



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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STANDING COMMITTEE ON JUSTICE AND COMMUNITY SAFETY

Mr Peter Cain MLA (Chair), Dr Marisa Paterson (Deputy Chair), Mr Andrew Braddock MLA

## Submission Cover Sheet

Inquiry into Gaming Machine Amendment Bill 2023

**Submission Number: 005**

**Date Authorised for Publication: 11 October 2023**



# Gaming Machine Amendment Bill 2023

The Community Clubs Industry Response to the ACT Legislative Assembly Standing  
Committee on Justice and Community Safety

Prepared by CLUBSACT

## INTRODUCTION

ClubsACT welcomes the opportunity to provide comment on behalf of the ACT Not-for-Profit Community Clubs sector to the ACT Legislative Assembly Standing Committee on Justice and Community Safety inquiry into the Gaming Machine Amendment Bill 2023.

ClubsACT was established in 1974 and is an industry association recognised by the ACT Government and its agencies as the principal representative for the ACT Club movement. The main objectives for ClubsACT are to be an effective advocate for ACT clubs, and to promote policies which maintain a dynamic and prosperous club sector, as well as enhancing the club experience for the broader community.

Canberra clubs play a vital part in the Canberra community and are seen to contribute substantially to the Canberra economy each year. Not only do clubs contribute financially, they are also contributors to many facets of life in Canberra. This includes but is not limited to contributions to community sport, maintenance of community infrastructure, support provided to local employment and form a key provider of entertainment and hospitality to Canberrans.

As of September 2022, there were 47 licenced clubs operating across Canberra. Based on a survey conducted by RSM on behalf of ClubsACT, which captured aggregate membership numbers of 21 responding clubs, their current total membership is over 505,000 members. The larger clubs who responded possess membership bases of between 40,000 to 83,000 members. These figures suggest that each adult in Canberra is likely to be a member of at least one club.

ClubsACT represents small, medium and large Member Clubs including:

ACT Rugby Union Club Turner	Belconnen Soccer Club
Austrian Australian Club	Commonwealth Club
Ainslie Football and Social Club	Raiders Gungahlin
Gungahlin Lakes Golf Club	Raiders Belconnen
Australian-Croatia Club	Raiders Weston
Belconnen Bowling Club	Southern Cross Club Tuggeranong
Canberra Services Club	Southern Cross Club Jamison
Canberra Irish Club	Southern Cross Club Woden
Canberra Racing Club	Southern Cross Yacht Club

Canberra Deakin Football Club  
Eastlake Football Club Griffith  
Eastlake Calwell  
Eastlake Gungahlin  
Federal Golf Club  
Harmonie German Club  
Mawson Club  
Murrumbidgee Country Club  
National Press Club of Australia

Royal Canberra Golf Club  
Spanish Australian Club of  
Canberra  
Vikings Erindale  
Vikings Lanyon  
Vikings Chisholm  
Vikings Town Centre  
Yowani Country Club

ClubsACT has also been working in collaboration with the Labor Club Group (representing 4 venues across the ACT) in the preparation of this response to the ACT Government.

### **The Gaming Machine Amendment Bill 2023**

The legislative amendment to the Gaming Machine ACT 2003 proposed in this Bill will ban the authorisation of class C gaming machine licenses (poker machines) in the Molonglo Valley and undeveloped areas of the ACT.

ClubsACT welcomes the engagement our sector has developed with the mover of this Bill Dr Marisa Paterson MLA on this matter. Clubs ACT supported the proposal that Molonglo Valley be considered as trial location to develop a pilot for a financially sustainable model facilitating the establishment of a licenced club in that area that would operate without the operation of Electronic Gaming machines (EGM's).

ClubsACT requests there be a proper consideration of a long-term model for the industry that provides long term stability, opportunities for the industry to grow with new entrants and the capacity for clubs to continue to provide support to sporting and community groups.

ClubsACT cannot, however, fully endorse the Bill with the proposal to extend this ban to other undeveloped areas of the ACT beyond the Molonglo Valley. This submission will outline our concerns on this and offer an alternative proposition.

**RECOMMENDATION:** *Government implement a process to assist the Club Industry in developing a sustainable long-term model for Community clubs to viably operate with reduced revenue from EGM's and develop income replacement models.*

## THE CURRENT SITUATION

Currently the overwhelming majority of EGMs in the ACT are class C machines that are only available in not-for-profit Licensed Club premises. A very small cluster of much older Class B machines are located at a couple of for-profit hospitality venues.

Unlike the newer Class C machines, Class B gaming machines are machines that only play the game of draw poker, or a game derived from draw poker, that requires player interaction or intervention as part of the fundamental game operation unlike the newer digitised machines. No new Class B licences, authorisation certificates or authorisations are being granted in the ACT. According to the ACT Gaming and Racing Commission (GRC) Trading Scheme information provided as at 1 April 2023 the ACT only has 5 Class B licenses active representing 30 machines in total.

As distinct from other jurisdictions, the ACT has no EGMs in the for-profit Casino venue.

## AN ALTERNATIVE PROPOSAL TO GEOGRAPHIC RESTRICTIONS

ClubsACT notes the recent identified serious issues with Casinos in many other jurisdictions, and concerns over their governance and the failures to adhere to regulatory and legal obligations. ClubsACT also notes that many of the concerns related to the NSW Crime Commission investigation into Money Laundering also related to activities difficult to prevent or regulate in predominately for-profit and non-club hospitality venues.

For these reasons, ClubsACT opposes any further expansion of EGMs to for-profit venues including the Casino and we believe this would be of greater benefit to the community rather than a geographic prohibition.

We believe that sufficient evidence now exists to substantiate the view that gambling in connection with a profit motive can become a key driver for negative harm and potentially criminal behaviours. We firmly believe that any further expansion to for-profit venues of EGMs would undermine community and regulatory interests.

ClubsACT recommends that the Bill be amended to remove references to undeveloped areas of the ACT and replace it with specific reference to for-profit venues. This would ensure that EGM's would operate in the jurisdiction only where the operation benefitted

the broad Canberra community rather than profiting private interests often based outside our jurisdiction.

ClubsACT has been advocating for long term stability for our industry in terms of their business operations and the capacity for the industry to grow and continue to provide benefits to the Canberra community. Electronic Gaming Machines in the ACT have been reduced in number by almost 30% since 2015 and as Canberra continues to grow, we have had the largest per capita reduction of machines of any jurisdiction in Australia over this period.

It cannot be denied, however, that EGM's are a fundamental contributor to the capacity of Canberra's not-for-profit Community Clubs to provide community facilities and support on a range of fronts including sporting and recreational facilities, emergency evacuation venues, and direct financial support for community sporting and cultural organisations.

In the absence of these revenue options from EGM's, much of the capacity for Clubs to support local communities would be unavailable without direct ACT Government funding at some considerable expense to the budget.

ClubsACT is concerned that the extension of bans across areas as yet undeveloped may deny those as yet undeveloped local communities access and opportunities to the same Club based community investments currently enjoyed broadly across the ACT.

In the absence of an alternative sustainable model for Club revenue and operations in the absence of EGM's yet being developed or identified, we cannot support the extension of Electronic Gaming Machine bans to these other as yet undeveloped areas of the ACT. We believe that this proposal could introduce unintended consequences to local communities that may disadvantage their social cohesion rather than provide benefits.

**RECOMMENDATION:** *Amend Bill to replace un-developed areas with for-profit venues.*

## **CLUBS UNDERMINED IN EFFORTS TO DIVERSIFY INCOME**

The ACT Labor and ACT Greens Parliamentary and Governing Agreement for the 10th Australian Capital Territory Legislative Assembly placed great emphasis on supporting Clubs in moves to diversify their reliance on revenue from EGM's. It is widely accepted that for this to be achieved Clubs require significant support to embark on substantial options with sustainable and significant income replacement benefits for the current revenue

provided by EGM's. This is most readily achieved through property and other business developments and investments as is recognised with the Parliamentary agreement itself.

Section E Point 6 states *“Facilitate planning and other processes to allow clubs to diversify to other revenue generating streams, particularly development of available land for social housing and land supply purposes, that are supported by the community”*.

ClubsACT has raised with the Minister for Planning and the Minister for Gaming that Clubs across the ACT have become increasingly frustrated with the management and conduct of the planning process in the ACT conducted by EPSDD. Whilst we welcome that recent amendments to the Planning reforms of the ACT Government to finally recognise Clubs needs in this area, we believe it is insufficient and may achieve only minimal impact.

Many Clubs in the ACT have invested considerable time and funds into development proposals that have been delayed and undermined by the processes and approach of EPSDD. We have been continually frustrated in efforts to raise these concerns and have them addressed and believe that there has been a complete disconnect between the ACT Government policy positions on diversification and the EPSDD recognition and response to this. We have raised this specific concern several times at the Community Clubs Ministerial Advisory Council (CCMAC) directly with the planning minister and his office.

Many of the cases in question have substantially increased costs and timing delays to clubs in progressing development proposals and Lease Variation Charges have imposed significant cost inhibitors to some projects. We have attached our recent submission to the planning reform consultations outlining some of our issues regarding planning in the ACT.

Specifically in terms of social housing outcomes as identified in the Parliamentary Agreement, there has been no specific identification in any Government policies that encourages and supports not-for-profit entities (including social housing providers) to invest in the development of social housing where the return on investment is currently minimal. This diminished return undermines the viability of this option to provide a replacement offset for EGM revenue.

We welcome the recent in-principal support provided verbally by the Minister for Planning and the Minister for Gaming for the re-establishment of a “Planning Concierge” who would work with our industry to assist them through the planning process and assist in resolving

impediments and road blocks to the progression of development proposals. We would hope that this would re-position EPSDD into an agency that facilitates planning outcomes rather than one that seemingly inhibits and frustrates them at the moment. We seek the appoint of this position as soon as possible given the importance of this issue.

**RECOMMENDATION:** *The Government urgently appoint a Planning Concierge to assist Clubs in navigating, progressing and resolving development outcomes more expeditiously and favourably.*

**RECOMMENDATION:** *The Government consider options to incentivise not-for-profit entities to invest in social housing developments.*

### **HARM MINIMISATION IMPACTS**

One of the key priorities for ClubsACT and our members is maintaining a dynamic and effective gambling harm minimisation framework in the ACT. It is often ignored that Licensed Clubs provide the only effective community-based opportunities to have a proactive mechanism to identify individuals who may be suffering gambling harm, intervene and assist them in accessing pathways to support for their situations.

ClubsACT welcomes the recent advice from an independent assessment of the Gambling and Racing Commission (GRC) Strategy for Gambling Harm Prevention 2019-24 (the Strategy), that noted the risk of gambling harm has been reduced through the implementation of the Strategy between 2019-20 and 2021-22. The success of this Strategy reflects a successful collaboration between Industry and the GRC in addressing gambling harm prevention.

With the recent explosion of on-line wagering and gambling, the increase of gambling that exists within the home environment rather than on licensed premises is potentially creating an increasing social problem that remains obscure and has limited assistance pathways for the individuals suffering gambling harm.

ClubsACT is concerned that individuals who may not have a local venue where they can conduct their gambling interests may increasingly use on-line options to do so. Denying developing areas of the ACT access to venues with EGM's could actually see an expansion of on-line wagering and gambling in those areas and remove the intervention pathways currently effectively provided by licenced clubs.

We believe there is value in further researching this area and consideration of reviewing the Point of Consumption Tax data to identify any trends where geographic areas further than

5KM from licensed club premises may have higher online gambling trends. Removing licensed clubs from local residential areas and denying new areas access to Clubs with EGM's may have the unintended consequence of actually removing gambling harm intervention pathways, currently provided by Clubs, from those areas.

**RECOMMENDATION:** *The ACT Government should research the trends for on-line gambling use in areas further than 5KM from Licensed Club premises.*

## CONCLUSION

ClubsACT welcomes the opportunity for the Molonglo Valley to be a trial location to develop a model for sustainable and viable club facilities that are less dependent on EGM operations to sustain their community role.

ClubsACT does not support blanket bans of EGM operations across undeveloped areas of the ACT in the absence of further investigation in the impacts on gambling harm minimisation, community support and the social cohesion currently provided by Licensed Clubs in the ACT.

ClubsACT opposes the extension of EGMs to for-profit venues rather than geographic locations.

ClubsACT would welcome the opportunity to provide oral evidence in support of this submission should any hearings be held into this Bill by the committee.