatically confirms the floor plan complies with

regulatory and legislative requirements and approval is quickly given.

There are clear efficiencies that can be achieved with the introduction of such a system.

***Recommendation 9***

***An independent review be conducted into the business practices of the ACT Gambling and Racing Commission to identify opportunities for efficiencies and other improvements in regulatory and enforcement practices.***

Efficiency and best practice should be the hallmarks of the government's regulatory approach along with constructive and practical engagement between those who regulate and those who are regulated.

That is not currently the case.

## 7.6 - Red Tape Reduction

There has been some progress in reducing red tape in the club industry. However more work needs to be done. The government's decision to formalize red tape reduction through the establishment of the Regulatory Review Panel and the introduction of omnibus red tape reduction bills into the Legislative Assembly is very welcome. This has provided structure and focus to an important element of government and public administration.

However, red tape reduction must also include the prevention of new red tape. This is an area that needs more attention.

There are a number of red tape reduction measures that ClubsACT is continuing to seek such as the elimination of the differences between visitor or interstate sign-in rules mentioned above. Changes to the requirements for member ballots to be paper based, a very expensive and cumbersome process, is also on our agenda.

ClubsACT will continue to engage in the process and will be putting forward further suggestions for red tape reduction.

## 7.7 - Gaming Machine Cap

The ACT Government has a policy of reducing the number of gaming machines operating in Canberra. The objective seems to be to reduce the number of gaming machines per capita, to a figure somewhere below NSW. The policy objectives underpinning decisions to reduce the numbers of gaming machines relative to NSW are still unclear.

ClubsACT has consistently voiced and demonstrated its commitment to working with the government to achieve its policy of cap reduction. That position remains unchanged and we have agreed to a degree of cap reduction as part of the package of measures to be introduced into the Assembly.

Notwithstanding that, the cap is a blunt and largely ineffective instrument for any policy outcome the government seeks other than the simple reduction in gaming machine numbers.

In a city state jurisdiction like the ACT, reducing gaming machine numbers as a harm minimization measure is flawed, particularly when the ACT Government has no control over the accessibility of gaming machines in Queanbeyan.

Any reduction in the cap will also likely lead to an increase in the utilisation rates of the gaming machines that remain. Government policy in relation to this outcome also remains unclear.

The cap on the number of gaming machines has been in place since 1998 but it is worth noting relevant history regarding the cap.

The cap arose out of a Legislative Assembly inquiry into gambling and Kerrie Tucker's (former Greens MLA) second attempt to introduce a moratorium on new poker machine licenses being issued until the Productivity Commission's first report into gambling was issued and the Assembly could digest its findings.

As she said in the Assembly:

> "I placed a motion on the notice paper this week asking again for a moratorium on increasing the number of poker machines in the ACT until a national inquiry into the effects of gaming has been completed…"

Indeed, the cap was initially designed to be in place for just 12 months and then reviewed in the context of the findings of the Productivity Commission's report.

There was a second reason the committee selected a 12 month period. The cap they had set, of 5200 machines was, to quote one committee member, Mr Trevor Kaine MLA, "the sum total of machines already held, plus applications already in hand which the commissioner feels that she could not reasonably decline to agree to."

In other words, the Committee recommended the cap be set at the number of machines that were effectively in operation at the time, and set it for 12 months only because the committee understood there would be a need for more machines to be approved shortly thereafter.

The Committee acknowledged there would be growth in the industry and recommended that the Commissioner approve applications over and above the cap if they were from new clubs, particularly in Gungahlin.

So the cap started its life as a temporary moratorium but has remained in place ever since.

It is interesting to note that even at the time of its introduction sixteen years ago, the cap had little room left and that remains the case. In that period, Canberra's population grew by nearly 79,000 or 25.9% to a population of 387,069 today.

This is relatively modest population growth but the key point here is that if the number of poker machines we have in the ACT as measured against our population is considered by some as the relevant number, then clearly that number has fallen over that period and will of course continue to fall as the population grows. The cap itself has also reduced modestly in that time which would also further decrease our per capita position.

The number of machines we have relative to NSW is beyond our control. NSW does not restrict access to gaming machines to not-for-profit venues so the situation they face is different making the exercise of comparing the ACT with NSW fraught at best.

A far more informative measure is the amount of money that is being spent on poker machines in the ACT. Data included in the ACT Government's Discussion Paper on the Gaming Machine Cap and Reallocation

Scheme, released in May 2009 identified that per capita expenditure on gaming machines in the ACT represents 1.5% of household disposable income which is below the national average of 1.6% and well below that of New South Wales which is 2.3%. It is highly likely this figure has fallen further given the reduction in gaming revenue over that time.

This was also the case back when the introduction of the cap was debated in the Legislative Assembly.

As Kate Carnell said during that debate in 1998:

> "Poker machines in the ACT have been around for some 20 years. It appears that the ACT has a very mature market in this area. When you look at the amount of money that ACT residents spend on gambling per capita, the ACT is well below the Australian average. That is something we should be really proud of, Mr Speaker."

In fact, one definite consequence of reducing the number of machines in the ACT is that the intensity of use of the remaining machines will go up. So we might move down the league table on the per-capita list but it will simply mean that we will move up the ladder on the intensity of use measure. Should that really be the objective here?

The former Chief Minister, Jon Stanhope, was correct in 2006 when he said:

> "We've done the hard work, we've done the research and we know that simply reducing the number of machines won't address a problem like problem gambling.
>
> The Government's responsibility is to make sure our laws encourage responsible gaming and offer support to those who need it. We're not only doing that, we're doing it better than anyone else".

The Productivity Commission report assesses that by every available measure, the rates of problem gambling are falling across the country. This is the result of targeted measures which are demonstrably effective in dealing with problem gambling. There is more to do but the figures indicate we are on the right track.

The gaming machine cap has received considerable attention over recent years. Certainly the Assembly can choose to reduce gaming machine numbers by whatever degree it decides.

But it is incumbent upon law makers to be clear about their objectives in reducing gaming machine numbers and to understand the impacts of their decision.

If harm minimization is the objective, reducing the number of gaming machines in the ACT is probably the least effective measure that could be pursued. Harm minimization is also a separate question to the issue of what an appropriate number of gaming machines is to be operating in the ACT.

Nevertheless, the ACT Government is seek to reduce the number of gaming machines partly through a surrendering of 1 license for every 4 that is traded via the proposed trading scheme.

## 7.8 - Proposed Gaming Machine Trading Scheme

ClubsACT supports this mechanism however concerns have been raised that given the current economic climate, the demand for gaming machines may be low, thereby reducing trading activity and thus not achieving machine reduction.

As a way of insulating the machine reduction objective against low trading activity, the ACT Government should participate in the trading scheme and be prepared to purchase gaming machine licenses off clubs or

pubs and hotels to achieve their target.

The point that these licenses were issued 'for free' is largely irrelevant given a value is clearly attached to them by the club, its balance sheet and the bank. Moreover whilst the original license may have been granted for free, that license has generated tax revenue to government since it was issued.

Further, it is likely that in the future, the number of gaming machine licenses will increase by virtue of the number of licenses being linked to Canberra's population. There needs to be a mechanism to distribute the additional licenses and it is highly likely the ACT Government will prefer to sell or auction those licenses rather than issue them without charge. The trading scheme provides a mechanism for those licenses to be sold via the established mechanisms of the trading scheme.

So the ACT Government's participation in the scheme makes sense both in terms of the need to ensure sufficient market activity for machine reduction to take place and the need to have a mechanism to distribute additional licenses.

***Recommendation 10***

***The ACT Government participates in the proposed gaming machine trading scheme by purchasing licenses to reduce the overall cap and eventually as a mechanism to distribute additional licenses as Canberra's population grows.***

# 8. Taxation and Other Charges

Taxation should be fair, reasonable, progressive and take account of the financial capacity of those who pay.

The taxation regime applying to licensed clubs generally meets these criteria. However, the gaming tax system is underutilized as a mechanism to encourage the kind of reform in the club sector the government is seeking.

Gaming tax receipts to government have been declining as clubs themselves receive less gaming revenue. Around $33 million is paid annually to the government via gaming tax regime.

The current taxation arrangements are as follows:

| Annual Gross Gaming Machine Revenue | Tax Rate |
|---|---|
| $0 - $179,999 | 0% |
| $180,000 - $299,999 | 15% |
| $300,000 - $599,999 | 17% |
| $600,000 or higher | 21% |

As part of the gaming reforms recently agreed by Cabinet, the tax rates will change to:

| Annual Gross Gaming Machine Revenue | Tax Rate |
|---|---|
| $0 - $299,999 | 0% |
| $300,000 - $599,999 | 17% |
| $600,000 - $7,499,999 | 21% |
| $7,500,000 or higher | 23% |

The key features of the new regime are a higher tax-free threshold and the introduction of a new tax rate for revenue above $7.5 million.

These changes have provided a very modest net tax cut of less than $20,000 annually to most clubs, which is paid for by a small number of clubs paying considerably more tax. The changes are designed to be revenue neutral at least in the first year.

Whilst any relief is welcome, it is disappointing that this comes eight years after former Chief Minister Stanhope first issued a press release indicating he would explore tax relief to clubs as a way of compensating for the dramatic impact on revenue of anti-smoking legislation (the introduction of which was supported by the club industry). It is also disappointing that the only relief any part of the industry receives has to be paid for by industry itself when all clubs are struggling.

Given the impending changes to the existing taxation regime as part of the package of reforms due in the Legislative Assembly and the need for certainty going forward, there should be no further changes made to the taxation rates and thresholds.

And it needs to be said that it would be incongruous for the ACT to increase its reliance on gaming through increasing gaming taxes whilst at the same time demanding clubs reduce their own reliance on gaming.

Clubs in the ACT by definition are in competition with those across the border in Queanbeyan. There are range of cross-border competitive issues that are raised in this submission but it is important to highlight another.

Clubs in the ACT are taxed at higher rates than NSW clubs. Indeed, analysis conducted in 2012 shows that if the NSW taxation regime was applied to ACT clubs, tax revenue to the ACT Government would have been reduced by more than $4 million. Much of that extra tax burden is shouldered by smaller and medium clubs.

The tax changes announced as part of the reform package will alter the figures but ACT clubs will still be taxed more than clubs in NSW.

However, there are opportunities for the tax system to be used to achieve specific outcomes and they should be explored.

## 8.1 - Tax and Community Contributions

Over the last decade, more than $150 million has been provided by clubs in the form of eligible community contributions. This is a massive figure and despite the dramatic reductions in club revenues, the level of community contributions has remained high.

The club industry as a whole, consistently gives more than is required by legislation, often double the amount. Over recent years, the legally required minimum contribution has also increased to its current 8 per cent of Net Gaming Machine Revenue.

However, the ability of clubs to maintain these contributions is much diminished as revenue continues to fall and clubs have no more options to reduce expenses to compensate.

Ensuring clubs continue to make significant contributions to the community is an objective all would share.

The NSW Government has had a scheme in place for some years which allows clubs to claim tax rebates for particular types of community contributions. The ClubGRANTS Scheme is very successful in encouraging contributions to be made to particular areas.

ClubGRANTS provides clubs with tax rebates of up to 1.85% of their gaming machine profits over $1 million when they spend an equivalent amount on community development and support.

There is no rebate scheme in place in the ACT.

In many cases, the organisations that receive funding through the community contribution arrangements would probably be looking to government for funding if it wasn't provided by clubs.

Therefore, amending taxation arrangements to encourage continued and enhanced community contributions would be entirely justifiable as the benefits accrue ultimately to the community organization rather than the club itself. This is something the ACT Government should seriously consider.

***Recommendation 11***

***The ACT Government consider the implementation of a scheme based on the NSW ClubGrants scheme to encourage clubs to maintain community contributions at existing high levels.***

## 8.2 - Liquor Fees and Risk Based Licensing

At the introduction of the new fee regime in Dec 2010, liquor licensing fees increased by over 500% for clubs. In its present form the Government attributes a high level of risk to clubs. As a result of their generally large maximum occupancy levels, clubs have been aligned with large bars. However there are clear and relevant differences between clubs and bars in this respect.

At the two year review of the liquor licensing laws and fees, a review outcome highlighted a need to refine the fee structure, with supporting comments from ACT Civil and Administrative Tribunal (ACAT) which described clubs as 'not the problem'.

The present 'risk based' fee structure which has been described as one commensurate of the size and level of risk in relation to alcohol related harm and incidents does not support itself through data collected by either the Office of Regulatory Services or ACT Police. Data collection does not rationalize the fee regime or represent a venue's level of risk.

Further, because clubs have a large footprint with only 6 clubs with an occupancy loading below 350, this results in fees paid that are well above those levied in NSW.

Since 2010 there has been a 15% reduction in the number of liquor licenses held by clubs and there are currently 52 active licenses. For the current licence year (Dec 14 to Dec 15) the total fees paid by clubs is $555,849 and represents approximately 18% of the entire liquor fees recovered across 674 licenses in the ACT.

Recently NSW also introduced a risk based licensing scheme but has taken a different approach to the ACT. Data in NSW supports the case that clubs are low risk and in Queanbeyan a licensed club will only pay $5,500 (if the club is not a declared premises and trades until 4am). If the same club closes by midnight they will only pay the base fee of $500. In the ACT, due to the impact of how occupancy loading is considered in the fee structure, clubs pay the highest fees in Australia with a 4am licence now costing $15,797.

In NSW the occupancy loading qualifier is only engaged when the club is a 'declared premises' which means it has a strike listed against it or has a significant number of incidents of record.

In the previous two years only one club has had an appearance before ACAT on a matter that did not involve alcohol related violence.

Further no club in the previous two years has been requested by the Office of Regulatory Services to show cause nor has an infringement been issued for a liquor related incident.

***Recommendation 12:***

***Changes to the fee regime were highlighted as part of the ACT Liquor Review and the ACT Government should consider a scheme to reward low risk venues with fee rebates.***

## 8.3 - Land Tax and General Rates

One of the other areas where costs have increased substantially for many clubs is General Rates and Land Tax. The government has embarked on a program of increasing general rates to compensate for reductions in stamp duty.

Notwithstanding the intent of the policy, the impact of the policy has been significant for some clubs.

One small club already struggling with the exorbitant costs of water, has seen their rates and land tax bill increase from just under $14,000 to over $42,000 between 2012 and 2014.

Another slightly larger venue experienced an increase from roughly $43,000 to more than $59,000 in the same period.

These increases must be seen in the context of significantly declining revenue and other cost increases across industry.

Fundamentally, there are a range of good reasons for clubs to pursue a diversified revenue base. Diversification of revenue is one of the principle methods for clubs to sustain themselves over the long term. More productive use of the land clubs hold is the most effective avenue for genuine and meaningful diversification.

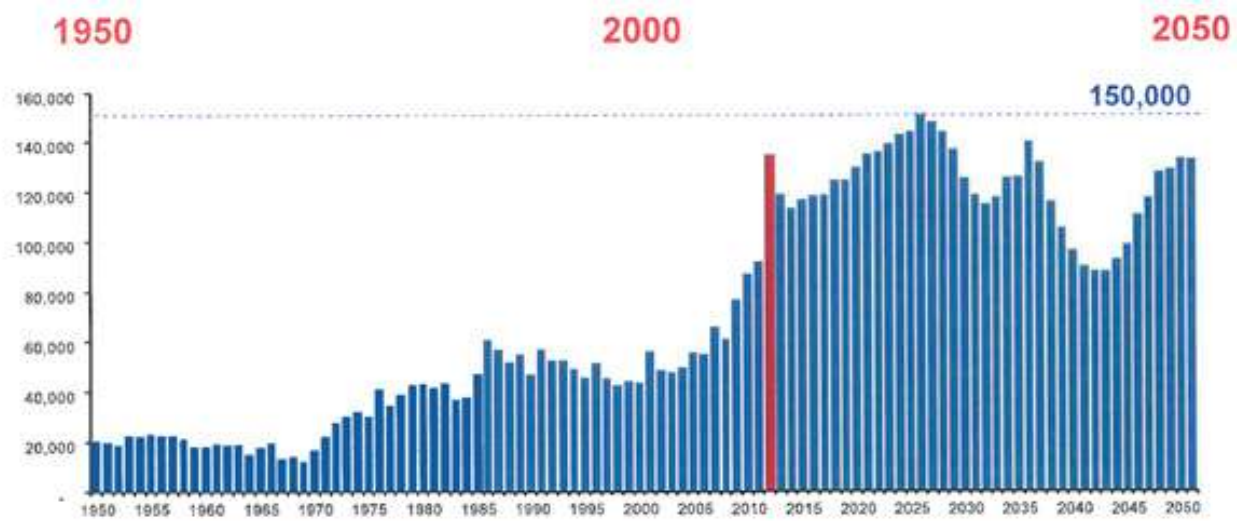
Clubs are significant land holders in the ACT and much of this land could be developed to provide a new revenue stream to the club and greater amenity for the local community. Further, the location of many club sites offers a tremendous opportunity for clubs to develop and provide facilities that are of increasing need in the ACT, such as aged care, child care and health services.

## 9.1 - Aged Care

The demand for aged care and associated health services is set to dramatically increase over the next 30 years. Leading Aged Services Australia (LASA) recently estimated that 83,000 beds would need to be built in Residential Aged Care over the next 9 years alone.

There are currently 3.3 million Australians aged 65 and over with 420,000 people aged 85 and over. By 2033, the number of Australians aged 85 and over will grow by 1.5 million to nearly 2 million and according to the Productivity Commission, there is an 80% chance that these people will require assistance with their everyday lives.

Net Growth in People Aged 65 and Over




One of the obstacles to greater levels of private investment in aged care is cost. In 2012, the Productivity Commission updated its Caring For Older Australian's report and concluded that the provision of aged care services in modern facilities was not financially viable. This was supported by a survey conducted by Grant Thornton which indicated that in order for costs of capital alone to be covered, providers would need an EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortization and Rent of between $25,225 and $32,204. The same survey found that the top quintile of aged care providers achieved an average EBITDAR of only $12,830.

The Productivity Commission made a number of recommendations which included a gradual removal of supply constraints on both residential aged care and community care, whilst increasing allocations during the transition period. The Federal Government passed a number of reforms in June 2013 including nearly $1.5 billion in extra funding for home and residential aged care.

Clearly there is a pressing need for increased aged care services and facilities however there are significant obstacles confronting potential providers.

The ACT Government can actively encourage and support an increase in aged care services through support for efforts by clubs to diversify through redevelopment.

## 9.2 - Child Care

According to a 2014 Productivity Commission study, parents of one in six children were struggling to access child care services in their area with more than half of parents citing a failure to secure child care as hindering their ability to meet employment commitments.

This in part has led to Australia lagging behind OECD countries in terms of female participation in the workforce. Investments in child care also lead to increased productivity and economic growth.

Australia's investment in early childhood education and child care as a proportion of GDP is one of the lowest in the world. The OECD average is around 0.7% whilst Australia lags behind at 0.3%. This has led to significant cost shifting with Australia's parents having the second highest rates of expenditure on child care in the OECD at 48.6% of total cost of care compared to an OECD average of 18%. Parents in New Zealand contribute only 17% of the total cost of care.

Governments will need to find partners, particularly in the Not-For-Profit (NFP) sector in order to increase the availability of child care, thereby reducing costs and unlocking the economic benefits through a boost in workforce participation and productivity.

The New South Wales Government for example, is implementing a capital works program to assist with the cost of constructing child care centres. This program is aimed at assisting NFP providers particularly in areas where there is a shortage of places or the market has not yet responded.

Clubs in the ACT are well placed to partner with government to provide this essential community infrastructure.

## 9.3 - Residential, Commercial and Mixed-Use

Aged care, child care and associated infrastructure may not be the most appropriate or viable redevelopment model for all clubs or most locations. If long term financial sustainability is the objective, then in many instances, clubs will need to be allowed to undertake other forms of development.

Residential, commercial and mixed-use developments are key to the business models of a number of clubs in the ACT. There are also a number of examples where clubs have undertaken commercial developments on or near their existing club facilities. These have added to the amenity of the local area and provided the club with much needed revenue.

Interstate experience also shows that an integrated model of clubs providing services ancillary to their core purpose is not only financially sensible, but popular with communities. Larger clubs in NSW for example offer a range of different services on site including travel agencies, health facilities, cinemas, bowling alleys and the like. Again, given the location of many of the clubs in Canberra's suburbs, allowing venues to develop ancillary facilities would be of benefit to local communities.

Indeed, having a degree of commercial development can subsidise the operations of less profitable

infrastructure such as aged care to make that a viable option in a mixed-use site.

## 9.4 - Affordable Housing

There is clearly a desperate need for more affordable housing in Canberra. A number of factors such as cost of living increases and the sheer unaffordability of private accommodation in the ACT has meant the demand for more affordable options has exploded.

There are a number of providers in Canberra doing their best to increase the stock of housing options that are genuinely affordable. The amount of stock must increase.

Implementing arrangements which encourage the development of more affordable housing options must be a priority for government. Given the land holdings that the club sector has, there should be a discussion around how the demand for housing options can be met as part of the redevelopment process the club sector will undertake.

## 9.5 - Barriers to Redevelopment and Diversificiation

The ACT Government recognised the value of clubs redeveloping their land and in 2012 provided $15,000 in grants to nine small clubs to “help them assess the viability of their sites for residential development”.

According to the guidelines for the Small Club Site Redevelopment Support Scheme it had two objectives:

- To provide assistance to smaller clubs seeking greater future financial security, including in terms of diversifying their sources of income away from electronic gaming machine revenue;
- To support the supply of new housing in Canberra through urban intensification.

This encapsulated the value of government partnering with clubs to meet mutual objectives.

Unfortunately, this scheme served to highlight the significant barriers that exist to clubs pursuing a redevelopment path.

One of the small clubs that received a grant determined that the cost of the Lease Variation Charge (LVC) if they were to redevelop their site would be $675,000. The cost of deconcessionalising their lease would be another $350,000. Actual development costs of course come on top of that. The government can genuinely assist in these types of situations.

## 9.6 - Land Use and the Territory Plan

In many cases, the prevailing land use for clubs does not allow for the kinds of developments clubs are keen to undertake. This is certainly the case where clubs are intending to undertake the kind of residential development envisaged by the Small Club Site Redevelopment Support Scheme

Generally, the land clubs occupy is zoned CZ6 Leisure and Accommodation. These are some of the uses generally permissible under the Territory Plan for CZ6:

- Car park
- Caravan park

- Commercial Accommodation
- Community Use
- Drink Establishment
- Drive in Cinema
- Restaurant
- Shop
- Tourist Facility

Importantly, while the land use allows for commercial accommodation and child care, residential development is not permissible under the prevailing land use for clubs in the ACT.

Where the prevailing land use does not allow for desired development, a variation to the Territory Plan is required. These variations can take up to 18 months to two years to complete which invariably places pressure on development timelines.

Further, any club that requires a Territory Plan variation to pursue their redevelopment objectives, means that they will likely not be able to access the current Lease Variation Charge remissions as they are due to expire in March 2016.

## 9.7 - Lease Variation Charges

Lease Variation Charges (LVC) are a significant cost particularly for small clubs. LVC is payable where there is a change to the crown lease which involves an increase in value of that lease. The default rate at which LVC is charged is 75% of the increase in market value of the lease.

To illustrate, if a club, for example, sought a variation to their crown lease where the market value of that lease consequently increased by $100,000, that club would be required to pay $75,000 in charges.

In March 2014, the ACT Government announced changes to LVC remissions as part of an economic stimulus effort. This was in part to encourage urban intensification and sustainable design. These remissions remain until March 2016.

These changes assist but there are opportunities to further reduce the cost barrier faced by clubs through LVC.

The current suite of LVC remissions are a sensible measure to encourage development at a time when the Canberra economy is still struggling in a number of areas. It is more than likely that economic stimulus will be required beyond March 2016.

***Recommendation 13***

***The existing suite of LVC remissions be extended beyond March 2016 and this policy measure should be announced well in advance of the current end date of the scheme to provide industry with certainty beyond that date.***

## 9.8 - Deconcessionalisation

The first step for any club to undertake redevelopment on their site is deconcessionalising the lease. In the vast majority of cases, leases were granted to clubs free of charge in recognition of their not-for-profit status. Concessional leases are extremely restrictive in terms of a clubs ability to more productively use their land.

The issue of concessional leases and redevelopment can sometimes be fraught and some sectors of the community oppose the deconcessionalisation of leases altogether.

The process of clubs looking to redevelop some of their land holding is not designed to reduce the amount of community use land available in Canberra. Preserving community use land in Canberra is important. However, in each case of redevelopment, the community is receiving a benefit whether it is in the form of more or better residential options for people who may be looking to move into particular areas. Or the benefit may be in the form of child care, aged care or even commercial developments which may be required in the area.

There is certainly benefit in terms of economic activity through construction and ongoing rates and taxes. Concepts of community betterment cannot be so narrow as to only be defined by maintaining a non-profitable lawn bowls club on a site for the use of only a very small percentage of the population, for example.

Many clubs that seek to deconcessionalise their leases have also been on-site for decades. Over this time, the club has repaid the value of the grant of a concessional many times over. This needs to be considered whenever clubs and deconcessionalisation of leases is discussed.

However, deconcessionalisation is a necessity if clubs are to better use their land and secure their financial future. In most cases the club retains a presence on the site so there is an ongoing community benefit. Even where a club group is redeveloping one of its sites where a club will not be retained, the community continues to receive a benefit through a more viable and financially sustainable club group.

Many clubs are unaware of the status of their lease as not all club leases are concessional. The process for determining the status of leases can be time consuming and resource intensive depending on the age and complexity of the lease.

## 9.9 - Project Planning and Development Costs

The actual cost of planning and building the project are prohibitive for many clubs, particularly small clubs. The ability to generate and/or service sufficient capital to undertake redevelopment can be extremely challenging for some clubs.

In many cases, clubs will need to enter into joint ventures or other similar partnerships in order to undertake redevelopment. This is generally a sensible step but can reduce the return to the club over the short, medium and long term.

Any money expended by the club on development costs is money that isn't spent on the club, its members and community contributions.

Any opportunity for costs to be reduced or offset should be explored, particularly where it represents the difference between a club being able to redevelop or not.

The government can play a vital and active role in encouraging and facilitating club redevelopment. Certainly clubs are very eager to explore their development options and where possible, partner with government to meet the mutual objectives identified as part of the Small Club Site Redevelopment Support Scheme.

Government support is vital particularly where that support is the difference between a club being able to redevelop and diversify or not.

The establishment of the Community Clubs Task Force is a welcome step and shows early signs of adding value to the process of clubs looking to redevelop and diversify.

## 9.10 - Case Management

ClubsACT is playing a coordinating role in assisting clubs liaise with various government agencies with respect to their redevelopment goals. This allows the government to convey information and requirements to the whole sector in an efficient and effective way.

However, once a club is sufficiently advanced in their development goals and they begin to deal with government directly, there would be tremendous value in that club having a case manager within government who would support and assist them navigate the planning processes. This would also ensure that government is receiving the information it needs to make the necessary assessments of the clubs development proposal.

The Community Clubs Task Force can play a valuable role in this process and may indeed be the appropriate forum for these and other diversification related matters to be referred to in order to develop specific policy proposals for Assembly consideration.

***Recommendation 14***

***Any recommendations or other matters relating to club diversification determined to be worthy of further consideration be referred to the Community Clubs Task Force with a view to develop and propose specific policies for consideration by government and the Legislative Assembly.***

## 9.11 - Omnibus Territory Plan Variation

Given there will likely be a significant number of clubs who will require variations to the Territory Plan, the government should consider an omnibus Territory Plan variation for clubs who require it. This will speed up the process and assist in clubs trying to meet the March 2016 deadline for LVC remissions.

***Recommendation 15***

***An omnibus variation to the Territory Plan be considered to make necessary amendments to enable clubs to undertake approved developments.***

## 9.12 - Coordinated Lease Status Checks

Clubs need to determine the status of their lease in order to undertake developments so the ACT Government could take the initiative and advise all clubs of the status of their lease where that has not previously been advised. Currently, a lessee needs to apply to have their lease status determined and a fee of around $1,000 is charged.

Again, given the need for clubs to be in a position to lodge a Development Application (DA) prior to March 2016, there would be some benefit to establishing a coordinated approach to determining the lease status for clubs that have not yet taken that step.

## 9.13 - Deconcessionalisation and Lease Variation Charge Remissions

The current suite of LVC remissions are welcome but do not provide sufficient policy basis for necessary decisions to be made to assist clubs to undertake redevelopments.

Government should consider a further change to this policy where remissions are provided for development proposals from not-for-profits, including clubs. This could include developments that meet certain criteria including increasing affordable housing stock or urban intensification.

This would give due recognition of the unique circumstances faced by clubs and the wider not-for-profit sector in undertaking redevelopment.

There should also be consideration given to allowing clubs to deconcessionalise their lease without cost or at significantly less cost if they have been on-site for more than 25 years. This recognizes the benefit the community has derived from the club being on that site for a long period of time.

***Recommendation 16***

***Options for further Lease Variation Charge and deconcessionalisation cost remissions should be examined. These could include a LVC remission for developments undertaken by the not-for-profit sector and costs of deconcessionalising leases be significantly reduced or waived in circumstances where the applying club has been onsite for 25 years or more.***

Further, the government could link their policy of encouraging redevelopment and diversification within the club sector with its policy of reducing the number of gaming machines.

A scheme should be in place that allows clubs to claim remissions to deconcessionalisation and lease variation charges in return for the surrendering of gaming machine licenses. A transparent scheme which allowed for particular levels of remission for designated levels of gaming machine reduction could be developed quite easily.

This would meet two government objectives as well as generating ongoing economic activity through the construction phase and taxes going forward. A significant number of clubs would take advantage of such a scheme.

***Recommendation 17***

***A scheme be introduced which allows clubs to reduce costs associated with lease deconcessionalisation and lease variation charges by surrendering a proportion of their gaming machine licenses in return for remissions.***

## 9.14 - Development Tax Rebates

The ACT Government should adopt a scheme whereby a club that is seeking to undertake redevelopment where that development meets government objectives regarding community need (child care, residential etc) the club receives a rebate on their gaming tax.

The duration of the rebate would be for a set period of time – up to two financial years for example. The rate of rebate would have to be sufficient to provide reasonable financial relief to clubs during the period of redevelopment.

***Recommendation 18***

***Consideration be given to a scheme which allows clubs to receive tax credits for costs associated with redevelopments where such redevelopments will demonstrably lead to a reduction in reliance on gaming.***

## 9.15 - Direct Funding Options

Establishing a scheme where clubs could secure direct funding from government to enable them to undertake specific redevelopments would be a logical next step following the Small Club Site Redevelopment Support Scheme introduced in 2012. There has been no follow up to the introduction of that scheme to allow clubs to fulfil the options identified by the initial grant.

There are a number of options for direct funding of club development:

(1) Low or No Interest Loans

The Government could provide term financing for clubs undertaking redevelopments. These would be available under certain circumstances and negotiated repayment plans.

(2) Offset Scheme

Clubs undertaking approved redevelopments should be able to offset a percentage of their development costs against their gaming tax over a defined period. This would involve the government forgoing revenue rather than any direct or up-front financial investment.

Such a scheme would operate in similar ways to the rebate scheme but may be simpler to administer.

***Recommendation 19***

***Options for direct government financial support for clubs undertaking redevelopments be examined such as low or no interest loans and development related offsets for gaming tax.***

There are few options open to struggling clubs in Canberra. For some, it is possible that they have no option and will simply close their doors when they can no longer continue trading. For others, whether they remain part of the Canberra club landscape is dependent on their ability to generate new revenue streams.

There are clear benefits involved in government providing assistance to clubs who are looking to diversify their revenue base through redevelopment:

- An overall reduction in reliance on gaming;
- Better land use in local communities;
- Increased amenity and service provision, particularly in suburban Canberra;
- Urban intensification;
- More options for Canberrans looking for child care, aged and associated facilities;
- General economic contribution through increased construction;
- Increased employment in clubs;
- Securing the future of important community assets; and
- Ongoing contribution from clubs to the community

Moreover, any financial contribution from government must be regarded as a reasonable and sensible investment given the role clubs play in the community.

# 10. Problem Gambling and Harm Minimisation

Problem gambling is a complex issue influenced by a number of psychological, biological and social factors. It is also tragic and whilst gambling exists, there will be people who are unable to control their gambling just as there will always be people who can't control their drinking or other aspects of their behaviour.

The harm from gambling also extends beyond the problem gambler, principally to their families.

Over the last decade, the official prevalence rates of problem gambling have fallen dramatically now ranging between 0.4 – 0.7 percent of the adult population nationally.

In the ACT, the latest prevalence study conducted in 2009 found the rate of problem gambling was 0.5 percent.

Almost everyone who plays poker machines does so responsibly and within their means and this should not be forgotten even though vigilance is always required. Gambling more generally is a legitimate and longstanding form of entertainment.

It is also worth pointing out that recreational gamblers are much more sensitive to regulatory changes that make playing poker machines more difficult or less enjoyable, than problem gamblers. This is an important consideration when broad based harm minimization measures are discussed which would likely have more impact on gamblers that do not have a problem and are not at risk.

Further, regarding every player of gaming machines as a potential problem gambler is illogical and unreasonable.

Solutions that target the 0.5 percent directly affected population (eg staff intervention, exclusion programs) are inherently more cost-effective and minimize the risk of negative impacts on recreational gamblers. In contrast, blanket solutions that treat every patron as lacking the ability to gamble responsibly, waste resources and increase the risk of unintended consequences.

Rather than measures that exclusively focus on preventing a minority of people from making bad choices by restricting consumer choice, the industry supports measures that empower our patrons to make informed choices, while offering targeted assistance to those unable to make rational decisions. This includes providing relevant information on the chances of winning, the potential cost of playing, the risks involved with excessive gambling, and the tips for gambling responsibly. In addition, providing optional tools for helping consumers manage their gambling expenditure, such as voluntary pre-commitment should be available should they choose to use them.

Key harm minimization measures within Clubs currently includes:

- Advertising bans;
- Bans on poker machine signage outside a venue;
- Bans on poker machines being seen through windows from outside a venue;
- Cap on the number of machines able to operate within the ACT;
- Social impact assessments prior to an increase in poker machine numbers;
- Bans on inducements for players (eg free alcohol);
- Bans on credit gambling;
- Payments of prizes over $1500 paid in cheque;
- Restrictions on the location of ATM within a venue;

- $250 withdrawal limit on ATMs within a venue;
- Mandatory shutdown periods;
- Self-exclusion schemes;
- Provision of information about problem gambling help services;
- Access to a Gambling Contact Officer within all venues;
- Compulsory responsible gambling training for staff;
- Clocks on gaming machines and within gaming venues; and perhaps most relevantly;
- $20 note acceptor limit;
- Ban on provision of drink service to patrons at gaming machines.

## 10.1 - Online Exclusion Scheme

The online exclusion database in operation in the ACT allows venues to instantaneously share information regarding patrons who have been excluded from venues as a harm minimization measure.

This is a useful tool for clubs to ensure that excluded patrons do not gain access to other venues if the patron has chosen that option. However the database is only used by ACT clubs, which raises obvious issues regarding the fact that Queanbeyan clubs are not included.

A large number of ACT residents choose to visit Queanbeyan clubs particularly to play gaming machines. It would be a sensible step to ensure there is adequate information sharing between clubs in both jurisdictions.

***Recommendation 20***

***The existing ACT online exclusion database be linked with the clubs in at least Queanbeyan to enable sharing of information on excluded patrons between NSW and ACT clubs.***

## 10.2 - Level Playing Field

It is interesting to note how different forms of gambling are regarded by sections of the community and media. It is reasonable to say that the public debate in Canberra around problem gambling is almost exclusively focused on clubs. Even minor changes to the regulatory environment draws the ire of The Canberra Times whilst other gaming industries are celebrated for providing a win on the TAB[2].

The annual celebration around the Melbourne Cup, Spring Racing Carnival and Anzac Day 2 Up and even the media coverage of betting odds at election time are all examples of the different attitudes that exist.

The recent change in ownership of the Canberra Casino for example, was lauded as an exciting opportunity for new investment in the city, something clubs have been doing for nearly a century.

*2 Queanbeyan punter "Brett" and his dad collect $405,000 on bet, Chris Wilson, The Canberra Times, April 14, 2015.*

Indeed, a recent statement issued by the owners of the Canberra Casino detailing changes to their corporate structure included the following:

> "The Casino will undertake a review of its operations with the aim of attracting the international and domestic VIP gaming clientele. Initiatives being considered include increasing the Casino's betting limits to attract larger, higher margin clientele, extending trading hours and changes to the gaming options on offer at the Casino".

This essentially signals an effort to expand the Casino's gaming presence in Canberra. Increased betting limits, extensions to trading hours and changing gaming options are all measures which would be rejected out of hand if it was the club sector making the application.

Further, the Canberra Casino is exempt from the $250 per day ATM withdrawal limits that applies to licensed clubs. It seems unreasonable for a for-profit business dedicated to gambling to be free of this harm minimization measure whilst not-for-profit community clubs in Canberra are the only clubs in the nation with such a restriction.

The fact that the casino is a commercial enterprise or is looking to invest in their premises in Canberra is no justification for differential treatment with respect to harm minimisation. Presumably, the main argument the owners of the casino would use in response to any move to extend the ATM withdrawal limit would be that it would represent an unreasonable restraint of trade and impact their viability.

Those arguments are no less valid for clubs.

***Recommendation 21***

***The $250 per day ATM withdrawal limit that applies to licensed clubs be extended to the Canberra Casino.***

## 10.3 - Additional Harm Minimisation Measures

ClubsACT is currently researching the effectiveness of Player Information Displays (PID) currently used in New Zealand and previously used in Nova Scotia, Canada and recently trialed in Queensland.

Recent Australian research by Dr Sally Gainsbury[3] found that salient and effective warnings that interrupt continuous and excessive consumption can serve as the first line of defence in the prevention of harmful behaviours and impede consumer's movement towards addiction.

The club industry remains committed to strengthening the existing safety net provided for our patrons. Offering a personal level of support to patrons through interactions with trained staff is a unique strength of our gaming environment.

The majority of harm minimization and harm reduction measures have focused on physical aspects of the club environment without sufficient regard for the social and interpersonal aspects. Measures such as improved staff training and better access to the ACT Gambling Counselling Support Service provide a stronger safety net.

3 Gainsbury, S., Aro, D., Ball, D., Tobar, C., & Russel, A., (published online Feb 9, 2015). Determining optimal ploacement for pop-up messages: Evaluation of a live trial of dynamic warning messages for electronic gaming machines, International Gambling Studies.

Greater community engagement can only strengthen the safety net for problem gamblers and their families. The most common place for problem gamblers to seek assistance is through family and friends.

By raising awareness of the indicators of problem gambling, family and friends can be in a position to make an early intervention. In addition, providing healthcare and community service workers with the necessary information and tools to identify problem gambling, should lead to an increase in referrals to the ACT Gambling Counselling Support Service.

## 10.4 - Problem Gambling Assistance Fund (PGAF)

The Problem Gambling Assistance Fund was established following legislation which brought problem gambling counselling under the auspices of Government.

Prior to that, problem gambling counselling services were provided by Lifeline via a direct contract with ClubsACT. This ClubCare program, established more than a decade ago, was a voluntary initiative of industry and funded by Canberra clubs.

Service provision is now managed by the ACT Gambling and Racing Commission and funded via a levy on gambling providers. An advisory panel was established to provide advice and feedback regarding the operation of the Problem Gambling Assistance Fund. ClubsACT is a proactive member of that panel. Relationships Australia in association with CARE Financial Counselling are the current service providers.

ClubsACT has taken several initiatives to the Problem Gambling Assistance Fund Advisory Committee, all of which have been unanimously supported.

Initiatives successfully supported are:

- Training for Pharmacists and their assistants to make appropriate referrals for clients who present with symptoms of problem gambling;
- ClubsACT and Youth Coalition of the ACT partner project to work closely with young men to empower them to support friends and family who may identify with symptoms of problem gambling or at risk gambling behavior; and
- Increased signage on ACT Gambling Counselling Support Service contact details within all gambling venues.

These industry initiatives are all focused on engaging with the community and reducing the stigma associated with problem gambling and help seeking for those affected. Industry is consistently pursuing further advancement into the community to encapsulate all potential areas to assist and further compliment existing community and industry initiatives.

Further, the types of organisations that receive funding from the PGAF should be broadened beyond the contracted service providers. The impacts of problem gambling can extend beyond the problem gambler and there are organisations in the ACT that deal with the secondary impacts of problem gambling. Consideration could be given to providing funding to those organisations at least to encourage them to provide relevant information to the contracted service provider.

The existing community contribution regime could also be amended to encourage donations to those same types of organisations. Clubs contributing to women's sport have been able to claim $4 for every $3 donated. This has led to an increase in the overall contribution to women's sport. A similar approach could be adopted to encourage increased contributions to organisations that fall within eligible categories.

***Recommendation 22***

***Consideration be given to expanding the scope of organisations that receive funding from the Problem Gambling Assistance Fund.***

***Recommendation 23***

***Amend the existing community contributions scheme to encourage increased contributions to organizations dealing with primary or secondary impacts of problem gambling. The current $4 for $3 arrangements for contributions to women's sport would serve as a useful model.***

## 10.5 - Restoring Information Sharing

When ClubsACT provided gambling counselling under contract with Lifeline, there was a useful flow of relevant information between the clubs and Lifeline. For example, where Lifeline was noticing significant changes in activity at particular venues, that information would be passed on to ClubsACT which would in turn lead to greater focus and attention at those venues. ClubsACT would also receive detailed quarterly reports from Lifeline regarding their activities.

No information flow or data sharing has taken place since the service provision was taken over by the ACT Gambling and Racing Commission. ClubsACT or our members receive absolutely no information regarding the activities of the service providers or data relating to the level of engagement with club patrons.

Noting the need for privacy to be absolutely maintained, there is a clear need for the sharing of information at least in relation to venue based exclusions. ClubsACT has guidelines in place which deal with the process any club should undertake when considering the readmission of a formerly excluded patron. Whilst some venues will simply refuse to readmit a formerly excluded patron, part of that process is to identify whether the patron has engaged with a counselling service or related provider. Responses from patrons cannot be verified without sufficient information sharing between industry and the regulator/service provider.

More generally, any effort to deal with problem gambling must involve the willing participation of venues themselves and their staff. Most good will be achieved if the service provider and regulator work in partnership with the venues.

It is important to note that the feedback from clubs regarding Relationships Australia is universally positive which is in contrast to feedback regarding the previous service provider whose contract was not renewed.

***Recommendation 24***

***Consideration be given to restoring appropriate levels of information and data sharing between ClubsACT, individual clubs, Relationships Australia and the ACT Gambling and Racing Commission.***

## 10.6 - The Research Effort

For some years now, all research regarding problem gambling and gambling more generally has been conducted exclusively by the Australian National University Centre for Gambling Research (CGR) funded by the ACT Government via the ACT Gambling and Racing Commission.

There is a fundamentally valuable role for research but it is important that the research effort be rigorous, peer reviewed and informative.

There is a reasonable question regarding the value of past research activities to the harm minimization effort. Certainly, industry is not consulted on either planned research activities or outcomes.

In November 2010, research commissioned by the ACT Gambling and Racing Commission and conducted by the CGR included an opinion poll on views regarding ATMs and gaming machine reduction.

Opinion polls are not a sensible use of the scarce research dollar.

There is inherent value in the available research dollar being contestable and the selection of research providers and activities resulting from a competitive process. Certainly government procurement process is based on the principle that taxpayers money can only be spent through a competitive tender process.

Gambling research and the money being paid for such research should be no different. There are certainly many other providers that specialize in various aspects of gambling research that would complement our existing effort. Those organisations should be given the opportunity to submit research projects and receive funding through a competitive, rigorous and transparent process.

***Recommendation 25***

***Chief Minister, Treasury and Economic Development Directorate provide options to ensure expenditure on gambling research occurs as a result of an open, competitive, rigorous and transparent procurement process as well as options to expand the scope of potential providers of research.***

Water pricing is a recurrent and potent issue in the ACT, particularly for commercial users such as clubs. There is little doubt that after years of drought and concurrent price rises that clubs have and are carefully managing their water use for irrigation, understanding this is both environmentally and fiscally sound.

For a number of years Andrew Barr as both Treasurer and Minister for Sport has outlined the ACT Labor Government's commitment to investing in sport and recreation and listing them as top priorities. Clubs are intrinsically tied to these priorities, providing excellent community amenity, opportunity for social inclusion and contributions to the health and wellbeing of Canberrans.

Clubs are much more than just a sporting venue. Golf courses for example enhance the aesthetic amenity of the ACT and form part of an urban landscape that provides eco-centres that support natural flora and fauna. Many are also part of flood abatement zones which help manage storm water flows through established eco-friendly wetlands. Others have planted trees and shrubs to help the greening of our urban environments.

Sporting fields and ovals are utilised by hundreds of community groups, fostering and creating pathways to professional sports.

## 11.1 - Clubs as Sport and Recreation Hubs

> "I will stick up for sport at this stage by saying that we must recognise that sport is a contributor to the community. It contributes to the physical wellbeing of the community".
>
> Ted Quinlan - Minister for Sport, Racing and Gaming. 13 Dec 2002

More than two thirds of clubs maintain some form of sport and recreation infrastructure and make a valuable contribution to their local communities through employment and training, direct cash and in-kind social contributions. In addition, they provide social capital by mobilising volunteers and provide a diverse affordable range of services, facilities and goods.

Clubs are responsible for the management and care of over 500 hectares of urban green space in the ACT. They are an integral part of the landscape and provide many benefits to the community and the environment.

Clubs are the major stakeholder in recreational infrastructure across the ACT and the maintenance of this infrastructure involves little or no cost to Government.

Management of these facilities requires considerable skill and resources however this is increasing in complexity as sites seek to balance conditions that are conducive to play in tandem the needs of the environment.

The responsible management of all resources within a site is essential for the survival of the facility and water resource management and reducing reliance on potable water is critical for clubs. The conservation of water used for irrigation, the protection of water quality, both surface and ground water, and access to affordable re-use water are all objectives for the ACT club industry.

The golf industry in particular has made significant progress in water management in recent years, however it is a costly process and there remains further scope for improvement in sustainable water use for these clubs. It is in the ACT Government's interest to work with the industry to ensure the right tools are provided to achieve fit for purpose surfaces using the least volume of water. Despite the efforts by golf courses many other facilities have not had the capacity or means to seek out alternative solutions to their rising potable water costs, with price rises of 400% in ten years. Many clubs remain vulnerable to further price increase.

Golf courses rely heavily on income through golf club membership fees but need to be assisted to diversify

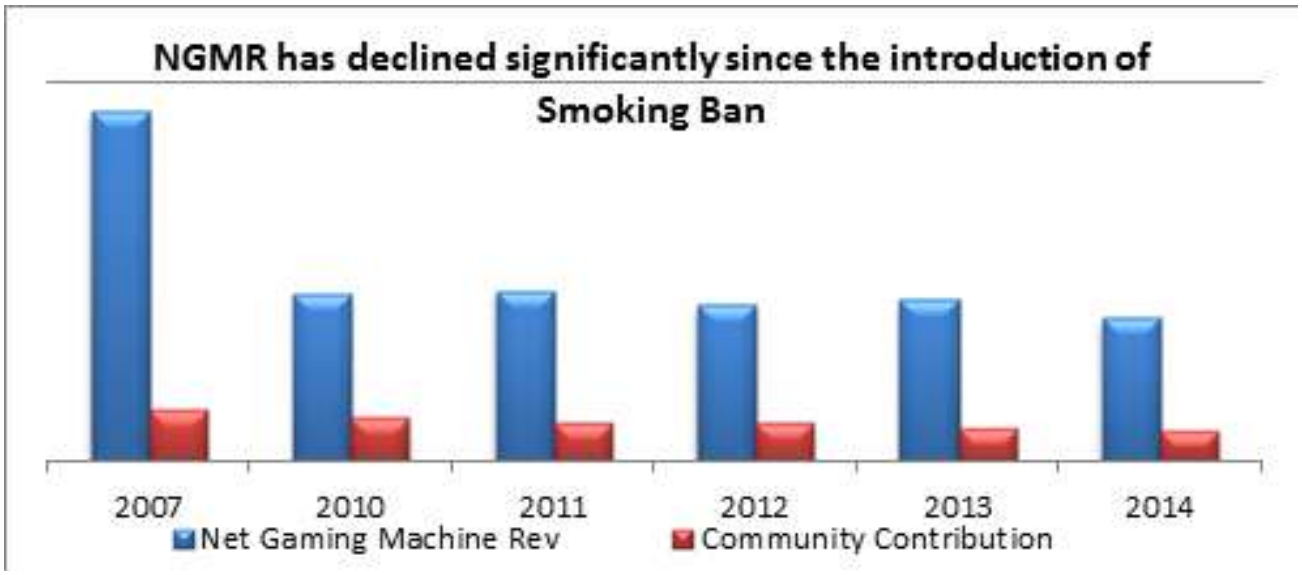
other revenue streams to generate much needed income and offset the increasing costs associated with maintenance of the golf course facility.

Most clubs that maintain ovals do not derive income from any form of membership or ticket sales to games. The facilities are in themselves maintained by the club and income made from club operations.

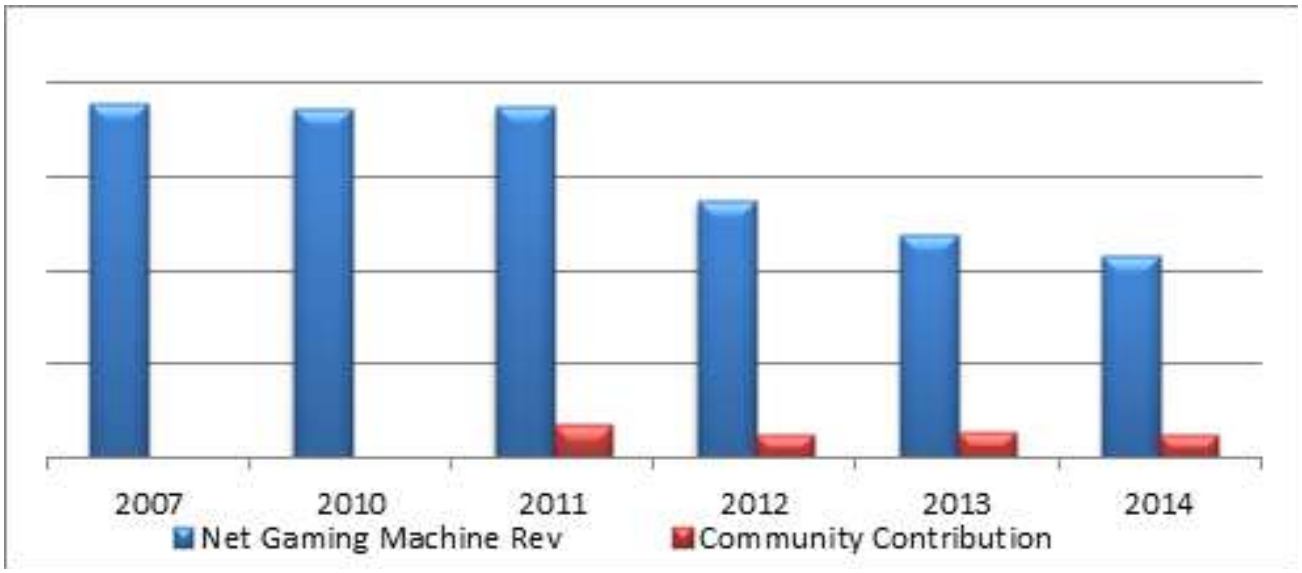
Over the years, gaming revenue has been the key driver of club growth and has allowed clubs to provide much needed community support and assisted in maintaining their facilities.

Changes however in recent years within the ACT regulatory environment, most significantly smoking bans introduced in 2006, have resulted in continued downward trend in gross gaming revenue.

**Example: Ainslie Football & Social Club – Alan Ray Oval (2014 NGMR - $3,782,193)**




**Example: Yowani Country Club Canberra (2014 NGMR - $217,026)**




What these charts demonstrate is the simple truth that clubs can no longer sustain current community focused expenditure based on much reduced revenue and higher costs.

## 11.2 - NSW and ACT Water Pricing Comparison

Please note below, in NSW licence holders are billed for an access charge and a usage charge for their valley. Charges are multiplied by the number of megalitres and shares (UNITS) they are assigned.

In the ACT, licence holders pay a flat rate access charge for an entitlement up to 1000 megalitres and then are charged at a usage rate of $260 per ML.

| NSW Regulated River Water | Access Charge | Usage Charge |
|---|---|---|
| River Valley | $/Unit of entitlement (ML) | $/ML |
| NSW Av. | $2.60 | $2.49 |
| Murrumbidgee | $1.23 | $0.79 |

| NSW Unregulated River Water | Access Charge | Usage Charge |
|---|---|---|
| River Valley | $/Unit of entitlement (ML) | $/ML |
| NSW Av. | $5.94 | $2.21 |
| Murrumbidgee | $11.85 | $3.55 |

| NSW Ground Water | Access Charge | Usage Charge |
|---|---|---|
| River Valley | $/Unit of entitlement (ML) | $/ML |
| NSW Av. | $2.60 | $2.49 |
| Murrumbidgee | $1.23 | $0.79 |

| ACT Ground/Surface Water (inc. River) | Access Charge | Usage Charge |
|---|---|---|
| | Entitlement up to 1000ML | $/ML |
| ACT | $399.70 (fee) | $260.00 |

| Recycled Water | Usage Charge $/kL |
|---|---|
| Sydney Water | $1.78 |
| ACTEW Water | $3.27 |

| NSW/ACT Potable Charges | Usage Charge Tier 1 $/kL | Tier 2 $/kL | Notes: |
|---|---|---|---|
| Sydney Water | $2.32 | N/A | Rate falls at higher usage |
| Yass | $2.80 | $NA | Golf Course 45% of full rate |
| Riverina | First 125kL per qtr $1.33 | Thereafter $2.00 | Community facility (Clubs) $1.33 |
| Cooma-Monaro | 0-300 kL per annum $1.54 | Thereafter $2.44 | Lawn Bowls $1.54 |
| ACTEW Water | First 0.548 kL per day $2.64 | Thereafter $5.29 | No CSO for sport and rec clubs |

## 11.3 - Record High Water Costs Despite Lower Consumption

***"The harsh reality of drought like conditions again threatened the course grasses mid-summer and it was necessary to initiate contingency measure by accessing potable water. As has been noted over recent years the risk of having to rely on potable water to maintain the courses remains the clubs' greatest issue. The December-March 2014 quarter was particularly difficult with $80,000 spent on potable water alone".***

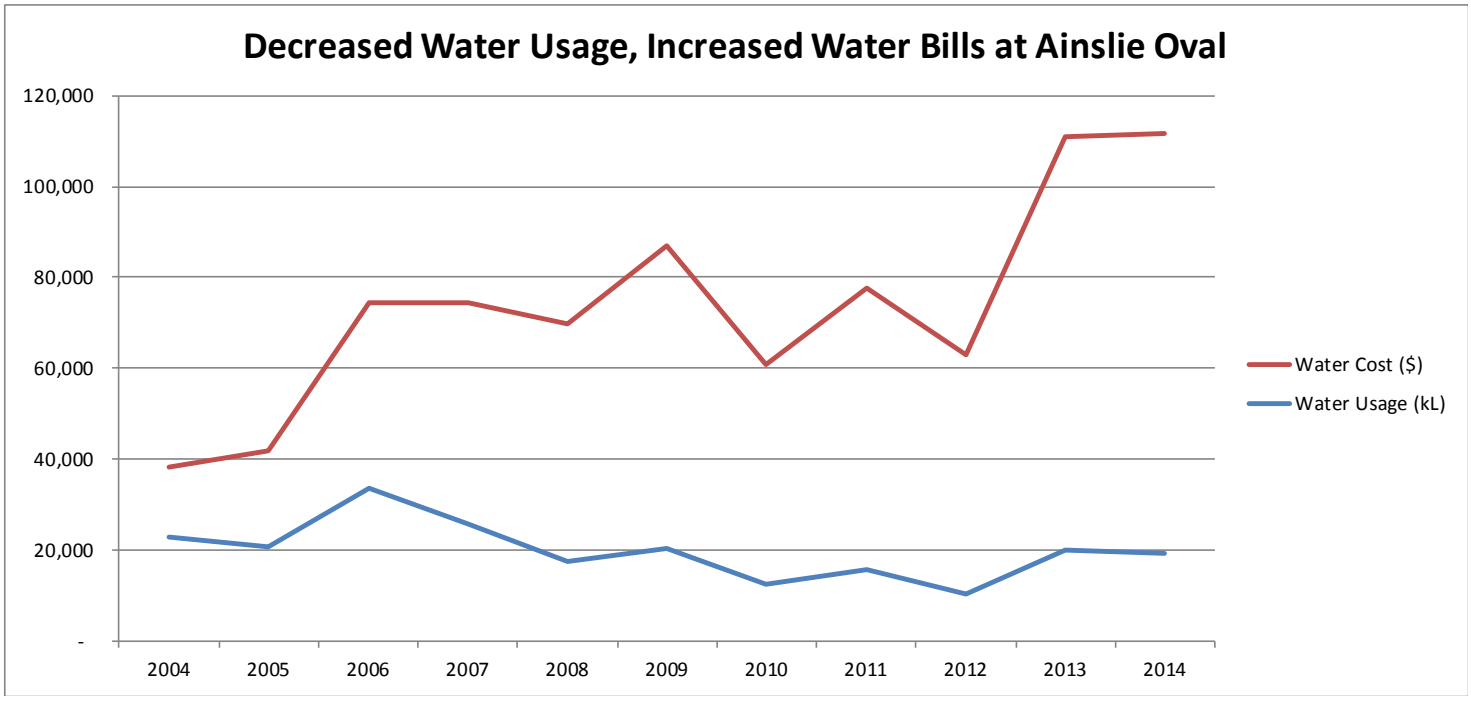
***Excerpt from Federal Golf Club Annual Report 2013/14***

For many years there has been cause for concern in the steep climb in water rates which now are over 400% on where they were a decade ago.

In 2004, clubs paid $1.05 a kL for potable water with a movement to its present 2015 price of $5.29 kL (Tier 2 over 548 litres). The impact of this pricing is best demonstrated below where despite reducing consumption over time, costs attributed to water are at record highs.

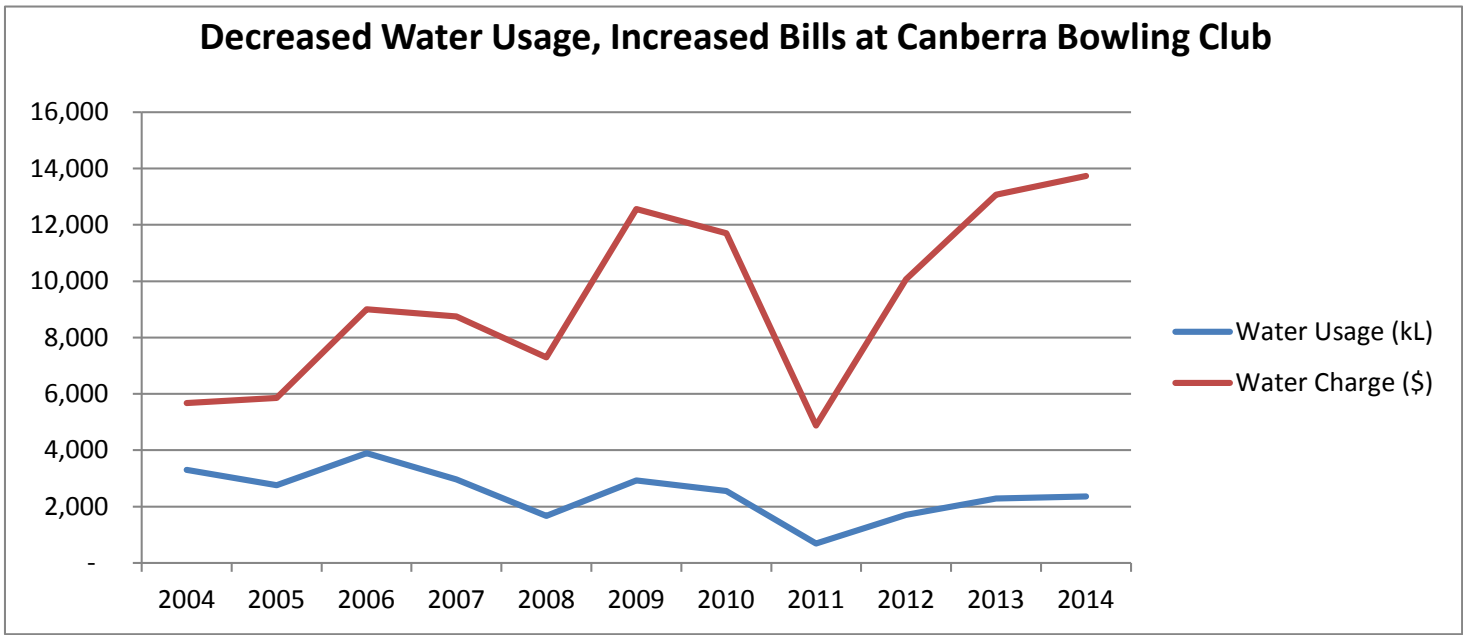
**Example: Ainslie Football & Social Club – Alan Ray Oval**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Water Cost ($) | 38,137 | 41,944 | 74,429 | 74,419 | 69,803 | 86,835 | 60,888 | 77,818 | 62,958 | 110,983 | 111,765 |
| Water Usage (kL) | 23,024 | 20,947 | 33,735 | 25,625 | 17,740 | 20,297 | 12,668 | 15,612 | 10,496 | 20,012 | 19,515 |



**Example: Canberra Bowling Club**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Water Cost ($) | 5,676 | 5,860 | 9,002 | 8,753 | 7,298 | 12,567 | 11,708 | 4,873 | 10,065 | 13,070 | 13,732 |
| Water Usage (kL) | 3,302 | 2,760 | 3,901 | 2,966 | 1,665 | 2,928 | 2,549 | 692 | 1,705 | 2,285 | 2,361 |




Water use is an enormous challenge for clubs which maintain sport and recreation infrastructure because their access to it is essential in maintaining their core asset.

As the table demonstrates raising the cost of water will not change the demand to irrigate an oval, golf course or lawn bowls facility. Use of water for these facilities is simply a necessity and clubs have little to no ability to reduce usage due to the need to ensure the surface is healthy, playable and less subject to environmental stress.

In a meeting held with ACTEW Water in 2014, ClubsACT queried the rationale of the tiered pricing for users with the response being that this system provides a price signal to users. ACTEW Water's attempt at sending a price signal for usage above 548 litres per day is simply irrelevant for users such as clubs, who use this amount of water in a matter of minutes in the necessary up keep of their community facilities.

When examining pricing in areas of NSW one discovers very different charges. Sydney Water charges a flat rate at $2.32 per kL, Riverina Water pays $2.00 per kilolitre at a higher consumption level and Cooma-Monaro $2.44 per kL at a higher consumption level. ACTEW Water may argue a need to charge differently to other jurisdictions but the contrast in pricing is stark.

Price signals are only effective where the user has some capacity to modify their usage. For clubs, where the need to use certain amounts of water to maintain the integrity and safety of their courses, greens or fields is simply a necessity, the price signal becomes price gouging.

Nor is this profound increase in pricing found anywhere in NSW. Such price increases can only be found in areas of Australia that are deemed arid and semi-arid.

## 11.4 - A Different Approach for Community Clubs

Community Services Obligations (CSOs) in various forms, provide discounts or rebates for those identified recipients who meet specified Government community objectives.

Under Part 13 of the ACT Utilities Act 2000 the Government can… "oblige the utilities to provide utility services in accordance with relevant Government program, for example, for community services, the environment or other social issues."

ACTEW provides a range of CSOs on behalf of the ACT Government. These CSOs are social, rather than commercial in nature and are explicitly funded by the ACT Government. The majority of CSOs by value relate to pensioner concessions in connection with water and sewerage charges. Water and sewerage services are also provided at 50% price discount to community organisations such as schools and churches.

With this in mind, it seems unreasonable to view community clubs as not being worthwhile recipients of a CSO type arrangement for water pricing.

Brendan Smyth MLA in March 2014 commented that clubs… "made an important contribution to the ACT economy, not only in tax, but also in employment and economic activity. They supported local sports and other groups and were an important meeting place, especially for older people."

For golf courses or lawn bowls clubs, a very high percentage of their members are on fixed or low incomes. These members are the most sensitive to increases in price. They are also the very people who should be encouraged to remain physically active and socially engaged. And whilst clubs continue to support these people, there is a role for Government to play in acknowledging that support by providing assistance to clubs so they can ensure that affordable access to their facilities remains to those who need it the most.

A precedent for a CSO type discount already exists in other jurisdictions. The Yass Valley Council for example, applies a discount for both the lawn bowls and golf clubs via a water usage rebate at 45% of the potable usage charge currently $2.80 per kL[4].

In South Australia, SA Water receives a CSO payment calculated as an estimate of payments forgone, for providing service charge exemptions to certain customers such as include benevolent institutions, charitable organisations and sporting clubs. Arrangements also exist in SA where local council agreed to pay future bills and has negotiated set annual fees for individual clubs[5].

***Recommendation 26***

***The ACT Government apply the Community Service Obligation program to water used by clubs that maintain sport and recreation infrastructure.***

*4 http://www.yassvalley.nsw.gov.au/images/documents/yassvalley/Council%20Documents/FINAL%20FEES%20AND%20CHARGES.pdf*

*5 http://www.dailytelegraph.com.au/news/onkaparinga-council-to-pay-southern-sporting-clubs8217-future-water-bills-as-part-of-fee-overhaul/story-fnii5yv6-1226736919095*

## 11.5 - Water Abstraction Charge

In the ACT a Water Abstraction Charge (WAC) applies to users with a licence to take water. This charge is levied presently at 0.26 kL and applies to both ground and surface water.

The charge on surface water is for water caught in a clubs own on-site ponds or dams and remains a substantial cost, placing ACT clubs at a competitive disadvantage to clubs in NSW.

In 2014, the Government recognised the impost on clubs and introduced the Market Equity Scheme (MES) which halved the current WAC rate for clubs to 0.13 kL and allowed clubs which had made major investments in water saving infrastructure to additionally offset their spend against their WAC obligations. For some this has negated bills temporarily however longer term they still face payments for water well above NSW.

This decision was taken in response to a request from ClubsACT for competition equalisation principles to be applied to clubs in the ACT, recognising the fact that they are in direct competition with clubs in Queanbeyan.

ClubsACT sought the introduction of the former ACT Competition Equalisation Payment (CEP) which acknowledged the disparity with NSW and in 2008 the CEP reduced the WAC payment for ACT rural irrigator to just $0.0216 kL ($2.16 per ML)[6].

This is why we must continue to seek a better outcome for clubs that maintain community recreational infrastructure because they are also businesses and are without question in competition with clubs in NSW. ACT clubs remain at a significant competitive disadvantage to clubs in NSW and if they are unable to compete a burden will fall on Government to maintain these facilities or they will simply not exist

Moreover, the ACT Government does not bear any costs related to the provision of secondary water sources. Clubs themselves have developed these sources such as dams and ponds and bear the cost of maintaining them. There is no relationship between the price the government charges clubs for using this water and any cost the government bears for that use as they bear almost no cost at all.

***Recommendation 27***

***An independent review of cross border competitive issues should be conducted with a view to identifying opportunities for eliminating the difference in secondary water supply costs between NSW and the ACT.***

*6 http://www.clubsact.com.au/wp-content/uploads/2014/06/FOI-Unsigned-minutes-to-under-treaurer-economics-branch-Oct-2012.pdf*

## 11.6 - Recycled Water

Recycling water and making it 'fit for purpose' means it can be safely used for non-potable supply like irrigating a golf course or an oval. Most importantly using this water in this manner has the obvious benefit of conserving drinking water. These are sensible objectives.

Incredibly, recycled water in the ACT is more expensive then potable water in NSW.

Recycled water in the ACT costs $3.27 kL. The cost of potable water in Sydney is $2.32 kL. Businesses in Canberra pay 70 percent more for recycled water than people in Sydney pay for drinking water and in contrast to Sydney where recycled water is accessed at nearly half of that rate, at $1.78 kL.

If it is intended that recycled water - which in many cases has already been paid for when it was accessed as potable water, then paid for again when returned as sewerage - is better used to irrigate a sporting field then going back into the water system, why is this water more expensive then potable water?

To illustrate the ludicrous nature of this pricing, ACTEW Water in its 2013 submission to the ICRC said that it provides recycled water (treated effluent) from the Lower Molonglo Water Quality Centre for irrigation use on a golf course and vineyard in Holt and supplies approximately 250 ML per year.

Based on current pricing and usage, ACTEW would charge these two businesses approximately $800,000, for water that is otherwise returned to the Murrumbidgee River. This same water, after a just short journey to the border can be accessed by irrigators in NSW at a fraction of the price imposed by the utility.

To further illustrate the point, Pankhurst Winery, located in NSW near the ACT border, accesses the Murrumbidgee River at a usage charge rate of 0.0079kL ($0.79ML)[7] as do a number of wineries in the "Canberra" region. These wineries also pay an entitlement access charge however their total bills are a far cry from the 0.26kL ($260 ML) being asked for by the ACT Government or even the $130ML which is charged under the Market Equity Scheme (MES).

On a number of fronts the ACT Government is treating water as a commodity where it is no longer the case that irrigators have a right to water (even a reasonable one), but rather they are being forced to pay far higher prices than those in NSW irrespective of the source.

***Recommendation 28***

***That the ACT Government considers the application of the Community Service Obligation program for recycled water.***

*7 http://www.water.nsw.gov.au/water-management/fees-and-charges*

# 12. Conclusion

More than anything else, the ACT club industry needs certainty.

The challenge of running a sustainable business in the face of dwindling revenues whilst trying to fundamentally change business models is difficult enough without the added frustration of constant shifts in the legislative and regulatory framework.

The ACT does not have a coherent, reasonable and comprehensive policy framework for the club sector. This has been partly responsible for the ad-hoc nature of policy decisions that has been seen over recent years.

Public debate around clubs has been most often characterised by individuals, organisations and the media prepared to be very critical of clubs. Those same commentators have thus far been less forthcoming when it comes to offering solutions.

If the one major area of consensus is the need for clubs to diversify then there needs to be effective policies in place to achieve that aim.  It simply will not be met without a sustained and supported policy effort.

To that end, this committee inquiry isn't just an opportunity for industry to again put forward options, as we have been doing for some years now. It is more importantly an opportunity for the Legislative Assembly to focus on solutions and to develop and implement policies that will actually **assist** in achieving the shared objective of a thriving, sustainable club industry.

The supportive words must finally be matched with supportive deeds.

If we collectively fail to achieve sensible, reasonable and meaningful reform before the next ACT election then it is unlikely that it will ever be achieved.

At that point politics, rather than policy, will have again and ultimately prevailed.