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ACT Community Clubs: Financial Challenges

Industry financial snapshot and reform implications

19 October 2026 | Version 5.1

A de-identified assessment of 19 audited reporting entities covering 33 licensed venues.

Executive summary

Eight of the 19 audited ACT club entities made a loss. Revenue grew 4.2 per cent, but operating cash flow fell 6.4 per cent and capital spending fell 43.0 per cent. The updated aggregate surplus is largely explained by a material one-off property gain at one entity.

The Financial Resilience Index is a screening tool that assesses each club across eight measures, including profitability, liquidity, operating cash flow, debt, asset strength, revenue diversification, capital renewal and community contributions.

A **High-Risk** rating means the available audited information produces an index score between 40 and 49.9, or that an auditor has reported a material uncertainty about the club's ability to continue as a going concern. It indicates that the club may have limited capacity to absorb additional costs, revenue reductions or unexpected financial shocks without reducing expenditure, deferring investment, using reserves or seeking other support. It does not mean the club is insolvent or certain to close, and it should not be treated as a credit rating or auditor opinion. Rather, it identifies clubs requiring closer examination and a more cautious, individually staged approach to policy or regulatory change.

The sector remains strongly asset-backed, but property and buildings do not directly pay wages, utility bills, technology costs, maintenance or community grants. Those obligations require recurring income and cash.

The central policy issue is not whether clubs possess substantial assets, but whether clubs with already declining cash generation and investment capacity can absorb further mandated costs and revenue reductions without affecting services, employment, community support or future viability.

The central findings

42.1% made a loss | Operating cash flow fell 6.4%
58.8% moderate or high risk | Capital spending fell 43.0%

Ten of the 17 assessable entities remained in the Moderate Risk or High Risk categories. The latest reports improve the aggregate result, but the improvement is not broad-based: without one entity's one-off property gain, the other 18 entities recorded an aggregate loss.

Action sought from the ACT Government

ClubsACT asks the ACT Government to take three precautionary actions. The evidence does not establish that any particular reform will cause harm. It shows that financial capacity is uneven and supports staged implementation until cumulative ACT-specific impacts have been assessed.

1. Pause further mandated impacts

Pause further mandated gaming machine reductions and the implementation of account-based gaming and mandatory loss limits until cumulative ACT-specific impacts have been assessed and an agreed transition pathway is in place.

2. Agree a staged transition plan

Agree a staged implementation plan with ClubsACT, aligned with NSW and linked to demonstrated financial and technological readiness.

3. Appoint a single government lead

Appoint a single government lead to coordinate club transition, including practical action on planning and lease variation charge barriers, with club-specific pathways to establish viable replacement income before further mandated revenue reductions take effect.

The purpose is to protect jobs, community assets, member services and community contributions while clubs adapt. The transition must be matched to each club's capacity to fund it.

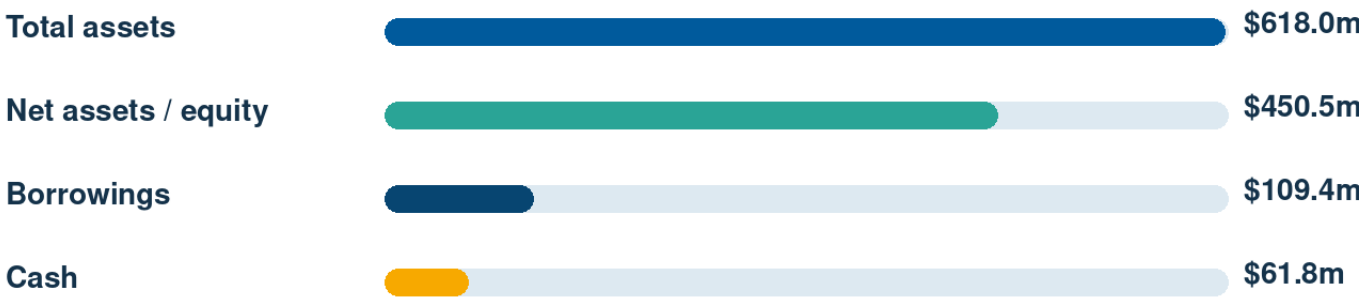
Audited scope: 19 reporting entities, 33 licensed venues, reporting dates from June 2024 to June 2026. Report updated 19 October 2026. Venue-closure sources are listed under Data sources and analytical tools.

The financial position at a glance

The aggregate balance sheet is substantial. The smaller cash and operating cash flow figures show why asset strength should not be mistaken for spare spending capacity.

Measure	Amount	What it represents
Total assets	$618m	Mostly property, buildings and infrastructure.
Net assets / equity	$451m	The group remains strongly asset-backed overall.
Cash	$61.8m	Cash available at reporting dates.
Borrowings	$109.4m	Reported loans and borrowings across the group.
Operating cash flow	$27.4m	Cash generated from normal operations.
Capital spending	$27.2m	Investment in long-term assets.

Scale of selected balance sheet measures



Amounts in $ million, rounded. Reporting periods vary between entities.

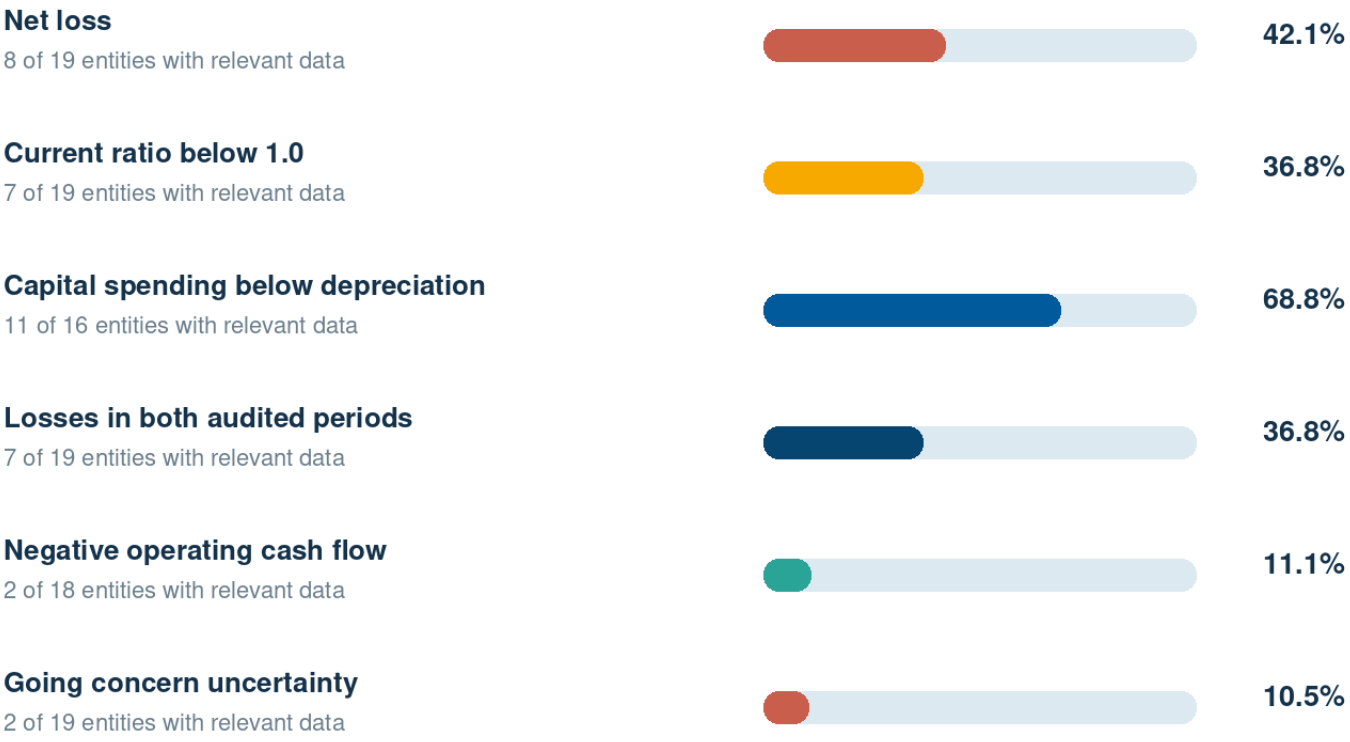
Capital spending means investing in things that last
Money spent buying, replacing or improving buildings, equipment and facilities. It includes a kitchen refit or new sporting facilities, rather than ordinary daily running costs.

Cash cover and reinvestment

$27.4m cash from operations compared with $27.2m capital spending leaves about $0.2m headroom. This apparent improvement reflects a 43.0% fall in capital spending; it is not evidence that renewal needs are fully funded.

Where the financial pressure is showing

The key issue is not one single number. Several warning signs are appearing at the same time across profitability, liquidity, reinvestment and audit evidence.



Percentages use the relevant denominator for each measure and are rounded to one decimal place.

What this means in everyday language

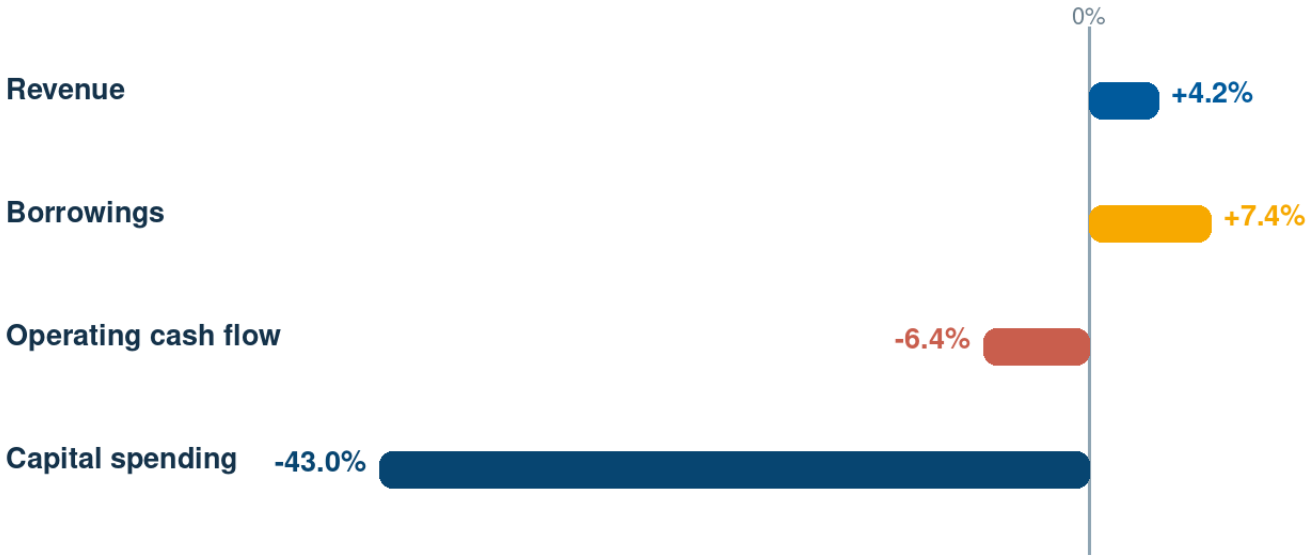
Some clubs are still operating and own substantial assets, but they have less room to absorb a bad year, a sudden fall in revenue or a new fixed cost. For the weaker clubs, the first response may be to delay maintenance, use cash reserves, cut services or seek support before a venue actually closes.

More than half of the entities that could be assessed were in the Moderate Risk or High Risk categories: 10 of 17, or 58.8%. Two of the 19 reporting entities remained unrated because coverage was insufficient.

Revenue rose, but cash generation and capital investment fell

Across comparable audited reports, revenue increased, but normal operations generated less cash and capital spending fell sharply. The reported aggregate surplus was concentrated in one material property transaction.

Change across comparable audited reports



Changes compare each entity's current audited period with its previous audited period.

The aggregate result improved, but the improvement was one-off driven

The group moved from a $3.38 million loss to a $3.06 million surplus. Excluding the entity that reported a material one-off property gain, the other 18 entities recorded an aggregate $1.15 million loss.

Persistent pressure

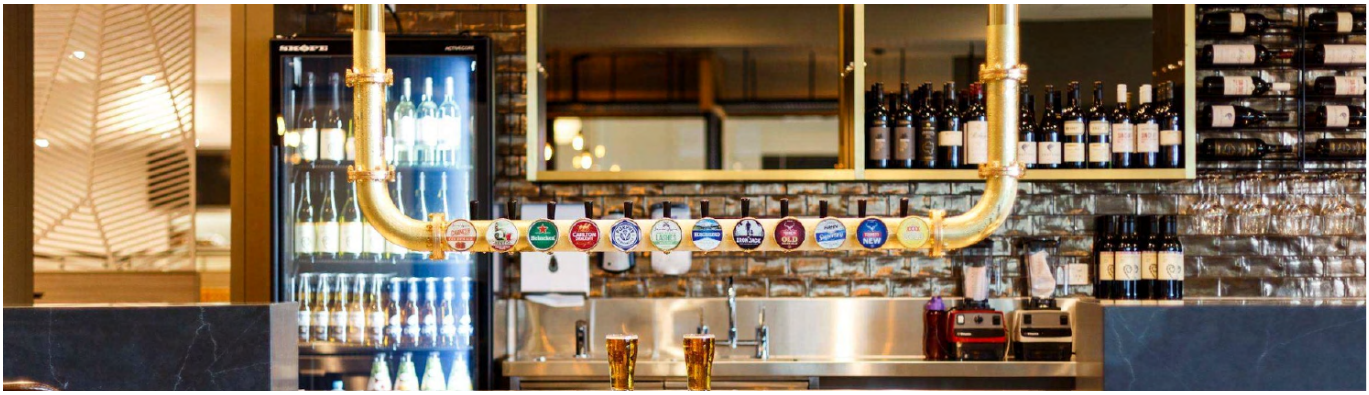
Eight entities reported a loss in their most recent audited period. Seven of those entities reported losses in both the current and comparative audited periods. This recurrence matters because repeated deficits can progressively reduce cash reserves, defer asset renewal and narrow the choices available to boards.

Operating cash flow means cash from everyday operations

Cash received from normal activities, less cash paid for running them. The 6.4% fall means less cash was generated before investment and financing.

Why valuable property does not mean spare cash

A club can look strong on paper and still struggle to fund day-to-day operations and future investment. A valuable clubhouse can support long-term security. The building itself cannot pay wages, electricity bills, technology costs or repairs. Those costs need cash.



Cash broadly covered lower capital spending

Operating cash flow was $27.4 million while capital spending was $27.2 million, or about $1.01 of operating cash for every $1 spent. Capital spending nevertheless fell 43.0%, and 11 of 16 entities with both measures spent less than depreciation and amortisation.

Cash from operations	Capital spending	Headroom
$27.4m	$27.2m	$0.2m

Amounts are rounded. The $0.2 million headroom is calculated before rounding.

Liquidity means being able to pay bills when they fall due

A club needs cash, or resources it can readily turn into cash, to meet wages, suppliers and other payments. A valuable building does not itself provide that money. Limited liquidity means less room to absorb an unexpected cost.

The concern is not that the whole industry is over-borrowed. Reported borrowings rose to $109.4 million, cash margins remain tight and the ability to keep investing is uneven between clubs.

Why club finances matter to the community

Nearly 1,000 distinct beneficiary names appear across approximately 1,300 recorded support relationships, demonstrating the breadth of the community network potentially affected by reduced club capacity. The examples below illustrate the types of organisations within that broader network.

Support continues despite financial pressure

The audited collection records $93.5 million in employee benefits across 16 reports and $11.27 million in statutory community contributions across 14. These cover mixed reporting periods, not one year for the whole industry.

$4.50 million, or 40.0%, of quantified statutory contributions came from loss-making entities. Six of the eight entities reporting a deficit disclosed a contribution total. Clubs can provide substantial support while under financial pressure.

A school community

Calwell High School P&C Association is named in the directory for 2024–25 and 2025–26. Support for a P&C connects clubs with parents and volunteers working for their school community. The relationship brings the financial discussion closer to families and local education.

Junior sport

Ginninderra Junior Cricket Club appears in records from four contributing clubs or groups across 2023–24 to 2025–26. It shows how several clubs can support the same junior sporting community. Pressure on that network can affect the capacity available to local sport.

A community health charity

Canberra Hospitals Foundation is named in a supplied 2025–26 contribution schedule. Club support reaches health charities as well as sporting organisations. Those relationships connect club finances with community needs that extend beyond a venue's own members.

What could change for the community

If a club has less money available after paying its bills, it may have to reduce grants, charge more for community rooms or delay facility upgrades. Those costs can fall on volunteers, families and community organisations. These are potential consequences, not evidence that support to the named beneficiaries has been cut.

Reading the examples

Source: Community Contributions Members Report Version 2.6 and audited CPC schedules. Entries pair a beneficiary or program with a club and period; they are not unique organisations or current grants. Beneficiary examples do not identify the financial condition of any contributing club. Supplementary records are not added to the audited $11.27 million total unless reconciled.

Why policymakers should care

This report does not quantify the financial effect of account-based gaming, mandatory loss limits or other proposed reforms. It assesses the sector's current capacity to absorb additional pressure.

The concern arises because the principal indicators are moving in a direction consistent with reduced financial capacity: 42.1% of entities were loss-making, 58.8% of assessable entities were rated Moderate Risk or High Risk, operating cash flow fell 6.4% and capital spending fell 43.0%. Additional compliance costs, technology investment requirements or accelerated revenue reductions would therefore be absorbed unevenly, with the greatest pressure falling on clubs already displaying audited signs of financial stress.

A possible consequence of change that is too fast or unfunded

The pathway below explains a plausible transmission mechanism. It is not a prediction for every entity or proof that any particular reform will produce these outcomes.

1. Rapid or unfunded change

New fixed costs or revenue reductions arrive before replacement income.

2. Lower operating cash flow

Less cash remains after meeting day-to-day operating costs.

3. Maintenance and investment deferred

Asset renewal, technology and diversification projects are delayed.

4. Services and community support reduced

Opening hours, member services, grants and in-kind support come under pressure.

5. Employment and local activity affected

Fewer shifts, lower spending and reduced local economic activity may follow.

What this report does not claim

Not all clubs are failing. Of the 19 reporting entities, 17 could be assessed: seven were Stable or stronger and ten were in the Moderate Risk or High Risk categories. The remaining two entities were unrated because coverage was insufficient. The finding is uneven capacity, not uniform failure.

This analysis does not establish specific reform effects. It does not show that account-based gaming, mandatory loss limits or any other particular reform will cause a venue closure, service reduction or job loss. The issue is whether pace, sequencing and cumulative cost leave clubs sufficient capacity to adapt.

A loss is not insolvency. A single deficit can reflect investment cycles and depreciation. Concern rises when losses coincide with weak cash flow, liquidity pressure or audit warnings.

What this means for reform

The updated data does not say that all clubs are failing. It shows a small aggregate surplus driven by one material property gain, alongside weaker operating cash generation, higher borrowings and sharply lower capital spending.

Current path brings uneven pressure

Stronger clubs keep investing. Weaker clubs defer work, use cash reserves, reduce services or rely more on property decisions and group support.

A sudden shock risks faster contraction

A sudden revenue cut or new fixed cost could reduce available cash and put maintenance, community support and jobs under pressure, increasing consolidation or closure risk.

Managed change allows more time to adapt

Staged reform gives clubs time to build replacement income, update technology and protect community assets and services.

A financially safer approach

- Look at the combined impact of gaming, tax, workforce, compliance and technology changes, rather than each change in isolation.

- Check whether clubs have enough cash, technology, staff capability and replacement income before major changes start.
- Allow weaker clubs more time or earlier support where audited warning signs are already present.
- Make it practical for clubs to invest in new non-gaming income before existing income is reduced.

Bottom line

ACT community clubs are not uniformly in financial trouble. The sector is strongly backed by property and other assets, but the latest aggregate surplus is not broad-based. Many clubs have thin profits, recurring deficits or limited spare cash. Further costs or revenue reductions would be absorbed unevenly, with the greatest pressure on clubs already showing financial stress. This is a risk assessment, not a prediction that any particular reform will produce a closure or service reduction. The companion community contributions directory records approximately 1,300 support relationships across reporting periods in Canberra. Reform should be sequenced so clubs have a realistic opportunity to sustain those community connections while adapting.

About this analysis

Audited financial coverage

The core analysis uses audited reports from 19 reporting entities covering 33 licensed venues, with reporting dates from June 2024 to June 2026. Figures retain each entity's reporting period. They are not annualised and do not provide a same-day comparison.

Disclosure and reconciliation

Totals include only reports disclosing the relevant measure. Blank or undisclosed amounts are not zero. Contribution categories, in-kind valuations, statutory uplifts and fund payments are kept distinct. A detailed schedule is not treated as a complete breakdown of an audited total until it reconciles.

Comparisons over time

Financial changes compare each entity's current audited period with the comparative period in the same report. The companion directory retains earlier records. Its 1,300 entries are club, beneficiary or program, and period combinations, not unique organisations or current commitments.

Confidentiality

This report presents sector aggregates, proportions and financial risk categories without naming individual clubs or groups. The underlying database retains source references and club-level detail. The separate electorate directory identifies contributing clubs and beneficiaries for its own stated purpose.

Financial Resilience Index

The index is a screening tool using eight equally weighted financial and audit dimensions. Scores are published only where at least six dimensions are available. An auditor-reported material uncertainty about going concern caps a publishable score in the High Risk category. It is not a credit rating, audit opinion or prediction of insolvency. The full scoring framework is set out in the appendix.

Data sources and analytical tools

Source material

The financial analysis draws on audited annual reports, signed financial statements, independent auditor reports and statutory Community Purpose Contributions schedules. The master database retains one current audited record per reporting entity, with report dates and source references.

Analysis and review tools

Spreadsheet calculations, financial ratios and the Financial Resilience Index support the analysis. Python and spreadsheet-processing tools were used to extract records, reconcile line items, recalculate aggregates and prepare the revised report.

OpenAI ChatGPT and Codex assisted with extraction, analysis and document preparation. Microsoft Copilot and Claude were used to cross-validate.

Interpretation limits

This report is not an audit or independent assurance opinion. It relies on the underlying disclosures, distinguishes audited totals from supplementary club information, and leaves unresolved differences visible. Automated tools do not replace source records or professional judgement.

Venue closure sources

ClubsACT's Frequently Asked Questions states that more than 30 ACT clubs have closed since the early 2000s. This is treated as an organisational historical estimate. It is not used in the financial calculations or as evidence of the effect of any particular reform.

Two recent venue closures can be identified directly. Vikings Group stated that Chisholm Vikings' last day of trading was 30 January 2026. Hellenic Club of Canberra announced that its City location would close in May 2026. Both were venue closures within continuing multi-venue groups, not closures of the reporting entities.

Sources: ClubsACT, Frequently Asked Questions, clubsact.com.au/frequently-asked-questions/; Vikings Group, Chisholm Vikings Closure, 1 December 2025, vikings.com.au/news/chisholm-vikings-closure; Hellenic Club of Canberra, A new chapter for the Hellenic Club, 10 April 2026, hellenicclub.com.au/club-news/cityclubclosure.

Appendix: Financial Resilience Index scoring framework

The index is a transparent analytical screening tool. It is not a credit rating, auditor opinion or prediction of insolvency. The underlying audited ratios, disclosures and audit findings take precedence.

Dimension thresholds

Dimension	Points from 5 to 0
Net margin	≥10%; ≥5%; ≥2%; ≥0%; ≥−5%; below −5%
Current ratio	≥2.0x; ≥1.5x; ≥1.2x; ≥1.0x; ≥0.75x; below 0.75x
OCF margin	≥15%; ≥10%; ≥5%; ≥0%; ≥−5%; below −5%
Equity / assets	≥80%; ≥65%; ≥50%; ≥35%; ≥20%; below 20%
Non-gaming share	≥75%; ≥60%; ≥45%; ≥30%; ≥15%; below 15%
Capex / D&A	≥1.25x; ≥1.0x; ≥0.75x; ≥0.5x; ≥0.25x; below 0.25x
CPC / income	≥4%; ≥3%; ≥2%; ≥1%; above 0%; 0%
Borrowings / equity	0%; >0–10%; >10–25%; >25–50%; >50–100%; above 100%

How the score is calculated

Index = 100 × total points ÷ (5 × dimensions scored). Each dimension is equally weighted. Missing disclosures are omitted, never scored as zero. A score is published only when at least six of eight dimensions are available; six or seven dimensions are identified as partial coverage.

Grade bands and safeguards

AAA 90–100 Exceptional; AA 80–89.9 Very Strong; A 70–79.9 Strong; BBB 60–69.9 Stable; BB 50–59.9 Moderate Risk; B 40–49.9 High Risk; CCC below 40 Critical. An auditor-reported material uncertainty about going concern caps a publishable score at 49.9 (B).

The thresholds are analyst-defined and have not been statistically calibrated to insolvency, default or credit-loss outcomes. Community investment is retained as a sector-specific mission-and-capacity measure and is not a conventional solvency ratio.