Request for Costing an Election Commitment

Name of proposal:	Community Clubs Diversification Support team
Person requesting costing:	Andrew Barr MLA
Date of request:	11 October 2024
Summary of proposal:	Establish a dedicated team within CMTEDD to work with community clubs and across the public service to facilitate projects and proposals, and potentially widen the use of accrued taxation offsets, that will diversify clubs' revenue and make them more sustainable over the long term.
Issue the proposal will address:	Community clubs are currently heavily reliant on electronic gaming machine revenue to conduct their operations for the benefit of their members and to support local community and sporting groups. The future of community clubs cannot be linked to the harm caused by gambling addiction, and the ongoing transition away from a business model relying on poker machine revenue, must continue. Diversification of revenue streams are often reliant on Government approvals (such as development approvals and lease variations) which can be difficult to navigate for club boards and management. This team will provide a "one stop shop" entry point for clubs to be assisted to reach the right areas of government to quickly and comprehensively assess and approve these proposals.
Proposal's public announcement details (media release or policy statement published on a party website)[1]:	act-labor-policy-positon-statement-2024-7-october-2024.pdf (actlabor.org.au) page 57.

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 establish a dedicated two-person Clubs Diversification Team The team will: • Provide clubs with a single point of contact for interacting with ACT Government Directorates and agencies.

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

- Provide support for master planning of club sites and support social impact assessments by clubs looking to diversify and de-concessionalise all or part of their existing leases.
- Review permissible uses for Gaming Machine Offsets.

CMTEDD will administer the team.

The team will comprise 1 FTE SOGC and 1 FTE ASO 6 position ongoing for the forward estimates period, commencing from 1 July 2025.

This position has been costed as per the Average Salary Costing template with 1.45% 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)]		-326.6	-336.1	-345.2	-1,007.9
Capital[(a)]					
Depreciation[(a)]					
Offset - Expenses[(a)]					
Offset - Capital[(a)]					
Full-time equivalent employees		**2**	**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 FTE have been costed as per the Average Salary Costing template which includes applicable salary increases.
Who will administer the proposal?
CMTEDD
How will the proposal be administered?
CMTEDD will be responsible for the management of this team and provide oversight of the team's liaison with clubs to ensure contact and discussion of proposals accord with probity rules and the ACTPS code of conduct.
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-positon-statement-2024-7-october-2024.pdf (actlabor.org.au) pp57-59. It is not reliant on other aspects of the package.
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.
1 FTE SOGC and 1 FTE ASO 6 will be allocated to manage the day-to-day liaison with clubs and engagement with relevant areas of the public sector (mostly EPSDD and JACS). Wider oversight of this proposal would be absorbed by CMTEDD as part of its central coordination functions across government.
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.
Over the medium term, facilitation of proposals diversifying revenue may lead to savings in EGM gambling addiction support services. This is not included over the FEs.
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). A team to help clubs move to other more sustainable revenue streams will benefit community organisations, cultural groups and sporting clubs that rely on community club financial support to conduct their operations.

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 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 continue through the forward estimates. It will be reviewed after three years of operation to assess effectiveness.
Is there any additional information relevant to this proposal?
No