



WHITE EAGLE CLUB Inc. in the A.C.T.
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13 May 2015

The Secretary
Standing Committee on Public Accounts
Legislative Assembly for the ACT
GPO Box 1020
CANBERRA ACT 2601

 A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
SUBMISSION NUMBER	77
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Dear Madam/Sir

Re: Inquiry into elements impacting on the future of the ACT clubs sector

- 1) We sincerely thank the committee for undertaking this most important enquiry and hope our submission will assist its work.

The White Eagle Club: a brief background

- 2) The **White Eagle Club Inc. in the ACT** (WEC) opened in 1973 at its current premises at 38 David Street TURNER ACT. In the early 1980s the WEC acquired poker machines. In 2007 the WEC membership voted to remove poker machines from general trading at the club's annual general meeting. This move occurred prior to policies that have since enabled clubs to trade in their poker machine and other gaming licences and receive compensation.
- 3) In so doing, the WEC commenced the risky transition to a concept of operations that has relied on alternative activities to generate income to ensure the club's survival.
- 4) The WEC has succeeded in generating sufficient turnover in the years since 2007 to remain open. This has been done principally through forming partnerships with other not-for-profit community and recreational groups from within the wider Canberra and ACT region who regularly use the WEC's facilities.
- 5) These partnerships and networks have contributed to increasing patronage and membership levels. Demand on the building's facilities has grown steadily. Income from sales at the WEC bar and hall hire fees have in turn been used for maintenance and repairs to an ageing building.

- 6) Examples of community-level partnerships formed with non-Polish groups include the Canberra Musicians Club, which has been prepared to commit its own resources to upgrades at the WEC for activities it hosts. The WEC also regularly accommodates functions held by other ethnic and community groups in the ACT. The WEC also continues to be a key centre for other Polish organisations based in the ACT.

Implications for amenity

- 7) WEC users and guests frequently cite the absence of poker machines and gambling as something that they find very appealing about the WEC and a key reason for supporting the club.
- 8) By the same token, the absence of income from gaming limits our ability to employ staff for general trading operations, such as through a salaried manager and paid bar staff. Despite a resurgence in the WEC's popularity, the income it receives is insufficient to pay for a full time manager.
- 9) To help stay open, the WEC remains dependent on volunteers within the WEC membership. The help of volunteers was especially vital in helping the WEC recover from a burglary and a fire in January 2014 which rendered the building inoperable until May 2015; for example, through weekly 'worker bee' days which helped with many tasks not paid for by insurance.

Challenges to sustainability

- 10) The WEC does not consider deconcessionalisation and/or redevelopment necessary for securing the WEC's future, especially in light of population increase in the inner north and a new generation of club members and stakeholders now using WEC facilities. And there is overwhelming support for keeping the WEC 'pokie free'.
- 11) However, there are real risks in our current operating model. Some of these are mentioned below:
- 12) Insurance: Because of our not-for-profit operating model, the WEC has found it difficult to obtain insurance for the building. This included difficulties resuming cover after the WEC's 2014 claim for fire damage. This is a crucial issue facing our survival. We would urge the committee to note this issue in light of our experience in which we overcame a significant underinsurance problem by drawing deeply on community resources only to encounter reluctance from insurers to resume insurance cover once works were completed.
- 13) Grants: The WEC has for the most part struggled to attract grant funding available to other community, social and multicultural groups that do not have their own building. A key reason appears to be that the WEC operates a bar – sales are our single most important source of income. But under grant criteria, we are invariably treated as an ordinary commercial entity, notwithstanding

the WEC's underlying social and community focus. Indeed, the WEC does make its facilities available at little or no cost to other community groups as part of its contribution towards supporting the Canberra community and building social capital in the ACT region.

- 14) The WEC did apply and qualify for federal grant funding made available under the former Rudd government in 2013 under its Building Multicultural Community Program. **This was a significant breakthrough for the WEC.** These grants were fully funded in the 2013-14 federal budget. These funds would have been used to help upgrade facilities in the building, including chairs, tables and repairs to the WEC conference room with the purpose of making this dilapidated part of the building available for use to Canberra's multicultural community. However, this grant was cancelled with the change of government following the 2013 federal election.
- 15) APRA license fees: Since removing poker machines, the WEC has become very popular with local, interstate and overseas touring musicians, who also utilise the services of the Canberra Musicians Club to help put on live music shows for the benefit of Canberra audiences. The WEC is also popular with recreational dance groups which use the hall for lessons and occasional shows. WEC tariffs for hall hire are kept low in order to encourage these socially beneficial community activities.
- 16) In 2013, the WEC was approached by the Australian Performing Rights Association (APRA) about musical performances that take place at the club. Under current APRA policies, the building/venue owner is obliged to meet this fee (which is not inconsiderable), rather than the organisations that use WEC facilities for their own specific activities. The WEC has complied with APRA's request to pay an annual licence fee for events these other organisations put on at the WEC.
- 17) The WEC *does not derive income from the artists who hold performances organised through groups such as the Canberra Musicians Club*; though does receive an incidental benefit through bar sales. This income is reinvested back into maintenance and repairs of the building.
- 18) We would ask the committee to note this as one of the costs that the WEC has incurred as a result of moving away from reliance on gambling. More live performances by musicians will in turn contribute to costs the club would need to pass on to performers and artists through higher hire tariffs. This is not optimal for users from the community whose resources are scarce.
- 19) Redevelopment of surrounding areas: The WEC is one of four community clubs/associations in a contiguous strip of land in between the O'Connor shops and Haig Park. We believe that conversion of any of these sites into medium density housing (apartments) would impact on each club's ability to successfully trade and operate due to concerns from apartment dwellers about noise.

20) The current configuration works well for the Turner area and we would urge existing zoning arrangements to be preserved by the ACT government/ACTPLA into the future.

Yours sincerely

Andrew Bajkowski

Vice President on behalf of the
White Eagle Club Inc. in the ACT