



To: The Secretary
STANDING COMMITTEE ON PUBLIC ACCOUNTS
ACT Legislative Assembly
andrea.cullen@parliament.act.gov.au

From: Austin Lynch
Vice President
Old Narrabundah Community Council Inc (ONCC Inc)

	A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE
SUBMISSION NUMBER	73
DATE AUTH'D FOR PUBLICATION	15.5.15

INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR

I thank you for the opportunity to put this submission to the ACT LA. If you think I have stayed from the Terms of Reference dwelling on the past rather than looking to the future please consider we must learn from past mistakes to get it right. Now retired, I have worked in the hospitality industry for over 30 years. I came to Canberra for a job at the Southern Cross Club in 1983.

You would do well considering small clubs and large corporate clubs differently. Corporate clubs have taken over many small clubs and using these entities as land assets to be sold to developers when they want revenue. The Vikings Group did not make as much as they could have when they bought the Capital Golf Club when the development was rejected. The Southern Cross Club has had problems developing their old lawn bowler's club. The Brumbies made \$19M out of taking over Canberra South Bowling Club.

Should these large not for profit corporate raiders be under the scrutiny of ASIC or at least more stringent control than ORS currently exerts? There are many rumours of unethical officers & staff in clubs. Maybe ORS could encourage people to submit evidence of unethical practices and follow up when a pattern emerges.

It should be noted that submissions to this inquiry would mostly be from the corporate clubs who have the resources to lobby on their behalf. Small clubs have no lobbying resources as their priority is every day operations and events. Small clubs do not donate to political parties who could advocate for them.

Clubs Provide Amenity to Communities

Clubs provide places for people to socialize, food, beverage, gaming, meeting rooms, music and an opportunity for many non profit organisations to conduct their business. Their loss is a loss to our society when club premises are developed. Clubs provide goods & services at the lowest prices and often meeting rooms for free. Many non-profit organisations & groups would disappear if they did not have the support of clubs.

Clubs provide a venue to hold a wake after a person has passed away. This community service is not a consideration when the ACT Govt & proponents of development decide to close down small clubs. Community facilities are sacrificed for the benefit of ACT Treasury and others involved in the land grab.

ACT Govt & Agencies

The ACT Govt's revenue is unsustainable as it is totally dependent on land sales. The offer sent to clubs by Minister Burch offering funds to investigate developing their land shows the ACT Govt does not appreciate the vital role clubs in communities. Residential development near clubs could create future problems for the club. This contempt was also displayed by the Liberal Govt in the development of the Hungarian Club Narrabundah in 2003, when petitions of 65% of neighbours were against the development.

A major element of the development of the Hungarian Club was a noise complaint. The Harmonie German Club is now the home of the Canberra Blues Society and music is a new income stream. The ACT Govt has decided to build social housing on an adjacent block that may affect musical performances. The ACT Govt is not supporting the HGC providing music; its actions could stop the music. The ACT Govt & agencies should not consider allowing residential development near clubs without an impact assessment, giving current club operations immunity from future or later residents. This could be done simply by Technical Amendment to the Territory Plan. I was under the understanding that Canberra was a planned city!

The ACT Govt has not been helpful to the Canberra Services Club since it was destroyed by the fire. The LDA has used this disaster as a development opportunity to build another boring hotel that will be the same as all the ones recently built. Undoubtedly another East or Burbury Hotel, unimaginatively draftsman designed building will appear. There will not be any additional car parks for Manuka Oval as there is no demand on the new lease. ACTPLA parking codes are developer friendly allowing them to minimise car parking to allow the developer to minimise their costs.

ACT political parties should have a policy of protecting small clubs and respecting the contributions they make to the community. They should not be viewed as leaseholds that are ripe for making a quick buck by developing.

The Harmonie German Club is dependent on Oktoberfest and the Multi-Cultural festival for revenue to keep the club economical. Increasing costs at both these events are decreasing the revenue. ACT govt agencies regard participants as cash cows to milk dry. The ACT Govt agencies act like landlords overlording their serfs and over-zealous ORS officials wield the whip threatening eviction.

ACT politicians of all parties want increasing densification and blocks of flats on every block of land that has potential for development. The development lobby has an enormous influence that should be more transparent. The Property Council never attends the Planning & Development Forum, preferring private meetings.

Legislation & Regulation

The ACT Govt should consider adding eligible clubs to their insurance scheme that is available to the non-profit sector. Insurance costs are a huge expense for small clubs.

The ORS should consider using computer applications to replace the current manual system. This new app should be optional, not imposed.

Members of all clubs should be given financial statements from their treasurer at half yearly SGM. Small clubs that are in club corporate should be given individual detailed statements that show their trading results.

Any club constitutional change must show that it benefits the rights of voting members in their role as the ultimate power of the organisation when at AGMs & SGMs. Control of clubs should not be in the hands of a select group of members. Maybe executive directors should have limited tenure. Certainly more members should be involved and better communicated to.

Most clubs are non profit holding concessional leases on their land. Corporate clubs are able to buy other struggling clubs who hold concessional leases. Like corporate raiders these organisations just treat these clubs in a holding pattern, doing little to improve their financial viability, until they set the development process in place. The Concessional Lease revue should be revisited so that small club's social value is a prime consideration in considering development. ACTPLA should be more transparent & make public clubs that have made applications to deal with their lease when it is listed. Fees for finding concessional leases are outrageous, these should be minimal.

Diversification & Mergers

Inner South Canberra has lost Manuka Football Club, East's Rugby Club, Hungarian Club, Capital Golf Club, South Canberra Bowling Club (Brumbies). Clubs that are going to disappear, or in the process of, are The Italian Club, ACT Rugby Club, Deakin Bowling Club and Canberra Services Club. The demise of these clubs all have individual stories but the components always include commercial viability and the role of the committees. What is important is the value of the clubs land & its value for multi-unit development. Corporate clubs are not connected to the communities that are regulars of small clubs. Plans are made in secret boardroom decisions and minutes are never revealed.

Large corporate clubs are run by professional hospitality managers whilst smaller clubs have minimal admin staff and are totally reliant on volunteers for all aspects of property & facility management.

The merger of the Canberra Club & the Canberra Services Club (CSC) has resulted in the latter losing its name. Its influence over time will diminish the role of the CSC. Income from DHA properties will outstrip club income. The committee will change with interests of the three entities in competition. The new development will be scratching to provide space for the outdoor military weapons & Kokoda Statue. It is hoped that the Kokoda Statue is returned to Narrabundah where it was first unveiled.

Austin Lynch

13 May 2015.