

Request for Costing an Election Commitment

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| Name of proposal: | Clubs for the community |
| Person requesting costing: | Shane Rattenbury MLA |
| Date of request: | 9 October 2020 |
| Summary of proposal: | <p>This proposal will reinvigorate our clubs and promote them as community spaces able to offer art spaces, meeting spaces, live music, dancing and family-friendly outings for the whole community.</p> <p>It will:</p> <ul style="list-style-type: none"> • Create a network of pokie-free community clubs across Canberra by offering financial support and incentives for pokie-free venues, to enable diversification of revenue streams • Establish a Community Clubs Ministerial Advisory Council with key stakeholders to ensure frequent dialogue and collaboration on the future of the clubs industry • Support clubs to become Heat and Smoke Refuges, so that Canberrans have somewhere to go during extreme climate events • Establish a \$5 million Community Facilities and Clubs Environmental Upgrade Fund. <p>More information is available at https://greens.org.au/act/clubs-for-the-community.</p> |
| Issue the proposal will address: | <p>Community clubs are a part of Canberra’s social fabric. They support our sporting teams, employ hundreds of people, and offer a place to meet and socialise for thousands of Canberrans.</p> <p>However, too many community clubs are highly dependent on pokies revenue, an activity we know causes harm to people, their families and communities.</p> <p>Switching off poker machines during the COVID-19 lockdown provided welcome relief for many people experiencing gambling harm.</p> <p>It also caused financial hardship to many clubs, highlighting the need for a different financial model for our clubs; one that does not rely on people experiencing gambling harm in order for clubs to survive.</p> <p>This proposal will work with and support clubs to move away from this broken business model, to create a network of pokie-free clubs for Canberrans to meet their friends and family, eat, play games, dance, listen to music, talk, read the paper or connect with their local community.</p> |

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

- Measures to encourage clubs to go pokie-free are considered to be in lieu of buy-backs of gaming machine licences.
- For the Advisory Council, cost assumes sitting fees of \$480 per day for 6 members meeting 10 times per year (4 times in 2020-21).

| | 2020-21 (\$'000) | 2021-22 (\$'000) | 2022-23 (\$'000) | 2023-24 (\$'000) | Total (\$'000) |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|
| Offer financial support and incentives for pokie-free venues to enable diversification of revenue streams including: <ul style="list-style-type: none"> • Subsidies for community organisations to hire club halls, meeting spaces and kitchens • Grants to upgrade kitchens to make them safely accessible to community groups, or suitable for renting out to professional restaurateurs • Government fees and rates subsidies and concessions • Grants and support for converting adjacent open space into food gardens | | 2,000 | 2,000 | 3,000 | 7,000 |
| Establish a government support unit tasked with assisting clubs that wish to go pokie-free, advising them on available grants, connecting them with community groups and other contacts and administering funds (1 SOGB, 1 SOGC, 1 ASO5) | 267 | 452 | 461 | 470 | 1,650 |
| Support live music at pokie-free clubs: <ul style="list-style-type: none"> • Offering grants for acoustic attenuation measures for concert and performance halls, to help reduce the sound impacts in the neighbourhood • Supporting other costs of installing sound production infrastructure, including staging and lighting • Providing grants to pay Music Australia performance fees for live music | | 1,000 | 1,000 | 1,000 | 3,000 |
| Establish a Community Clubs Ministerial Advisory Council with key stakeholders to ensure frequent dialogue and collaboration on the future of the clubs industry (sitting fees and 0.5 SOGC) | 49 | 106 | 107 | 109 | 371 |

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| Support clubs to become Heat and Smoke Refuges, so that Canberrans have somewhere to go during extreme climate events | | 1,000 | 1,000 | 1,000 | 3,000 |
| Establish a Community Facilities and Clubs Environmental Upgrade Fund to support energy and water efficiency improvements and sustainability upgrades at clubs | 1,000 | 1,000 | 1,000 | 2,000 | 5,000 |
| Total | 1,316 | 5,558 | 5,568 | 7,579 | 20,021 |

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total |
|-------------------------------|---------|---------|---------|---------|---------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue^(a) | | | | | |
| Expenses^(a) | -1,316 | -5,558 | -5,568 | -7,579 | -20,021 |
| Capital | | | | | |
| Depreciation | | | | | |

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

No

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Capped

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?

No

Will funding/the cost require indexation?

No

Who will administer the proposal?

Justice and Community Safety to manage the EGM and harm minimization aspects, and Environment Planning and Sustainable Development to give policy support for the environmental upgrades and heat and smoke-free programs.

How will the proposal be administered?

Staffing costs have been included.

Is the proposal part of a broader package?

Yes. [Clubs for the community](#). Elements not included have no additional cost to

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| government. Note that the EGM harm minimisation aspects will need support from Justice and Community Safety Directorate and the Gaming and Racing Commission and is expected to be undertaken from within existing resources. |
| Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions. |
| Yes, 3 positions have been funded for administering the programs and funds. |
| Will the proposal generate savings or offsets? |
| The expenditure on supporting clubs to go pokie-free is in lieu of directly buying back gaming machine licences. The goal is to reduce gaming machine licences from 3,900 to 3,000 during the next Assembly term. Buying back these 900 licences would have cost around \$9 million. Instead, this package invests this money in making clubs into valuable community spaces and supporting clubs to diversify revenue streams. |
| Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury? |
| No |
| What are the community impacts associated with the proposal? Who and how many people will be affected? |
| The proposal will help to reduce harm from gambling and create accessible family-friendly community spaces. Community members will benefit from having quality community spaces in which to meet and socialise. Community organisations will benefit from energy bill savings through improved energy efficiency. Establishing clubs as smoke and heat refuges will provide safe spaces in times of need, which will be particularly beneficial for vulnerable community members. |
| Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed? |
| No |
| What is the intended implementation date of the proposal? |
| Early 2021 |
| When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc. |
| Mid 2021 |
| Will the proposal cease, and if so, when? |
| June 2024 |
| Is there any additional information relevant to this proposal? |
| No |