

Request for Costing an Election Commitment

Name of proposal:	Revise the Territory Plan to allow residential development on community club-owned CZ6 land
Person requesting costing:	Andrew Barr MLA 
Date of request:	11 October 2024
Summary of proposal:	A re-elected ACT Labor Government will revise the Territory Plan to allow residential development in Commercial Zone 6 (CZ6) land owned by not-for-profit clubs if there is no net-loss of existing community and leisure facilities.
Issue the proposal will address:	Many community clubs own areas of land suitable for a range of housing models, including build-to-rent, community housing, and supported living, and aged care, but are constrained from redeveloping that land, both to diversify their revenue streams and provide necessary housing supply, due to current zoning restrictions. Many clubs remain overly-reliant on electronic gaming machine revenue to conduct their operations. Establishing a small team to amend the Territory Plan will address both of these issues.
Proposal's public announcement details (media release or policy statement published on a party website) ¹ :	ACT Labor media release of 12 June: "Fewer Pokies, More Housing for Canberra's Future" (attached below) act-labor-policy-position-statement-2024-7-october-2024.pdf (actlabor.org.au) pages 57 and 90.

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.

A re-elected Labor Government will provide further resourcing to EPSD to progress the Territory Plan amendment.

Many of the functions of this task will be able to be absorbed within existing staffing structures as business as usual workload.

The team will work in consultation with the Clubs Diversification Team in CMTEDD, which will be established to provide support for master planning of club sites and support social impact

¹ As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

assessments by clubs looking to diversify and de-concessionalise all or part of their existing leases. The team will comprise 1 FTE SOGA, 1 FTE SOGC and 1 FTE ASO 6 position dedicated to the project for two years, reporting to an existing Band 1 SES, and commencing on 1 July 2025.

The 1 FTE SOGA will be expected to be absorbed by EPSD.

This position has been costed as per the Average Salary Costing template with 1.77% workers compensation rate assumed.

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)?

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)		-327.4	-336.9		664.2
Capital^(a)					
Depreciation^(a)					
Offset - Expenses^(a)					
Offset - Capital^(a)					
Full-time equivalent employees		2	2		

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.

No

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

The FTE for this function is a capped as per the assumptions.

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?

The 2 additional FTE for this proposal have been costed as per the Average Salary Costing template

Who will administer the proposal?
EPSD
How will the proposal be administered?
EPSD Executive will be responsible for the management of this team and provide oversight of the team's liaison with clubs and the Clubs Diversification Team
Is the proposal part of a broader package? If so, please identify the other elements of the package.
Yes – this is part of Labor's Community Clubs and Gaming package, available at act-labor-policy-position-statement-2024-7-october-2024.pdf (actlabor.org.au) pp57-59. It will operate in parallel and complementary to Labor's commitment to establish an Independent Inquiry into community club revenue diversification, planned to be undertaken in 2025. A Clubs Diversification Team in Government will also help to fast-track master-planning, approvals processes and deconcessionalisation steps (including the use of any land tax offsets) to help clubs build residential housing on their land.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
– If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
The additional 1 FTE SOGC and 1 FTE ASO 6 will be allocated to manage the specific steps required to consult on and amend the Territory Plan. Wider oversight of this proposal would be absorbed by EPSD in its usual functions.
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.
Over the medium term, completion of this proposal will add to the Territory's housing stock and rates base. These are not included in the costings as will fall outside the forward estimates.
Has the proposal been previously costed by an external (third) party? If so, 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 directly benefit community clubs, which are facing a reduction in gaming revenue from implementation of the wider Labor community clubs package (such as the introduction of mandatory cashless gaming and time limits).
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
Suitable individuals will need to be recruited to the roles by July 2025 for the team to actively commence operations.

What is the intended implementation date of the proposal?
The proposal will commence within existing EPSD resources in the first half of 2025. Additional dedicated staff will commence from 1 July 2025.
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.
From 1 July 2025.
Will the proposal cease, and if so, when?
The proposal will cease at the end of the financial year 2026-27 with the successful amendment of the Territory Plan.
Is there any additional information relevant to this proposal?
No

From: ACT Labor Media <media@act.alp.org.au>

Sent: 12 June 2024 05:59

To:

Subject: ACT Labor Media Release - Fewer pokies, more housing for Canberra's future

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12 June 2024

Fewer pokies, more housing for Canberra's future

A re-elected ACT Labor Government will continue to reduce the number electronic gaming machines (EGMs) in the nation's capital.

Our community clubs sector, who hold EGMs authorisations in the ACT, play an important role in the Canberra community. They are a major local employer, and a strong supporter of community and junior sports, and cultural events. Community clubs can and should be part of Canberra's future.

But the future of community clubs cannot be linked to the harm caused by gambling addiction, and the transition away from EGMs needs to continue.

ACT Labor believes that the most effective way to reduce the harm caused by EGMs is to reduce the number of machines available, and their geographic availability, alongside the introduction of mandatory harm reduction measures in venues.

Labor will seek to amend legislation to reduce the number of machines to just 1,000 machines in community club venues in the ACT by 2045.

This will be achieved by a mandated reduction of 500 machines every four years, through a compulsory surrender process.

ACT Labor already has a proven track record on reducing EGMs. The number of machines in Canberra has reduced from 5022 in 2015, to 3790 today.

Alongside this legislated compulsory reduction system, ACT Labor will continue to work with the local community clubs to move towards a more sustainable sector that delivers a long-term community benefit.

A re-elected Labor Government will provide a framework to support clubs to invest in sustainable revenue ventures as they reduce the number of pokies they operate.

To further support housing supply in the Territory, a re-elected Labor Government will establish practical ways for

community clubs to use their land assets to invest in appropriate housing projects, including affordable housing, aged care, and build-to-rent.

The outcome will be more affordable housing in accessible locations across Canberra.

An ACT Labor Government will also encourage the establishment of a ‘club of the future’ in the Molonglo Valley – a community club without pokies.

ACT Labor’s practical plan to reduce the harm caused by gambling addiction through EGMs also includes the introduction of mandatory, account based cashless gaming in all ACT venues.

A re-elected Labor Government would fast track the implementation of a cashless framework to 2026-27, which would provide users with personal spending and time limits to reduce harm arising from their use of pokies.

Our plan also includes a stronger self-exclusion scheme and the banning of ATMs and EFTPOS withdrawals in clubs.

It’s a progressive, practical and proven plan to reduce the harm caused by gambling addiction and build a sustainable community clubs sector for Canberra’s future.

Statement ends

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