



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: [Inquiry into elements impacting on the future of the ACT clubs sector](#))

Members:

MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
MS M FITZHARRIS
MS N LAWDER

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 18 MAY 2015

Secretary to the committee:
Dr A Cullen (Ph: 620 50142)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

WITNESSES

BURCH, MS JOY , Minister for Racing and Gaming	1
CORRIGAN, MR JIM , Executive Director, Planning Delivery, Environment and Planning Directorate.....	1
GILDING, MS LOUISE , Acting Deputy Director-General, Arts, Business, Events, Sport and Tourism, Economic Development, Chief Minister, Treasury and Economic Development Directorate	1
GOTH, MS KATHY , Director, Economic and Financial Analysis, Treasury, Chief Minister, Treasury and Economic Development Directorate	1
HOUSE, MR JEFF , Chief Executive, ClubsACT	26
JONES, MR GREG , Chief Executive Officer, ACT Gambling and Racing Commission	1
KALLESKE, MR MARK , Acting Director, Policy, Projects and Legislation, Economic Development, Chief Minister, Treasury and Economic Development Directorate.....	1

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Amended 20 May 2013

The committee met at 1.33 pm.

BURCH, MS JOY, Minister for Racing and Gaming

GILDING, MS LOUISE, Acting Deputy Director-General, Arts, Business, Events, Sport and Tourism, Economic Development, Chief Minister, Treasury and Economic Development Directorate

JONES, MR GREG, Chief Executive Officer, ACT Gambling and Racing Commission

KALLESKE, MR MARK, Acting Director, Policy, Projects and Legislation, Economic Development, Chief Minister, Treasury and Economic Development Directorate

CORRIGAN, MR JIM, Executive Director, Planning Delivery, Environment and Planning Directorate

GOTH, MS KATHY, Director, Economic and Financial Analysis, Treasury, Chief Minister, Treasury and Economic Development Directorate

THE CHAIR: Good afternoon, ladies and gentlemen. Welcome to the first public hearing of the inquiry into the elements impacting on the future of the ACT clubs sector. I welcome you all here. On 26 March this year the Legislative Assembly referred this inquiry to the committee for inquiry and report by the last sitting day of September 2015. Specifically, the Assembly referred the following nine elements and related matters to the committee for further investigation and consultation with the wider community: revenue and profitability; legislation and regulation; taxation and charges; land development and sales; problem gambling; diversification and mergers; new business models; poker machines and gambling technology; and water and resource management—and, of course, any other matter that comes up in the course of the inquiry.

On behalf of the committee, I thank you, Minister Burch, for appearing today in your capacity as the Minister for Racing and Gaming, and I thank accompanying directorate and agency officials for attending.

At approximately 3 pm the committee will hear from the Chief Executive of ClubsACT.

I remind witnesses of the protections and obligations afforded by parliamentary privilege and draw your attention to the blue coloured privilege statement before you on the table. Could you confirm for the record that you understand the privilege implications of the statement?

Ms Burch: Yes.

THE CHAIR: So confirmed. I remind witnesses that the proceedings are being recorded by Hansard for transcription purposes and are being webstreamed as well as broadcast.

Minister, before we proceed with questions from the committee, would you like to make an opening statement?

Ms Burch: Very briefly, thank you, chair. I welcome the opportunity to respond to

the committee's questions. I note that a number of submissions were published on Friday. Clearly, we have not had a lot of time to go through them, but our submission outlines the depth and breadth of the work that the government has undertaken in partnership with the clubs, particularly the matters that are involved in the memorandum of understanding that was signed by the clubs. The clubs play a unique and beneficial role in our community. They support a number of community organisations. They are a place of entertainment, hospitality and companionship for many in our community. I look forward to the deliberations of this committee.

You have a broad area to look at—diversification, land tax, taxation, legislation, regulations and problem gambling, but also new models of business. I wish you well in your deliberations. As we move through the questions today, if they reflect on any of the submissions, we will not be able to go into the detail, but through the course of your deliberations we would be more than happy to respond to specific questions if you require additional information or clarification on matters.

THE CHAIR: Minister, how much revenue a year does the government receive from the clubs sector?

Ms Burch: I will ask Ms Gilding to respond to that.

Ms Gilding: The gaming machines in the ACT provided \$176 million in gross gaming machine revenue in 2012 and 2013 and \$170 million in gross gaming machine revenue in 2013-14, which was a reduction of approximately 3.3 per cent.

THE CHAIR: We do not have later figures than that?

Ms Gilding: These are the figures that I have. I have the 2012-13 figures. We could certainly see if we could get a year to date figure from the commission.

THE CHAIR: What is the break-up? If we work on the 2013-14 year, what is the break-up on that?

Ms Burch: Of the \$170 million?

THE CHAIR: Yes. What does that provide to the government?

Ms Gilding: In terms of actual taxation?

THE CHAIR: Yes, in terms of taxation.

Ms Gilding: Around \$33 million.

THE CHAIR: Has the government ever done a broader impact study on what the full benefit of the clubs sector is to the ACT economy?

Ms Burch: As in its purchasing power and all of that?

THE CHAIR: All impacts, yes.

Ms Gilding: In terms of an aggregate study? I do not believe so.

THE CHAIR: Clearly one of the main areas of interest—this committee is not just about problem gambling, although that is an important aspect of it—is how much the government spends on addressing problem gambling each year.

Ms Burch: I will ask the commissioner to come up. There are certainly the standard deductions of 0.6 per cent that come from clubs that go into the gambling fund and \$50,000 from the casino, as I understand it, Mr Jones, also goes into that. I will ask Mr Jones to go to the contract value and the other contributions towards problem gambling.

Mr Jones: The government provides several contributions to assist with problem gambling. As the minister indicated, there is a levy on gaming machine licensees of 0.6 per cent of gross gaming revenue, which generates around \$1.1 million a year that goes into a specified fund under the Gaming Machine Act—which has a particular purpose in terms of assisting or informing about problem gambling.

The commission administers that fund based on advice from an advisory committee which has industry representatives on it. ACTTAB, now owned by Tabcorp and Casino Canberra, contribute \$50,000 each to that fund as well. That is the main area of problem gambling.

The commission also conducts a fairly extensive research program into gambling and problem gambling with a contractual arrangement with ANU, and the problem gambling assistance fund also funds some research under that fund.

Ms Burch: It is approximately \$1 million to the problem gambling assistance fund.

THE CHAIR: But that is money that comes from the clubs. Of the \$33 million that the government takes as revenue, how much does the government directly contribute to addressing problem gambling in the ACT?

Mr Jones: The gaming machine revenue as general revenue is not hypothecated, so it goes into the consolidated revenue fund. Out of that, the commission itself gets appropriated from budgets, and it allocates about \$200,000 a year, approximately, into specific research with ANU.

THE CHAIR: The government receives \$33 million, but to address problem gaming it only puts up \$200,000 a year. Is that an adequate response from the government?

Ms Burch: The commission itself is appropriated through the general budget, plus you could say our support across a number of community organisations that support people with problem gambling and other social issues is also a harm minimisation approach. As the commissioner says, it is not dollar for dollar; it is not hypothecated or quarantined to identify these funds, Mr Smyth.

THE CHAIR: What is the cost of the commission each year, Mr Jones?

Mr Jones: It is approximately \$4 million appropriated—roughly.

THE CHAIR: How much time and effort of staff resources of the commission are spent on problem gaming?

Mr Jones: I would need to take that on notice to give you an exact figure. We have a policy research area which spends a lot of time monitoring research in other jurisdictions and contract management of research. I will take that on notice and give you an exact figure as to how many FTEs are involved with that.

THE CHAIR: Again—then we will move on—the government gets \$33 million; \$4 million of it goes to the commission, some percentage of which goes to looking at problem gaming. The all-up spend from the government seems to be \$200,000 through the commission on problem gaming. The question is, minister: has the government done enough?

Ms Burch: To support our community in problem gambling? I think if you looked across the depth of community organisations that stand in support of families in need, you could look at housing and you could look at support for other NGOs that support people in times of crisis, Mr Smyth. I think this government has a good and proud track record in response to community needs when it comes to those social matters.

THE CHAIR: We might explore this a little further. Ms Porter, any questions?

MS PORTER: It is in the same area, chair. I want to ask a question about interactive gambling, sport wagering and those kinds of things. Minister, in the reports that we have received, one of the things the research appears to say is that a lot of young people are finding it difficult and their behaviour is becoming problematic to themselves and to others they are living with in terms of problem gambling. At the top of page 9 of your submission it says under “Competition from other forms of gambling”:

... in particular, the growth of interactive gambling and sports wagering are drawing expenditure away from the more traditional forms of gambling ... It is suggested that online gambling providers use social media as a way of attracting young people without strict adherence to age restrictions.

I wonder if I can direct a question to Mr Jones in relation to whether you are conducting any research in that area to see whether young people are in fact moving away from gambling on poker machines and moving to online gambling more?

Mr Jones: In terms of monitoring gambling and problem gambling in the ACT, every five years the commission arranges, through ANU, to conduct what we call a prevalence study, which gives a very detailed snapshot of what activity is occurring in the ACT. At the moment ANU is in the process of analysing data collected late last year and earlier this year on the latest prevalence study—it being five years since the previous one, in 2010.

The 2010 study indicated the trends towards young males, particularly, moving into online betting on sports bookmaking accounts and things like that. We are anticipating that the 2015 prevalence study will give us more data on that trend, and the

expectations are that that is a growth area. All the prevalence studies conducted interstate, which produce similar data to the ACT, are certainly indicating that as a trend—that young males, particularly, are spending their gambling time and efforts online, either through the internet or through the apps that are available with mobile phones these days.

MS PORTER: In terms of harm minimisation—sorry, minister?

Ms Burch: Building from other conversations we have had across the table, so to speak, on interactive gambling—it mainly sits in the federal sphere. I have written to the federal minister on this. A committee was set up in 2014 when I wrote. An industry group has been established that has members from racing, professional sports and wagering organisations and research. At the moment, no government officials sit on that industry group; it seems to be purely an industry group.

It is my view—and these are words I have asked the officials to go through, because I think all governments have a role to play in this—that there are an increasing number of incidents. Some could say that with the decline in poker machine revenue or gaming machine revenue you see the revenue go up in interactive and sports gambling. There is a level of frustration that this group took some time to set up and does not have government officials sitting around the table. It is something we need to be aware of. I would challenge most folk to sit on the internet for an hour and not be approached by advertising to play some game, to be drawn into the world of gambling.

MS PORTER: I note that some of the research—it is probably the 2010 research—talked about the fact that the people that are having problems with gambling usually use different forms of gambling, so obviously they would be still maintaining their gambling in other places, such as in clubs.

I want to ask about the research in November 2010. Mr Jones, in the ClubsACT submission, page 88 refers to some research commissioned by the commission which included an opinion poll regarding ATMs and gaming machine reduction. They say they do not believe that is a sensible use of the research dollar and they had hoped that government procurement processes would go some way to saying that this money should not be spent in that particular direction. They also recommend that there be a more diverse number of contracted service providers in the area of problem gambling. Do you have any comments about that?

Mr Jones: I have not read the ClubsACT submission yet; it was only put on the website late on Friday, I understand. I have not got that far—to go through their comments in detail. However, I would have to say that I think the commission's contractual arrangements with ANU to conduct the research were undertaken some 10 years ago because of the expertise that ANU have, not only in research generally in terms of the ANU campus but specifically in the gambling research centre.

While there are a number of other research institutions around Australia, having the expertise of ANU in our own backyard I think makes it very convenient and very efficient to have our research conducted by them. I think a lot of the research, if not all of it, conducted by ANU is well recognised both nationally and internationally in terms of its quality and the particular analyses they are able to do right across the

ANU campus—analysing what can be very complex data and pulling trends out of data which other research institutions perhaps are not able to do. I one hundred per cent defend the quality of the research from ANU. I am sure that if they were provided with the comment, they would no doubt do so as well.

In terms of diversifying through other research institutions, yes, we do that. The commission and the ACT government as a whole get additional research done on a national basis through Gambling Research Australia, which is, by contract, spread around to a whole range of research institutions, both private institutions and universities, including ANU. We also are exploring other areas in terms of perhaps more applied research of marketing approaches, particularly with a public health approach to gambling that we are developing at the moment with other places, including fairly close by in New South Wales. I will not name them yet, because we are still having discussions. But we have discussions with other research institutions as well.

MS PORTER: Mr Jones, when did you say we expect the latest information to come out from the ANU and be available for us?

Mr Jones: In terms of the 2015 prevalence study?

MS PORTER: Yes.

Mr Jones: Formally, their report is not due to us until about July-August. But we understand there will be substantial data available in summary form, which ANU are working on at the moment. We are hoping that will be perhaps sometime in June. We will make that available to the committee as soon as that is available.

Ms Burch: I think the industry's comment on the page you were referring to is about how industry gets involved in the development of various research tools. I do not think it is a question about the capacity of ANU. They have a long track record in that. But within good social research there is also an opportunity for the researcher to go out to different groups in their framing of the different approaches and methodologies they would use.

THE CHAIR: But, with respect to the comments about an opinion poll, is an opinion poll research?

Ms Gilding: You could say it is research. You could then question its robustness and usefulness.

THE CHAIR: Questioning its robustness and usefulness, why would the government fund an opinion poll when they are trying to find out what causes problem gaming?

Ms Burch: If you equate the gambling prevalence study of the Australian National University with an opinion poll, that is doing everybody a disservice, Mr Smyth.

THE CHAIR: Minister, did they conduct an opinion poll?

Ms Burch: As I understand it, and as the commissioner has said, this has been part of

their prevalence study.

THE CHAIR: So you think conducting opinion polls is a good thing?

MR RATTENBURY: It depends on what you call an opinion poll. Perhaps we can ask this of the ANU when they attend, or ask them about the detail of their opinion polling. You can get a lot out of an opinion poll or you can get very little.

THE CHAIR: Or you get opinions.

MR RATTENBURY: If you are talking about prevalence, Mr Smyth, it is an opinion on what is more likely to make you want to gamble. That is a matter of opinion.

THE CHAIR: It depends on what the opinion poll is looking at, doesn't it?

MR RATTENBURY: Exactly. Let's ask ANU about it.

THE CHAIR: Ms Fitzharris, a supplementary.

MS FITZHARRIS: Minister, I want to go back to the comment you made about the commonwealth group that was established. In the government's submission around that particular issue, it also states that the previous working group, which was the Select Council on Gambling Reform, made a number of recommendations that your submission notes have been abandoned by the Australian government and replaced with this industry-led illegal offshore wagering working group. Can you give us a bit more background on the abandonment of the recommendations from the commonwealth?

Ms Burch: I will go to the officials who have been involved—and who have been advocating, quite rightly, that we need to have a place at the table on this. You can sit on a bus, you can sit in a park and anyone with a smart phone or a device can be gambling, out of any framework of harm minimisation or oversight by problem gambling support to support you.

MS FITZHARRIS: To clarify—maybe you can cover this as well—it reads as if the previous reforms were about all interactive gaming but this one is simply about illegal offshore wagering; is that correct?

Mr Kalleske: That is correct; that is our reading of it. We have talked to the commonwealth Department of Social Services. The previous group looked at the review of the Interactive Gambling Act back in 2001—the actual review took place in 2013—and there were around 32 recommendations. The key focus was around harm minimisation and consumer protection. We also had some deterrence and enforcement recommendations, recommendations on education and awareness, and advertising and promotion. So they were broad-ranging recommendations.

Our understanding from the last discussion with the commonwealth was that they are now taking that focus of what we were just talking about—offshore wagering and the illegal activity that happens around that. A new group is being set up under the council on gaming that the Department of Social Services is setting up. Certainly, that

broader range does not seem to be appearing so much now.

THE CHAIR: Ms Lawder, a new question.

MS LAWDER: Minister, obviously gambling can have a terrible effect for a small percentage of people in our community, but it appears that our total annual expenditure per capita is well below the national average. My question is probably to you, Mr Jones: in the research undertaken by the commission, or commissioned by the commission, what are the linkages and perhaps the reasons why our spending in the ACT may be less than the national average? Is it education related?

Mr Jones: When you say “expenditure”, do you mean expenditure on problem gambling assistance or awareness?

Ms Burch: I think you are talking about the expenditure per person into a machine. You are right; it is well below the national average.

MS LAWDER: It is on page 19 of the submission.

Ms Burch: Yes. Thank you for joining the dots for us there, Ms Lawder.

Mr Jones: To clarify, your question was about why we think that is the case?

MS LAWDER: What are the relationships that affect perhaps people’s spending on gaming machines?

Mr Jones: I think demographics is probably number one in terms of what interests people regarding gambling products. As you can well imagine, there is a very large range of gambling products in a whole range of forms that is available to people. Some of those are obviously in venue, like gaming machines at a club. Some are through the internet, through phones and that sort of thing, which can be relatively private or impersonal, depending on what your inclination is.

MS LAWDER: But those things are pretty common across Australia, surely?

Mr Jones: They are indeed.

MS LAWDER: What are the things that might make us different and well below the average?

Mr Jones: Again, demographics is important. We are a relatively young, what you might call well-educated society. The prevalence studies we have seen both here and interstate show that those people that tend to play gaming machines and those that perhaps may develop issues with their gambling tend to be particularly young males of lower educational level and perhaps single. So demographics is clearly a major factor.

In terms of our population and what is available compared to other states, and the number of persons attending the casino, it is only a relatively small casino and there are only table games available there, as you know. That may or may not be attractive

to some people. Perhaps it is really about opportunities and demographics in terms of people's preferences. Other than that, trying to explain people's choices about where their expenditure goes can be fairly difficult.

MS LAWDER: When you say there is perhaps less choice, it is probably in here somewhere, but how does our number of gaming machines compare? Page 8 gives a comparison with other jurisdictions. Do we have a lesser relationship per person to gaming machines than elsewhere?

Mr Jones: No. In fact, the ACT has one of the highest per capita number of gaming machines.

MS LAWDER: Does that perhaps negate your previous comment when you said it is about opportunity?

Mr Jones: I was thinking more about the casino, in terms of opportunities there. There is certainly plenty of access to gaming machines through the club venues.

MS LAWDER: Is it that we have fewer young, single males on low incomes, perhaps, based on what you have said so far?

Mr Jones: I would need to have a look at the actual demographics, but of those that tend to come into concerns with their level of gambling, the problem gamblers, young single males of a lower educational level tend to dominate that category. In terms of overall expenditure on gaming machines per capita, most of that can be explained through our particular demographics in the ACT compared to others.

Ms Burch: I do not know if you could find a single piece—and I might hand to Ms Gilding on this. Part of the demographic is our above-average income. We have greater disposable income. On page 20 it starts to go into harm minimisation arrangements as well, and perhaps that has a flow-on effect.

MR RATTENBURY: I will ask a supplementary on that. You have cited statistics on page 19 of the government submission, but in the ClubsACT submission, on pages 67 and 68, they have quite different per capita household figures.

Ms Gilding: I can provide some data on that. Yesterday I looked at that difference as well; it is on page 68 of their submission. We all understand that it is a complex problem. We can look at percentages and they can give us part of the story. If we look at three of the reasons for the decrease in gaming machine expenditure as a percentage of disposable income, in 2002-03 the ACT expenditure of disposable income on gaming machines was 1.374 per cent. I cannot quite remember, Mr Rattenbury, the 2009 figure; I think it was approximately similar to what is there on page 68. I do not have it in front of me.

MR RATTENBURY: Yes, 1.5.

Ms Gilding: 1.5. So we have 1.3—and, again, I would want to double-check the ABS stat there. But if we look at our 2012-13 figure, we are at 0.574. If we unpack that a little bit, there are actual decreases in gaming machine expenditure. We are looking at

\$739 down to \$598 per person. So we are looking at a 19 per cent decrease in the actual dollars going through. Again, we have been talking about that shift in the type of gaming. So we are looking at a shift from poker machines to perhaps those online products. We have seen gaming machine expenditure fall from 83 per cent of total gaming expenditure in 2002-03 to 81 per cent in 2012-13—a slight shift there.

When we look at percentages, we also have to look at the fact that we have seen an increase in disposable household income over that decade as well. Therefore, the actual amount might be the same but the percentage has actually decreased. There is a complex array of figures there. I would be happy to provide that to the committee, if that would be useful.

MR RATTENBURY: It is quite a dramatic change, from 1½ per cent to essentially half a per cent in three years. I accept all the things you have just said, but it seems very dramatic.

Mr Kalleske: With these numbers—because we looked at it this morning—they have been cited from a scheme paper that the ACT government released in 2009. My understanding is that the numbers in that scheme paper were from 2005. That means there is actually a 10-year variation between that figure and what we have for last year, basically.

MR RATTENBURY: Thank you. That probably points to some of the difference as well.

Ms Burch: As I said at the get-go, Mr Rattenbury, if we refer to some of these submissions, we are more than happy to come back with some clarity around them, because we have not had a chance to go through them.

THE CHAIR: Ms Fitzharris, a new question.

MS FITZHARRIS: Minister, could you, in your words, articulate the challenges facing the clubs industry. I know it is in the submission and I do not know if you have had a chance to read the ClubsACT submission, but they obviously give a sense of crisis and of an uncertain and “grim future”, as they call it. What do you think the challenges are? What are you doing now and what do you think the sector will look like in, say, five years time?

Ms Burch: I will start with the last. I think the sector will look different to what it is now. It has evolved over the last decade, and I think the evolution will continue. Since I have had gaming and racing as a portfolio, one of my early commitments was to sign an MOU which set out some changes and reforms, working with the clubs—and the progress is attached to our submission—and also looking at how we keep going, in a contemporary sense, as the world changes for them.

Ms Gilding chairs what we term the Community Clubs Task Force, which has been convened in response to clubs’ concerns around diversifying their business models. Everybody is in agreement that the income from gaming machines is decreasing and is unlikely to resurge in a positive sense. Everyone agrees that clubs need to diversify their business models away from the reliance on gaming machine income, but it is

about how we go about doing that with some clubs while also respecting that you will go from single clubs that have a very strong local membership—whether it be one of our ethnic clubs or local sporting clubs—to the larger multi-venue clubs. They all have different needs and they need a different response.

That is why we have set up the task force, and they are working through some of that. With respect to that task force—and we may get to talk with other officials in the room—it is about land use and it is around different requirements that we need to always have a forward think about.

MS FITZHARRIS: Is it possible to provide certainty in that sort of environment?

Ms Burch: The certainty comes with having a clear framework. The clubs—they have here and they have every time I have met with them—make reference to the regulatory environment across the border in New South Wales compared to ours. There are some absolute, clear differences—outdoor gaming, outdoor smoking and outdoor environments—between New South Wales and the ACT. There is unlikely to be a change in government position. We, for a whole range of reasons—public health reasons and others—would not encourage outdoor smoking and gaming. But if there were other regulatory frameworks and changes that we could implement, we would absolutely do so.

I would support the clubs' desire for certainty, which is why we set up the task force and why we set up the MOU. But, in a world of change and clubs changing, I think they have had a 10 per cent reduction in revenue; I think that is what their figures show. If any business—it does not matter whether it is clubs or anything else—saw a 10 per cent drop—and I stand to be corrected on that figure but I think it is in that vicinity—it would need to have a look at what it was doing. That is why it is important that the whole of government has a coordinated response to them.

THE CHAIR: Ms Porter has a supplementary and then we will go to a substantive question from Mr Rattenbury.

MS PORTER: Minister, my question is about the diversification that you talked about and the task force. Could Ms Gilding give us an update as to where that process is up to with the clubs that have decided to become involved? I have been working with a club in my electorate that was having some real difficulties in being able to get through what it thought was a minefield of different things that were happening to it around wanting to diversify. I am not asking you to talk about specific things, but can you give us some information about how you see that progressing, as to whether there is some turnaround and people are getting clarity?

Ms Gilding: The Community Clubs Task Force has brought the relevant players across government together in one location. It is like a one-stop-shop approach. A club can bring their ideas or the issues they are facing, and the decision-makers are around the table and able to give advice to that club at that particular point in time. I think the club that you mentioned may have received some funding under the small clubs support scheme, whereby we gave grants to clubs to investigate their business needs, the possible redevelopment and what they could be doing.

What we have found is that the task force is taking the role of providing a coordinated place for clubs to come and seek advice in relation to their particular issues. We are finding that those issues for clubs are diverse. They have a broad range of issues. We have representatives from planning, Treasury and the Office of the Coordinator-General. So far five clubs have come and presented. Certainly, we have been able to unblock a couple of issues quite quickly for some of those clubs.

The critical issue is that the boards of the clubs need to make some business decisions. The task force stands ready and waiting to help the clubs as they come forward with their ideas and their proposals to help them navigate government and find a pathway through.

THE CHAIR: A new question, Mr Rattenbury.

MR RATTENBURY: It flows on, in a way. I am interested in talking about the future of clubs and what you see their main role as being in the ACT, in the sense that many of them have gone from being perhaps smaller enterprises when they started out to being very large corporate entities. That has obviously changed the nature of their operating model and their need to generate income. I am interested in what you think the main role of clubs is these days.

Ms Burch: I think the main role of clubs in a sense has not changed—it is a membership group. It is where members of a community, whether they are attached to a sporting group, a particular ethnic group or a location, come together to benefit from the amenity, whether that be sporting facilities or mateship. We were only talking this morning in my office about the fact that billiard tables nowadays predominantly are only found in clubs. I do not know who here is a keen billiard player—

MR RATTENBURY: Apparently not.

Ms Burch: but they maintain a very strong benefit for the coming together of a community. If you look at the ClubsACT submission and the role of community organisations they support, there would be something in every suburb across our city that has been a direct benefit from clubs, and that has always been the case. Clubs, and some are large businesses, are still community organisations. They are not there to benefit and make a profit in their own right but to be a benefit for their membership and their community. I think that principle has been maintained.

Recently the RUC has amalgamated with Turner, which was a single, stand-alone bowling club, struggling in modern times. It went into a partnership or other arrangement—and I am not quite sure of the type of arrangement. I have visited there and it is a booming, popular hub of the local community, where you have families coming along and playing barefoot bowls. There is a younger crowd but you still have the more senior in the community having a safe place to come together and to catch up with mates.

MR RATTENBURY: At the other end of the spectrum from the RUC, though, is that we see some of the clubs becoming very large. The ClubsACT submission talks about the very substantial investments they have made over a number of years. They now seem to be in a situation where they are so large that to sustain themselves they need

to branch out into a whole range of other sources of income. The clubs' submission talks about clubs doing housing developments, running day-care centres, and running all sorts of things that would seem to be outside their original remit.

Ms Burch: Again, if you think of a football club, for example, the original remit was around sporting facilities. I am on record not just here but elsewhere as saying that broadly the Canberra community would be a lesser place if we did not have the clubs contributing to the fabulous green ovals and other community capital that everyone uses. Is it wrong for a group that supports sport to then go into supporting elderly in the community that need supported accommodation? It is different, but I do not think it is a bad thing, because it goes to that community contribution first and foremost.

MR RATTENBURY: Has there been any demographic modelling of community land needs in the ACT over the coming decades, and who can access that? It is on the same point: if there needs to be provision of aged-care facilities and childcare facilities, who is doing the analysis of how much of that land is needed, where it is going to go and who should be entitled to access it? Why should a club be able to do it on its land versus some other operator who would like to get space to do child care?

Ms Burch: If you look at the lease variation, and not just across clubs, the government has identified child care and other developments that have a remission. Again it goes to community benefit, first and foremost. With respect to your question on land analysis, I will go to Mr Corrigan.

Mr Corrigan: The strategic planning area of the directorate keep an eye on these things. They review the community facility needs across Canberra. They work closely with their economic development colleagues in CMTEDD as well, which informs the land release program in terms of sites like that. That is in the broad planning area.

It is also about existing clubs and what they do. Obviously, with most of the clubs, their zoning is community facility zoning. As the minister mentioned, some are looking to diversify their operations. They are entitled, obviously, to talk to us about other business models and ideas and plans they may have. Some in fact have done that recently. Clubs can still do that; they can look at making their own business decisions in addition to the ongoing planning work that we do.

MR RATTENBURY: Is there any strategic analysis of the types of facilities that are needed? Obviously bowling is not as popular as it used to be. We see a number of bowling clubs saying, "We're not viable anymore." My question is: if that is turned over to some sort of housing development or a childcare centre, there is an opportunity cost there in terms of recreational facilities. It may be that some other sport is the "in vogue" thing now. How are you trying to analyse and assess how that land gets used in a strategic way?

Mr Corrigan: From a planning perspective, there are a number of steps that a club would need to go through if they wanted to diversify and seek to totally redevelop a facility. There have been some recent discussions in the media about the bowls club owned by the Ainslie Football Club in Braddon—not that they have approached us; that is just an example. Firstly, they have to determine the status of their lease. A lot of the leases that have been issued over the years are what are termed concessional

leases and were given to them with a concession. Before they can do anything, they need to remove that concession and make it a market value lease. Under the Planning and Development Act introduced in 2008 there is a development application, and as part of that DA process they must submit a social impact assessment which needs to be considered by the Minister for Planning. The Minister for Planning has to be satisfied that it is in the public interest to move ahead with the remainder of the DA. That is the first test.

Secondly, if a club gets to a market value lease—I can go into more detail about what is involved there, if the committee would like that—and the club wants to explore other development opportunities, say, residential and the like, it would need, in most cases, a territory plan variation. That brings in that whole territory plan process. With that, the club would have to justify to the directorate and the Minister for Planning the need and that the variation is a good idea. That whole process would commence. That ultimately goes through consultation and the variation, if approved by the Minister for Planning, is then tabled in the Legislative Assembly and subject to disallowance by the Assembly.

MR RATTENBURY: So it is a case by case analysis per site as a proponent comes forward rather than, in a sense, the government identifying how much recreational facility needs to be retained?

Mr Corrigan: That is a good point you raise. It is case by case with individual clubs wanting to diversify. Notwithstanding all of that, obviously the planning directorate, with our colleagues in the economic development area of CMTEDD, are also analysing those other needs. You mentioned community facility needs before. Our sport and recreation colleagues in CMTEDD are looking at sporting opportunities and needs analysis there. With the bowling issue that you mentioned—absolutely, with bowling clubs it appears to be a challenge for them to maintain bowling greens. They are expensive things. Some of them are closing. At the same time we are aware that Ainslie Football Club is looking possibly to diversify. It owns the Gungahlin lakes club, for example, and it is possibly looking at introducing bowling greens there to satisfy its membership who are looking for additional bowling facilities.

What I am getting at is that the government or the directorates keep an eye on these things—the needs and demands, as well as the fact that these are opportunities that clubs may want to take up.

THE CHAIR: Ms Fitzharris, a supplementary.

MS FITZHARRIS: I have a follow-up question. With the diversification as it relates to land, obviously providing other services like aged care, child care or affordable housing assists with the business model, but if a club sat on a parcel of land that obviously had value that they were not able to use themselves, is there an opportunity for the club to gain the value out of the land without necessarily taking on a new form of service delivery? Is the redevelopment opportunity for them in regard to land all based on the clubs shifting their business model to now provide childcare services on the land? Are clubs sitting on a large parcel of land able to sell that land to a childcare provider, partner with them and effectively get the capital gain from the land but not involve themselves in the service delivery?

Mr Corrigan: Possibly. It depends on the lease and what they can and cannot do. As I was saying before—

MS FITZHARRIS: If clubs were not sitting on large parcels of land that were undeveloped, would the new business models necessarily be looking to steer them into child care, aged care and those sorts of services, or is it because they are on land that these are the sorts of models they are exploring?

Ms Burch: That is an asset that is available for them—

MS FITZHARRIS: Can they sell the asset, then, and get a capital gain and use that to shift their business model rather than necessarily branching out into something that is available because they have the land?

Ms Burch: It is case by case as to whether they could sell. Some may choose to put in the built form but then lease, as we have done with childcare services. The government owns the built form but we do not manage the service itself.

Mr Corrigan: In addition, Ms Fitzharris, the lease status is very important. If a club wanted to diversify and maybe enter into an arrangement with a third party, a childcare centre or some example like that, and it needs to subdivide part of its land or whatever, it would have to have a market value lease. That is a very important first step in all these things.

I outlined a minute ago the process of going from a concessional lease to a market value lease. It is a development application. If it is indeed supported, the club would need to pay out the difference to make it a market value lease. All that does is to give them a market value lease with the same development rights. It does not confer any additional development rights. That is very important. This often gets missed. It would then need to branch out and the territory would possibly vary their lease, and all these other things commence. That is why some of the clubs say, “It’s a bit of a minefield.”

Ms Burch: Because it is complicated.

Mr Corrigan: There are a number of steps.

Ms Burch: There is not a universal lease applied across all clubs, and their parcels of land are slightly different as well.

MR RATTENBURY: What are the variations in those leases? You say they are not universal; is there a summary way of describing the different types?

Mr Corrigan: It gets very interesting. Why there is a difference is that some of these leases have been granted since 1924, when leases first started to be granted in the territory. So they have been granted under different ordinances and things; that is why there are differences. It is not readily apparent if a lease is a concessional lease or a market value lease. From about 2008-09 onwards, the government, through the titles office, made it very clear if a lease was concessional, but prior to that it depended on a

whole range of issues—how the original lease was granted and what was paid for. It gets quite complex. When a club says, “Can you please determine our concessional status, whether we have a concessional lease or not,” it can take quite a lot of research. We have to go back to paper records.

Ms Burch: There is a legacy here.

Mr Corrigan: Seventy years of records.

Ms Burch: The task force has been working with clubs that are ready and at the forefront to start to look at this properly. So unpacking it is not straightforward. I understand the frustration of the clubs, and I would no doubt share the frustration of the officials while they try and unpack it as well.

THE CHAIR: A new question. The current Centre for Gambling Research at the ANU was set up under agreement between the university and the commission in 2009. How did that vary from what was set up in 2001, when a chair of gaming studies was set up at the university, and what is the current level of the research status there?

Mr Jones: A couple of changes were required to be made to the earlier contractual arrangement. First of all, the endowment which was funding the professorial chair was insufficient to pay the ongoing salary at the professor level. That was the first problem. Secondly, a number of administrative matters needed clarification within the contractual arrangement, particularly around IP and making sure ANU had sufficient access to the research results that it produced to use that for ongoing other research. Some clarifications needed to be done there. When we renegotiated the arrangement with ANU we changed the level of chair to, effectively, director rather than dictating that it had to be at the professorial level, because of the endowment not producing sufficient salary to cover that. Then we negotiated the rest of the administrative arrangements within the centre’s contract.

THE CHAIR: If problem gaming is such a problem, why downgrade the chair? Why not upgrade the endowment? Why have we, minister, moved away from having a professorial chair researching problem gaming in the ACT to having a director?

Mr Jones: It is more availability of funds at the time. The commission originally put in just over \$1 million, which was matched by ANU; there was no additional funding available to increase the funding to meet the salary of a professor. We saw it not so much as necessarily a downgrade but more as being pragmatic about the centre continuing with an identified head of that centre, to continue the contractual arrangements, which were essentially the same but modified, as I indicated.

THE CHAIR: But again—it is a question for the minister—if problem gaming is such a dilemma for the community that the government is seeking to, for instance, reduce the number of machines and has come up with a number of supposed initiatives to reduce problem gaming, why downgrade the chair to a director level?

Ms Burch: As Mr Jones just said, we have not seen it as a downgrading at all. We have maintained a centre of research at ANU, and we continue not only through that centre but through other harm minimisation and other approaches, through the funds

from Relationships Australia in partnership with Care financial, to provide a suite of harm minimisation strategies and also to support research and then provide support to the community to address matters such as problem gambling.

THE CHAIR: So you do not accept that not having a professor as a chair of studies is seen as a downgrade?

Ms Burch: No, Mr Smyth, I do not assume your proposition there.

THE CHAIR: In the ClubsACT submission there are 28 recommendations. I take it you have not had time to discuss them, from what has been said. Could you take each of the 28 recommendations as a question on notice—with the prefix “Does the government agree that?” and then read recommendations 1, 2, 3 through to 28—and get back to the committee with a government response to the recommendations?

Ms Burch: Whether that is the best approach, Mr Smyth, goes to my comments when I opened, reflecting on the need for clubs to have certainty. Where can this committee go? I would like to see a consensus view—that would be an ideal outcome—about those key areas where we can all agree about reform for the clubs. Whether we take the clubs’ 28 recommendations and agree—there are probably other submissions that have recommendations as well—I do not know if that is the right way. I would seek that you hold that request until this hearing plays out a bit. As I said at the very beginning, I am more than happy to come back with points of clarification to better inform and support the committee’s deliberations.

THE CHAIR: You just said that the clubs are after certainty. They have put forward what I assume are, in their view, 28 things required for them to have certainty. I ask that you take them all on notice.

Ms Burch: We will take them on notice but, with the indulgence of the committee, I would like to be informed by the other deliberations of the people that will come before this committee. I think that is a fair and reasonable thing to do.

MS FITZHARRIS: Indeed; I think it is the purpose of the committee, in fact.

THE CHAIR: It is indeed, but it is also the committee’s right to ask the government’s view on what they are doing.

MS FITZHARRIS: Yes.

THE CHAIR: In light of the package you have put forward, some of which came to the Assembly last week, how do the government reforms give the clubs the certainty they want?

Ms Burch: Government reforms? That would be the red tape reductions as outlined in the MOU or the trading scheme reforms that I put to the Assembly?

THE CHAIR: All of the above. All of the reforms you have put on the table.

Ms Burch: I think the fact that even the trading scheme is part of the MOU gives the

clubs certainty. I entered into an agreement with the clubs, set out in an agreement with them. Part of that is working through regulation change and introducing the trading scheme. I think that is the certainty the clubs are desiring—set out a way forward, set out some actions for both sides to participate, and get on and do it. I think that is the certainty the clubs would like to see.

MR RATTENBURY: On the trading scheme, the Canberra Southern Cross Club, in their submission, have cast doubt on whether there will be sufficient industry participation to enable the trading scheme to work. Do you have any concerns? Have you discussed those concerns with the Southern Cross Club or do you understand the basis for their concern?

Ms Burch: Not the Southern Cross Club individually, but going back three years, one of the earlier requests to me was about the introduction of a trading scheme. It has taken some time. We have gone out for community consultation. We have deliberated on what this scheme would look like. There was the crafting of this legislation—I think Louise has finally recovered—to get it through. Will there be a strong market uptake? I do not know. But that is, in many ways, not the purpose of introducing it. The purpose is to give the clubs certainty, for them to be masters, in a way, of their own business models and to have some sense of flexibility. Also, it gives us a true mechanism for reducing the number of machines on the floor. Up until then, it was certainly an aspirational target, and we would have waited for the surrender of machines. Now, should there be an appetite for trade, we will get a way through to reduce the number. But I am not making any assumption about the interest that will be there; that is a separate matter altogether.

THE CHAIR: Another supplementary?

MR RATTENBURY: In that vein, in the clubs' submission they have made the observation that if there is not an uptake the government should start buying machines back from the clubs. I believe clubs already have machines that are sitting in the basement essentially not being used. That would strike me as a form of almost free money, if the government were to start buying back machines that were not being used. Have you formed a view on that?

Ms Burch: I do not know if I would term it as a way of buying back machines, but the reform package is in two phases. There is a phase which is around a forfeiture model to reach a target. If that is not reached, I have also been very clear with the clubs that I will acquire the machines until we reach that ratio.

MR RATTENBURY: Is there a figure on what a machine would be acquired for?

Ms Burch: It would be acquired. I am not paying for machines to come off the floor, if I need to do that.

THE CHAIR: So the government will just take them back?

Ms Burch: That is what is in the package.

THE CHAIR: How many clubs have machines currently mothballed, and under what

circumstances are they mothballed?

Mr Jones: We would need to take that on notice. Some clubs have interim, for a week or two, or perhaps up to a month, while machines are being repaired. That comes and goes all the time. In terms of long-term storage or whatever, I would have to take that on notice and get back to the committee.

THE CHAIR: Are there any significant numbers known to you at this stage?

Mr Jones: Not known at this stage, no.

THE CHAIR: I understand that the Tradies at Dickson might have something like up to 100 machines not on the floor being used.

Mr Jones: No; they are still active. They are still being used.

THE CHAIR: They are all active?

Mr Jones: Yes. Not necessarily all of the time, but they are certainly active, at a minimum, every week, once a week.

THE CHAIR: How do they do that? They rotate access to them?

Mr Jones: No, they are in an area which I understand used to be a function room which, depending on club demand, during the quieter periods, they do not have access to, presumably to save on salaries and expenditure and to meet peak demand on Friday and Saturday nights or whatever. That is open to all members to meet their peak demand, including those approximately 100 machines.

THE CHAIR: How many other clubs run an arrangement like that?

Mr Jones: I am not sure, off the top of my head. I would need to find out. There is no compulsion for clubs to use all of their machines every time they are open. But machines, while they are on the floor, must be active at least once during a month, effectively.

THE CHAIR: During a month?

Mr Jones: During a month. The legislation pretty well says—it is actually written in the negative—that if a machine is not active during a month, it must be for a good reason or the commission needs to instigate some action.

THE CHAIR: So you will take on notice both those that have been mothballed genuinely and those that are on arrangements where they are not always accessible to the public?

Mr Jones: We take each case on a case by case basis. As I said, some are for repairs. Some are not active every day of the week, to meet their own peaks and troughs. There are some machines which have been approved to be non-active and are stored either off site or in a secure area—for example, in a club basement. There is a whole

range of possibilities. I do not know the exact number for each venue off the top of my head.

THE CHAIR: If you could take that on notice, that would be fine.

Mr Jones: I will take it on notice.

THE CHAIR: A new question, Ms Porter.

MS PORTER: Minister, this is again from the ClubsACT submission; if you or the commissioner do not want to answer this at this stage, I am happy to have it taken on notice. They say—

Ms Burch: Can I ask what page you are on, please, Ms Porter?

MS PORTER: Sorry; page 87. It talks about restoring information sharing. It talks about the contract that was previously provided, the gambling counselling under contract with Lifeline. They are at pains to say that they are very happy with the new contract with Relationships Australia, being universally positive. They are really happy with that. But they say that since the information flow and data sharing were taken over by the ACT Gambling and Racing Commission, the level of activity of the service providers or data relating to the overall engagement of club patrons is not so forthcoming. They note the need for privacy, but I think they are after more data to be shared. Is there a reason why the data cannot be shared in an overall form rather than identifying certain individuals and certain clubs?

Mr Jones: We provide, in summary form to protect people's privacy, the number of visitations to Relationships Australia. This is all data produced by Relationships Australia to the commission on a quarterly basis. Either quarterly or half-yearly, that is released or made available to the industry. I am not quite sure what the concern is, but that is certainly made available.

Ms Burch: I think it is around exclusions as well. It is in relation to venue-based exclusions. It is about when patrons voluntarily exclude themselves or when a club has an arrangement with certain patrons that it is in their best interest to exclude.

Mr Jones: One of the approaches we are aware that ClubsACT has asked us and Relationships Australia for is information on those excluded persons—what venues did they visit or were they exclude from? Relationships Australia have declined to provide that, on privacy grounds. While the numbers are reasonably high, I think there is a probability of identifying individual patrons, which is clearly not in anyone's interests. Relationships Australia counsellors have declined to provide that specific information on excluded persons from particular venues.

Ms Burch: I think it goes to the point that if a patron has been excluded but then seeks help and has counselling, they may wish to go to the club to participate or take a benefit from the other hospitality, but they are excluded. So it is that interchange. That is probably something the clubs would have an interest in, particularly if the person is looking to come back in and visit the clubs.

Mr Jones: Relationships Australia have a very good relationship with the industry. I think all the information they were able to provide they would be providing to the clubs and to the commission as necessary. I think everything that is available would be provided.

MS PORTER: Thank you, Mr Jones.

THE CHAIR: Ms Lawder.

MS LAWDER: Can I have a follow-up to that, because I am a little confused about the information not being provided on the basis of privacy. That is a very real concern, obviously, but I would have thought that was the whole point of the online exclusion scheme—that you could identify patrons that had a gambling issue with the intent of excluding them. Can you explain that to me? I am not familiar with how that works.

Ms Burch: Under section 10.5, I think there is a mix of exclusion and how the commission manages that database on exclusion and shares that information across clubs. Also, if somebody is excluded but is a client of counselling, sought help and therefore deems it appropriate to go back into a club, that is more about privacy—

MS LAWDER: I was not specifically referring to section 10.5. My reading of section 10.5 was about information sharing generally, not simply the exclusion of patrons. My question is about how the online exclusion scheme works, especially given that you said that, for privacy reasons, that could not be shared.

Mr Jones: There are two different issues here. The online self-exclusion scheme works by people nominating to Relationships Australia, the commission or whichever venue they particularly choose that they wish to self-exclude from. There is a fairly simple mechanism they go through about identifying which venues they want to be excluded from. They then provide the necessary information to identify them as the person. That information is then sent to those venues which have been identified that should be excluding that person. On a very restricted basis at each venue, there is a small handful of people who have signed all the appropriate privacy agreements that administer that scheme on behalf of that venue. That is how the self-exclusion scheme works, and that is very tightly controlled.

I have not read that part of the ClubsACT submission. We have probably already covered it, but with respect to sharing that information from Relationships Australia, in terms of their numbers of counselling people and things like that, they would share as much as they possibly can without breaching their own privacy restrictions or requirements.

MS LAWDER: The ClubsACT submission says that “no information flow or data sharing has taken place” since the change. That was the earlier point. On the online exclusion scheme, my question was leading towards whether it is possible or, if not, what are the reasons why information about excluded patrons could not extend to Queanbeyan, given that they are close to the border?

Mr Jones: When we were putting together the self-exclusion database, we talked to a number of the venues in Queanbeyan and discussed extensively with New South

Wales how we could incorporate the region, not just Queanbeyan but perhaps even some of the towns around Young, Goulburn, Yass, Cooma and that sort of thing. Unfortunately, in dealing with the New South Wales exclusion scheme, there are something like six different schemes of exclusion which are operated by different problem gambling areas who have districts or regions that they operate, and some actually operate in overlap in different areas.

The IT advice that we got, in trying to match input from the six different schemes into our database, was that it was not feasible in phase 1 of our development. We see the online exclusion database as a developing feast, and we will continue to look at it to see whether we can incorporate it. It is basically an IT issue, because of the number of exclusion schemes, and we would have to come to a specific arrangement with the operator of each scheme on how that was going to work. At that stage it was going to hold up the whole scheme for some unknown period, so we moved on. But we are still open to that. As I said we are looking for enhancements to the scheme all the time.

MS FITZHARRIS: I want to ask a couple of questions around the taxation settings. The ACT taxation review recommended some rationale for increasing gaming machine tax, but that was not taken up at the time, for some reasons which are mentioned in the submission while others are not. Are you able to comment further on those?

Ms Burch: Firstly, there are some taxation changes that are part of the reform package that will come in, and that is looking to take effect from 1 July this year. It is fairly revenue neutral in the first year but certainly has some small growth in the outyears.

On the notion of tax and taxation reform, a number of recommendations in the taxation review were not taken up. It is also worth noting broadly that with our revenue we have less reliance on this area. It is often about what you rely on, but the ACT is less reliant on gambling tax than any other jurisdiction. The figure for 2012-13 showed that revenue from all gambling represented 4.4 per cent of total taxation, below the national average of 8.4 per cent. I think we are the second lowest behind WA. Certainly, when we went out to have a broader conversation around scheme reform, we looked at how you “slice and dice” taxation, and that was deemed the most sensible way forward.

Ms Goth: I agree with all of those points. Not all the recommendations of the tax review were taken up. We are relatively low compared to other jurisdictions in the amount that we tax on gaming machines.

MS FITZHARRIS: To the extent that there are so-called sin taxes on liquor, tobacco and gambling, there might be an assumption whereby taxation being low in an economic activity is a good thing and taxation being high where there is a social consequence is a good thing. But taxing gaming has no price signal; is that right? It does not matter if you tax a gaming machine; it may not have any direct impact on the actual problem gambler or on problem gambling itself, as opposed to taxing cigarettes.

Ms Burch: If I follow your sin tax, and if I buy a packet of cigarettes, it is a \$5 tax. I see it there and then in that exchange.

MS FITZHARRIS: It changes behaviour.

Ms Burch: Whereas with the taxation of machines, there is not the one-on-one interaction.

MS FITZHARRIS: To the extent—

Ms Burch: Sorry, I had to use “sin tax” somewhere.

MR RATTENBURY: Yes, I am still back on “sin tax”.

MS FITZHARRIS: To the extent that there is a community perception that if we increase taxes on gaming machines it will have an effect on problem gambling, is there any relationship between the two, as there might be with cigarettes or liquor?

Ms Burch: No.

Ms Goth: Not to my knowledge.

MS FITZHARRIS: Going to the ClubsACT submission, in their taxation chapter, they suggest that the ACT government could consider implementing a scheme based on the New South Wales club grants scheme to encourage clubs to maintain community contributions at existing high levels. Is that something that has been considered in this taxation sphere?

Ms Burch: Community contributions from clubs continue to provide a benefit, not only to the clubs listed here but to many folk across our suburbs. Clubs continually and historically have a higher contribution than what is mandated for them. They continue to do that.

Mr Kalleske: In 2013-14 there was an eight per cent minimum requirement for community contributions. Our clubs actually provided 13.27 per cent of their net gaming machine revenue. I guess that is a form of taxation as well, in some respects.

MS FITZHARRIS: To the extent that clubs are established for a community purpose, you would assume they would be reinvesting revenue anyway, irrespective of whether it was imposed on them.

MS LAWDER: And the fact that they are giving more than they are required, too.

MS FITZHARRIS: Yes, but if there were no gaming machines and no community contribution, the difference between those two is about five per cent, which implies that there is about five per cent of their revenue being reinvested in their core purpose, which might be a relatively small amount, given their core purpose is to reinvest in the community. Are there other amounts that clubs are reinvesting in community infrastructure that are not captured in that community contribution component?

Ms Burch: I am sure ClubsACT would have a view on that. What we are able to capture each year through the commission’s report is what they identify and nominate

as a community contribution. In informal discussions with many clubs, they will list deeper contributions as well, but it is not captured anywhere.

Mr Jones: There is a difference between the New South Wales scheme and the ACT scheme. In the ACT clubs are free to allocate their contributions based on their objects or their preferences to, effectively, whoever they wish. There are fairly broad eligibility criteria under the Gaming Machine Act, which is what the commission assesses and reports on, and which is what we are talking about here. In New South Wales there is a fund, effectively, that they contribute to. So the schemes are quite different.

MR RATTENBURY: In their submission ClubsACT are advocating for the removal of note acceptors and, instead, their replacement with a cash input limit. They argue there is no evidence that note acceptor limits are effective against problem gambling. I understand the Gambling and Racing Commission did an interjurisdictional review on that question. Mr Jones, are you able to tell us what the commission found in terms of what evidence is available?

Ms Burch: I am on record as thinking input limits are a harm minimisation strategy that I would like to see. We might as well talk about what happened at the beginning of this year with the \$50 note acceptor. Mr Jones can go to that. With respect to the value, in and of itself, there are mixed views. Certainly, with an input limit and other wraparound harm minimisation strategies, there is almost a suite approach, but the input limit is key.

THE CHAIR: I think the question is: is there evidence to support that view? It might be your view but what is the evidence?

Mr Jones: As you indicated, Mr Rattenbury, we did a sweep of other jurisdictions in Australia about what they did. We also looked at what the research indicated on restricting notes as input into a gaming machine. With respect to the research, while it predominantly indicated that note acceptor limits had some beneficial effect, mostly because problem gamblers tend to use high denomination notes compared to recreational gamblers, there was some research—minority research—which indicated that the effect of a note acceptor restriction was not significant. Predominantly, the research indicated that it was.

Those jurisdictions, perhaps other than New South Wales, which is exceptional here, that do not have note acceptor restrictions tended to have a cash input limit, which is what the minister was referring to. Rather than restricting, perhaps somewhat artificially, what particular bundle of notes you can feed, to whatever unrestricted amount you wish, into a machine, irrespective of what note you would use, a cash input limit set that to a certain amount and it varied from around \$100 to \$200. I think Queensland recently increased theirs—I am not quite sure of the figure—to about \$200 to \$300. I would need to check; it might be higher.

THE CHAIR: We will call a halt there. We have other groups to speak to. If witnesses have undertaken to provide further information or took questions on notice during the hearing, whilst the committee has not set a deadline for the receipt of responses, answers to those questions would be appreciated within two weeks from

the date of the hearing. Minister, you might consider answering those 28 recommendations within the two weeks.

Ms Burch: I was going to seek the indulgence and direction of the committee. I put it to you that I would like to be able to consider the broader submissions and people that come before you as well.

THE CHAIR: It is the government's view. Are you saying the government is not capable of coming to a view on the 28 recommendations that ClubsACT have put forward?

Ms Burch: Mr Smyth, we are having public hearings to allow the people of Canberra to have input. I will always be consultative of my neighbours. If they have a view, I would like to hear it as well.

THE CHAIR: Again, the question I asked you was about the government's view of that, not other people's view.

Ms Burch: When would you like this back?

THE CHAIR: We are asking within two weeks, but I am offering you some additional time. We will be having hearings—

Ms Burch: When will the public hearings conclude?

THE CHAIR: We have hearings booked until August, I believe.

MS FITZHARRIS: There is possibly the opportunity to ask the minister to return later in the piece. There is a fundamental tension there between having an inquiry to find out what people think and then, before we have asked people and they have come before us to tell us their views, we are seeking to have a response on the first day of public hearings when we have another six in front of us. We cannot have it both ways.

THE CHAIR: It is not having it both ways at all. I have simply asked the minister 28 questions, in effect. The normal procedure would be that two weeks is what we have asked for. I am asking: how much time would you like? What you respond with will help inform the committee.

Ms Burch: How about we go away and have a look at those 28 recommendations. As I said, we saw them on Friday, which is when they were released. We will consider them and come back to the committee about what I think would be the most productive way forward.

THE CHAIR: On behalf of the committee, thanks for that. When available, a copy of the proof transcript will be forwarded to witnesses to provide an opportunity to check the transcript and suggest any corrections. The committee will break for five minutes.

Short suspension.

HOUSE, MR JEFF, Chief Executive, ClubsACT

THE CHAIR: Welcome back to the public hearing by the public accounts committee into impacts on the future of the ACT clubs sector. We welcome Mr House. Specifically, the Assembly referred the following nine elements and related matters to the committee for further investigation and consultation with the wider community: revenue and profitability; legislation and regulation; taxation and charges; land development and sales; problem gambling; diversification and mergers; new business models; poker machines and gambling technology; and water and resource management.

On behalf of the committee, Mr House, I thank you for appearing today in your capacity as the CEO of ClubsACT. I ask that you look at the privilege statement on the table before you, which is a pink sheet. Can you confirm for the record that you understand the privilege implications of the statement?

Mr House: I do.

THE CHAIR: I also remind all witnesses that proceedings are being recorded by Hansard for transcription purposes as well as being broadcast and webstreamed. Before we proceed to questions, Mr House, would you like to make an opening statement?

Mr House: I would, thank you. I firstly thank the committee for the opportunity to appear before you. As I have said in our submission, I think this inquiry is, in many ways, long overdue. I would like to particularly thank the chair for his initiative in establishing the inquiry, and I thank all Assembly members for supporting the motion to establish the inquiry.

Two weeks ago I attended the ClubsNSW club and community awards evening in Sydney. These awards recognise the contribution clubs in New South Wales make to the community in that state. The Premier and opposition leader were in attendance, along with a number of ministers and other members of the New South Wales and federal parliaments.

There were a number of winners that night. One winner was the New South Wales Leagues Club. This club was recognised for acting as a shelter for New South Wales police during the siege at the Lindt cafe. The club ended up being the on-site operations centre for the police during the length of that crisis. The staff rostered on to work at that club that day went above and beyond in assisting and providing support to New South Wales police and many others who were caught up in the crisis, including some of the hostages who were brought to the club after escaping from the cafe. This was just one club and one of the many award winners that night.

It was these stories that moved the Premier, Mike Baird, to say in his speech that there was a great big heart at the centre of the club industry. The opposition leader, Luke Foley, also spoke; he observed that the New South Wales government would go broke if they had to fund everything the clubs currently do and declared that the Labor opposition would be a strong supporter of the club industry while ever he was leader.

That is strong bipartisan support for the clubs sector.

This folder contains every print news article published about clubs in the ACT since I was appointed to this role 5½ years ago. Just about every article is critical of some aspect of clubs and what they do, even the support they give to sport. There would, of course, be several more folders if there were stories about the positive contributions clubs make each and every day.

The vast majority of submissions to this inquiry are from organisations that took the time to let you know what the clubs mean to them, and they attest to the contribution clubs make, as does the list of more than 1,100 community groups that received support from clubs in just one year.

This is not New South Wales, and things are different here in many respects. But still more than 200,000 Canberrans are members of at least one club. There are more than half a million memberships in circulation in the ACT. There are many clubs in each of the electorates you represent. Nearly 12 million Australians are members of clubs. These are big numbers.

The contribution clubs have made to this city spans 90 years and is significant in every way. From small ethnic clubs to medium-sized bowling clubs through to the club groups which are the backbone of much of the sport and recreational pursuits of our citizens, clubs are part of the social fabric of Canberra.

The bricks and mortar are important—the football fields, the golf courses, the lawn bowl greens, the basketball courts, and the list goes on. The less tangible contribution is no less important—the provision of a safe, friendly, affordable environment for people to gather and spend time to eat, drink, play and just chat. Clubs are important in providing opportunities for people to connect and be socially engaged.

Clubs provide a valuable contribution to our community and are an important place for many, particularly older Canberrans to socialise and connect with their community.

They are not my words; they are Mr Rattenbury's words, in a good press release he issued recently. Walk through any club and you will see in its members a more representative cross-section of the broader community than almost anywhere else in Canberra. Men, women, boys, girls, old, young, public servants, the private sector—clubs are there for everyone.

Some years ago a former Chief Minister said that the government was a supporter of clubs and we the industry should be wary of losing that support. I remember replying by asking how, given everything clubs do, could any government do anything other than support them. I am still of that view. Not everyone likes poker machines, but it is important to remember that many Canberrans do. Not everyone can control how they gamble, but we cannot forget that the vast majority of people can and do.

To be sure, problem gambling is a scourge, but gambling itself is not. We need to maintain perspective and balance in our policy response. Our community gaming model is not only globally unique but the envy of at least the rest of the country.

Clubs are willing partners in the effort to develop and implement targeted and effective harm minimisation measures. For anyone who doubts our commitment to addressing problem gambling, I quote a statement from Relationships Australia, the ACT government's problem gambling service provider:

We should also mention that ClubsACT have also sought our advice on harm minimisation strategies which they themselves are looking to independently develop and implement. As part of this process they have shared their thought processes and research background into the development of such strategies and have sought our explicit advice as to how we would view such strategies.

We have also received positive feedback from organisations such as the Gambling Impact Society NSW in relation to the receptive nature of ClubsACT in regards to working on new harm minimisation strategies for the ACT clubs industry.

We are prepared to do what we can in a collaborative and constructive way so long as we are regarded as legitimate partners in that effort.

This inquiry takes place in the context of clubs experiencing the toughest time in Canberra's history. The historically low revenues, increasing costs and other factors that have led to this situation are well documented. This is also a time when clubs are facing a fork in the road. The era of clubs being able to rely on stable or growing gaming revenue is well and truly over. Clubs need to diversify or they will die. We know this. We have known it for some time.

Some clubs have taken strides along a diversified path, but it is not an easy path, and in every case money is needed to make the necessary investments. There is a window for clubs to change, and because of dwindling revenue the window is closing. For some clubs, it will close too quickly. I believe there is a role for government in assisting clubs to diversify—not a handout but a hand up, and an acknowledgement that simply driving down gaming revenue will in no way assist clubs to diversify.

Certainly diversification seems to be the one thing that all parties agree on the need for. In that sense, I believe this committee is not just an opportunity for us to again put our case but, rather, an opportunity for you as legislators to let us know what you are prepared to do.

We have provided this committee with a submission which is comprehensive, reasonable and constructive. It contains 28 sensible recommendations for you to consider. I believe we have done our bit and, respectfully, I believe this is an inquiry for you to do yours.

The politics surrounding clubs have been extremely challenging in the past and have made reform very difficult. It is worth noting that almost a decade has passed since the trading scheme currently before the Assembly was first discussed. I know all too well the prejudices and sensitivities that exist in this place and elsewhere about clubs, gaming and political donations. But I say very clearly and with all sincerity that if anything worth while is to be achieved out of this process, the politics of the past must absolutely give way to sensible, reasonable and fair policy.

Every politician in this building has spoken words of support for our community clubs. I honestly believe those words are sincere. It is now time to match those genuine words with worthwhile deeds. I again thank each of you for giving your time to participate in this important inquiry.

THE CHAIR: Thank you, Mr House, and thank you for your extensive submission, including the 37-odd pages of organisations that receive funding from the clubs of the ACT. I note the 28 recommendations. If there are couple of words that summarise what the clubs wanted, a sort of take-home message, as it were, for the committee, what are they?

Mr House: I think I can summarise it in one word: certainty. It is very difficult for clubs—indeed for any business sector or any sector of the community that is the subject of the intensity and regularity of legislative and regulatory change—to manage a business, let alone forward plan, budget and do all those things that are vitally important when you are dealing with finances and running a community club. Of course, they range from very small clubs which are all run by volunteer staff right through to the bigger groups that are multimillion dollar businesses.

In recent years, the one thing we have not had is certainty, and that makes things very difficult. It certainly makes the task of diversification extraordinarily difficult. Running a business in that circumstance is difficult enough, but when you have got overlaid with that the need to change your business model, it is incredibly difficult. I think certainty is the thing we want more than anything.

THE CHAIR: In regard to certainty, is that certainty for a couple of years, for a term, for five years, for 10 years?

Mr House: In order for it to be useful, out of this process I am hoping that there is consensus about the regime that clubs in this jurisdiction operate under that lasts for 10 years at least. Admittedly, politics being politics, a more realistic time frame might be a term, but I do not think four years is going to cut it when clubs clearly have the longer term task of needing to diversify and change their business models.

THE CHAIR: In terms of diversification, what stands in the way of clubs diversifying in the ACT and reinvesting in the ACT? I am aware of a number of clubs that have gone interstate because they feel the ACT is too hard to invest in. How do we, as representatives of the three parties in the Assembly, help you get that certainty and be able to reinvest in the ACT?

Mr House: It is a multifaceted approach. It is no one thing. At one end of the spectrum, having some certainty around revenue so you can forward plan and make the necessary investments in non-traditional revenue lines is important. There are some clubs that simply do not have the resources to be able to make those investments.

Then you move on to the regulatory environment in terms of land and planning in the ACT—the costs of deconcessionalisation, the debate that occurs around deconcessionalisation. Clubs are nervous about taking that step because obviously in the past there has been a good deal of public debate around those steps. But you cannot diversify in any way that involves land without first deconcessionalising your

lease. It is a necessary step. I think a better approach around deconcessionalisation is important. Lease variation costs are a factor, as well as, I think, a broader view of what constitutes community assets in terms of clubs looking to convert what might be an old club into something else. From time to time, the definition of how we regard “community asset” or “community benefit” can be a bit narrow. It is definitely a range of things, from revenue right through to land and planning and how that is dealt with in the ACT.

The reason why clubs fundamentally are investing in other states is the environment there. They are not just investing in, say, residential or non-traditional club assets interstate; they are actually buying clubs interstate because the regime that exists elsewhere is more certain. That is probably a fairly good example of the differences between the ACT and other states.

THE CHAIR: The elephant in the room that is always here when we talk about clubs is poker machines and, therefore, problem gaming.

Mr House: Yes.

THE CHAIR: Have the clubs done enough to assist those who have difficulty with using poker machines?

Mr House: No. Quite simply, you can always do more. The current prevalence rate is 0.5 per cent. We want that to be lower. I note that other jurisdictions—New South Wales and Queensland—have a lower prevalence rate of problem gambling but a much less restrictive harm minimisation regime. I do not think we have got to the point where we can say the suite of measures we have in place are as effective as they can be. I think more broadly we need to be where we can target how we deal with problem gambling rather than looking at options which reduce gaming revenue and, by virtue of that, somehow capture problem gamblers in that approach. I think we more specifically need to get better at identifying problem gamblers, and I think we need to get better at engaging with them, in venues and outside venues.

One of the big issues around that is the stigma that is attached to not just problem gambling but poker machine playing. I think that increasingly people feel as though they are doing something wrong when they are playing a poker machine. That does not bode well for encouraging people to seek help. So the short answer is: no; there is always more that we can do.

THE CHAIR: Ms Porter, a new question.

MS PORTER: I have a quick supplementary and then a new question. My supplementary is around the diversification that you were mentioning before. You talked about various difficulties that some of the clubs are having around those issues. When the minister was here, she was talking about the task force that has been formed that has a lot of different players brought together to work with clubs wishing to diversify and take them through what some clubs have told me is like a minefield. There was an acknowledgement at the table that it has been a minefield for some of them. This task force coming together has been of great assistance, according to the witnesses who appeared before. What is your experience of that?

Mr House: It is early days for the task force. I think it is a very useful thing. I support it. A couple of meetings we have had so far have been very constructive and very useful inasmuch as you have got the relevant agencies of government at the same table as a particular club that is looking to navigate that minefield. On occasion already there have been instances where, just by virtue of having those same people at the table, issues have been able to be resolved. It is very useful from that perspective.

I think there is also a degree of frustration about—let me put it another way. If the task force is only going to deal with specific clubs and help them navigate the minefield, that will be certainly positive. But I think there is a role for the task force in looking at the policy settings that create some of that minefield. Unless those issues are going to be addressed and dealt with, it will still be a minefield. Every now and then you might be able to help a particular club navigate it, but I would rather deal with the minefield than try and help clubs actually not step on a mine.

MS PORTER: Going to page 55 of your submission, which is after the long list of organisations that the chairman referred to—

Mr House: It is still a big submission if you take that out.

MS PORTER: It is indeed. You talk about other contributions that are made with regard to volunteers. You talk about the Allen Group, in 2007, citing the number of volunteers participating in ACT club activities, with a very large contribution. Do you have any estimate of what it might be now, in 2015, and have you costed those volunteer hours in any way to actually put a dollar figure on that contribution?

Mr House: No, we have not got an up-to-date estimate of those hours. A census was done of the club industry nationally by KPMG. They had a stab at it, but that was, as I say, a national figure. It is hard to extrapolate how these figures have either grown or not since that time, given the industry itself has contracted since 2007.

In terms of volunteer hours, I would imagine that would remain stable, if not grow over that time. I think the volunteer participation in clubs is in some ways not related to how well the club is doing in terms of finances. But I have not also put a dollar value on that figure. I am not sure how accurate it would end up being. I suppose you could simply do average weekly earnings multiplied by the hours and come up with a figure, but I am nervous about having stabs at figures.

MS PORTER: The other question I had was around people who actually come to the clubs. Some of the research—or maybe all the research—is showing that it is young people, in particular. It was said by the previous witnesses that young men who are not highly educated are forming quite a large group of people who are in fact experiencing problem gambling. There is some research into the fact that they may now be drifting online and they may be changing their behaviour in relation to that, but there is still a substantial number perhaps gambling via poker machines. You talk about the proportion of the population over 65, and I am aware that a large number of older people, when I am at a club, seem to be coming and going in the environs of the club.

Does the club industry have a sense of the demographics of what I could call the usual person who would visit and the person who would be using the poker machines? As an older person would probably have a lot of time—I am not suggesting for one minute that they spend all their time in a club, because we know that older people volunteer a lot in the community—and if they are over a certain age they may have a lot of disposable time, do you have a sense that there is any problem with that particular age group, people over 65, being prone to problem gambling? Is that going to be a growing population for you?

Mr House: It is difficult to say. Certainly, you are correct in identifying young males as being a particularly relevant cohort when it comes to problem gambling. That is also the case across a number of different gaming products, not just poker machines. In terms of the other end of the spectrum, retirees and plus-65s, they do have more time on their hands, generally speaking. Clubs are in many ways a natural place for them to go, not just in terms of the ones who choose to play poker machines but those who go to clubs generally. There are probably more people in that cohort that go to clubs to not play gaming machines than those that do. But in terms of disposable time and disposable income, that usually is an indicator of risk. I am not aware of any statistics that particularly identify the older age bracket as being particularly at risk. It may be out there but I am not aware of it.

MS PORTER: It will be interesting to see what the 2015 figures are from the ANU research that we have not yet seen.

Mr House: It will. It is the case that with the picture we have of problem gambling right now, certainly gaming machines are the focus and have been for some time. That is going to change. Just about every study that I have seen shows a dramatic increase in the use of online gaming products. The conversation that a committee like this will be having in 20 years is not the one that it is having now, that is for sure.

THE CHAIR: Ms Lawder, a new question.

MS LAWDER: I have a couple of questions relating to your section on water and resource management, starting at about page 89 of your submission. Firstly, I thought it was an interesting place to put it, but I refer to the introduction of the smoking ban. On page 90 you have two tables about net gaming machine revenue. I think the smoking bans were introduced in 2006. Do you know offhand or can you provide on notice a table for a few years prior to the introduction—this table taken back a few more years, so that we can see the change more clearly?

Mr House: In terms of gaming revenue?

MS LAWDER: Yes.

Mr House: Yes, absolutely. I can provide that to the committee. How far back would you like to go?

MS LAWDER: Maybe back to 2002, so that we have a few years prior to the introduction of the ban to look at. Moving on to the water pricing comparison, in your submission you mention that clubs have about 500 hectares of green space around the

ACT. Do you recall offhand when the major change in pricing was introduced? Was it around 2004-05, the water pricing?

Mr House: Yes, that is correct.

MS LAWDER: You can see in some of the information provided the significant change. You have examined in some detail whether it is a price signal or not, but when you must maintain sporting facilities to a particular level you must use a certain amount of water.

Mr House: That is correct.

MS LAWDER: Is your major thrust that you feel it is an unlevel playing field, if you like, because New South Wales, for example, pay much less, it appears from your tables, for their water? Clubs—I do not want to put words in your mouth—might be much more viable in some areas if the water extraction charges were more in line with our counterparts across the border?

Mr House: Certainly, the basic point we are making is that water costs a lot more in the ACT than it does in New South Wales. That is relevant for our sporting clubs and golf clubs, in particular, because they are competing directly against clubs in Queanbeyan. It was on that basis that we requested the government apply competition equalisation principles to the cost of water for ACT club users.

The government partly acknowledged that in applying a market equalisation approach, which means that costs for water for us have reduced, but there is still a significant gap between costs in the ACT and costs in New South Wales. That competitive disadvantage that clubs in the ACT face compared to those in Queanbeyan still remains. It has lessened but it is still there. The cost of water generally has increased dramatically, and for some clubs it is a major expenditure line.

MS LAWDER: Have any clubs talked about perhaps changing their business model to remove their lawn bowls or something because it is costing such a large amount of money?

Mr House: Certainly, in the past clubs have had to close facilities simply because they have not been profitable. It used to be the case that clubs were able to absorb those losses and maintain those facilities, but as the revenue has fallen away, clubs just have not been able to afford to continue.

MS LAWDER: One against the other.

Mr House: Yes. Southern Cross pitch 'n' putt; golf clubs have closed. Anyone that runs a bowls club is aware of the cost of water and the fact that the club itself does not make money. You can only keep doing that while ever you have the revenue to do it. So water is important.

MS LAWDER: I am not an expert in water, but if clubs had a capital upgrade to provide a more efficient watering system, for example, is there any assistance from the government for that or is that a cost they undertake on their own behalf?

Mr House: It is a cost that they undertake on their own behalf. It is important to understand the longer term history of water. Years ago the ACT government said to high volume users—obviously clubs are amongst them—“We want you to become as self-sufficient as possible in your water use.” That is entirely sensible, and a lot of clubs did that. It ranged from spending money on installing their own water sources—ponds, lakes, basically water capture. They have also spent a lot of money on low water use grass. So they spent a lot of money on capital to become water self-sufficient, and that was for good reason. Then the charges started to be applied to the water that they were sourcing from their own clubs. So they have done what they were supposed to do—and they would do that, anyway, in terms of generating own-source water—but now they are being charged for the use of that water.

Obviously this is in the context of a strategy around water more broadly, and we are not saying we should be necessarily totally exempt from that. But in terms of community service obligations, for example, New South Wales provides CSO to not-for-profit water users. We are simply suggesting that we look at those same sorts of options for clubs here.

THE CHAIR: Ms Fitzharris, a new question.

MS FITZHARRIS: I want to go back to your opening statement around the perhaps different level of community conversation there is in the ACT around clubs and whether you had a view on why that is the case. Is it wrapped up largely in poker machines and the community conversation around poker machines solely has spread to define clubs perhaps more than what is the reality of their actual operation?

Mr House: Certainly I think that is the case. Again the value of this inquiry is that it is looking at clubs as clubs rather than clubs as four walls and poker machines. In terms of the public discussion in Canberra, it has been dominated by issues around poker machines and gaming and problem gambling. Admittedly, I think the federal debate around mandatory precommitment and problem gambling played a significant role in that.

I am more than happy for there to be a sensible and reasonable public discussion and debate around problem gambling. As I say, I am more than happy to discuss it in this inquiry, and we have recommendations in our submission that go to those issues. But I think we have—not just clubs but we as a community—suffered from the public discussion around clubs being focused almost entirely on gambling. There could be significantly more perspective in how that debate plays out publicly. But I understand how these things sometimes go.

MS FITZHARRIS: You also mentioned that our community gaming or community clubs model is unique, to the extent that it contributes back to the community. Given we have this unique model which is, in many regards, more progressive, it seems at odds with that model, and the view from the rest of the country at least, in terms of a venue that might provide opportunities for gambling, and a richer, more socially responsible model, as to why we have this contrasting public discourse. Do you think the clubs could do more in terms of explaining? Do you think they do enough?

Mr House: ClubsACT and my members could absolutely do more to explain what they do, not just in terms of community contributions and social and economic contribution but in terms of what they do in the problem gambling space. For many years clubs have not been very good at telling their story. Nowadays it is almost impossible for us to tell our story because the standard way to do that is through the established media in the ACT. We have tried; let me put it that way. There is an article in today's paper entitled "Clubbed to death". That is difficult to get over.

MR RATTENBURY: That is an opinion piece, though, not a journalist's written piece.

Mr House: Indeed, an opinion piece. I am sorry; I was not trying to suggest otherwise. Those things are difficult to get past. But I think the more we say it, the more that people in this place say it, that has to help.

MS FITZHARRIS: The clubs industry has for some time recognised the need to diversify away from gaming machine revenue. With the options that are currently available, are you able to sum them up from your members' perspective? Are they around maximising land value or are they around getting into new service delivery areas? The question I asked before was: if clubs were not sitting on land that had some value that they could make use of, would the same diversification options be available to them?

Mr House: Land is the most efficient and effective method for diversification, simply because clubs, generally speaking, have land which they can better use. For the clubs that do not have that option, it comes down to being able to invest in non-traditional revenue-generating lines. The submission from the Southern Cross Club indicates the percentage of their revenue that comes from investments they have made in gyms, health facilities and so forth. Those options are there, but the non-land diversification options are much smaller in terms of the revenue they are likely to generate than what is available through redevelopment of land.

MS FITZHARRIS: I have a final question on that note: with other industries that have a large presence both in the public and in the private sector, when they come under serious viability challenges they sometimes have to close, and not just one or two. It might be schools, for example, or it might be banks. They actually have to do a very tough assessment as a sector. Obviously ClubsACT, as a membership-based organisation, does not have that authority, but is that something that has been discussed—perhaps whether there are too many clubs?

Mr House: Historically, the clubs sector in Canberra has grown since the introduction of poker machines. They have a very large physical footprint in Canberra. If they were any other industry, given the prevailing circumstances, they would be profitable and sustainable but two-thirds the size. They do not have that same option because they are clubs.

Where clubs have looked to reduce their footprint, by selling a site, by selling an asset that they might have or by shutting one down, there is significant community reaction to that. Again it goes to having a consensus around how we expect clubs to change their business models. If that means the clubs sector in Canberra is smaller than it is

now, there are ramifications to that. As long as we understand what they are, that is fine. But in the instances where clubs have looked to reduce their size and, by virtue of that, become more financially sustainable, they have met degrees of opposition.

MR RATTENBURY: Just a fact check, because I cannot remember: how many clubs are there in the ACT these days?

Mr House: There are about 55.

MR RATTENBURY: Are they all members of ClubsACT these days?

Mr House: All licensed clubs are members of ClubsACT but there are some other clubs that do not have poker machines or are not licensed, and they are not members.

MR RATTENBURY: Things like the White Eagle Club?

Mr House: That is right; exactly.

MR RATTENBURY: On page 55 of your submission you made an observation on a national figure of how many clubs had golf courses, tennis facilities and the like.

Mr House: Yes.

MR RATTENBURY: Do you have an ACT set of those figures?

Mr House: The last set of figures I have is from that 2007 Allen Consulting report, which I am happy to provide. It was in one of the earlier drafts, but I pulled it out because obviously there have been changes since 2007 in terms of the assets that clubs have. I am more than happy to provide that as a guide. Perhaps Economic Development might be able to update that.

MR RATTENBURY: On page 59, twice in a couple of paragraphs you make references to a “normal commercial environment” and say:

A normal, for-profit business simply would not carry the kind of unprofitable assets that the club sector maintains.

I am interested in why you were drawing the comparison with the normal commercial sector, given that the clubs are obviously quite a different style of entity.

Mr House: I am simply making the point that clubs, by their nature, have in the past maintained significant infrastructure that in and of itself is not profitable. Obviously that is what they are supposed to do, but it is important to also understand that they can only do that as long as the revenue exists to do that. I am not necessarily saying that clubs and the private sector or other commercial businesses are apples for apples; clearly they are not. But, equally, the nature of the vast majority of clubs in the ACT is that they are also businesses, operating in a competitive marketplace. That marketplace has impacts on how they fare.

MR RATTENBURY: In that vein, you have made the comment again that some of

the clubs maintain assets that are not profitable. We know why that is. But earlier in the submission there was a reference to the clubs investing—it was a prediction at that time—\$189 million between 2007 and 2010. That is obviously a very significant investment. The question is: has it not paid off, given that you would expect to make that kind of investment for it to deliver a return that would be supporting the clubs now? What has gone on there? Have the clubs overcapitalised? Have they made some bad investment decisions? What is your sense of why that spend has not delivered?

Mr House: I do not think it is a case of necessarily that spend not delivering. I think the spend that clubs will make expanding their businesses—some of that could be regarded as looking for a return, but a fair portion of it is not the kind of investment that would be seeking a return. It is not that anything has gone wrong, but on your point about overcapitalisation, I think the industry has overcapitalised over the years in the sense that it was built on a revenue base, particularly gambling, that simply does not exist anymore. In 2007, when those figures were gathered, the picture for revenue for clubs was markedly different from what it is now, as the graphs attest. Yes, there has been overcapitalisation in the sense that it was done on the basis of a certain amount of revenue and that revenue has declined significantly since that time.

MR RATTENBURY: I thought your graphs already showed that was falling from 2004 onwards?

Mr House: It went down from 2004 after the introduction of note restrictions; it went up again, and then in 2006 it started to go down again. The point is that where we are now compared to there is obviously significantly different.

MR RATTENBURY: On page 62 of your submission, on note acceptors and the suggestion that cash input limits would be a better approach, you say that there is no acceptable evidence that they are effective against problem gambling. The gaming commissioner earlier said they have done a literature review and found that, to use his words, a majority of the studies did indicate they were, but some suggested they were not. Have you seen that review that the gambling commissioner was referring to?

Mr House: No, I have not. In our submission, all I have done is simply quote from one of the studies which presumably the commission would regard as one of the minority studies from the University of Sydney. That certainly found there was no evidence that that measure would be effective from a harm minimisation perspective.

In terms of this broader point about data, to some degree in recent years we have got to a point where it is almost “I’ll match your expert with my expert, your study with my study.” It is difficult to identify data which is independent and genuinely useful. It does exist, absolutely. But I think that almost in every issue that might come up, we would have a situation where I could probably quote something and someone else could quote something else.

MR RATTENBURY: That is where I think the work done by the commission is useful, because they looked at a whole lot and tried to weigh them up.

Mr House: Yes, but I think the commissioner said that a majority of studies found one way but there were studies that found another.

MR RATTENBURY: Sure; they were open about that. On page 63 you talk a bit about level playing fields. One of the issues you talk about there is the fact that other gaming products can advertise but the clubs cannot. Which way do you think you go for the solution to that? Is it to stop all gambling advertising or is it to allow the clubs to advertise their poker machines?

Mr House: You will note that I have not made a recommendation in relation to that particular issue; I am just making the point. But if you were viewing this issue from a harm minimisation perspective, I am not sure how you could have one rule for one and not a rule for everyone that is offering gambling products or wagering or gaming products. Clearly, problem gambling is not restricted to one form of gambling. Happily, that is an issue for legislators rather than humble chief executives of ClubsACT, Mr Rattenbury.

MR RATTENBURY: You made quite a few observations about the difference between the casino and the clubs in the ACT. Of course, the casino is prevented from having poker machines. I am interested in this: if you want a level playing field in some regards, should we also level the playing field by giving the casino poker machines?

Mr House: I certainly would say that if the casino were given poker machines or were able to participate in the trading scheme, whatever the mechanism, they should absolutely be operating under the same regime as clubs. But that works both ways. If the casino ends up with poker machines, there are gaming options that the clubs would wish to have access to as well.

THE CHAIR: As a supp on that, in relation to the ATMs, you made a comment that the casino does not have a limit.

Mr House: The casino is exempt from the ATM restrictions. Again, I think that is probably an issue if you are looking at this from a harm minimisation perspective.

MS FITZHARRIS: Can I ask another follow-up to that? I think they also make a different type of contribution to the problem gambling assistance fund—a lump sum. I gather it is \$50,000 out of \$1.1 million, which would suggest that the assumption behind that is that electronic gaming machines are the larger part of the problem for problem gambling. Is there evidence to support that?

Mr House: Certainly. I would not contest the evidence that says that gaming machines currently represent the biggest slice, if you like, of problem gambling. But similar studies also identify—I do not think anyone would disagree with this—that most problem gamblers do not focus on or use exclusively one form of gambling. It usually occurs across a range of gambling products. Certainly, I absolutely agree that the weight of evidence is that gaming machines are the lion's share at the moment. But I think that will be changing over time.

MR RATTENBURY: At page 63 you talk about some issues around enforcement and regulatory efficiency.

Mr House: Yes.

MR RATTENBURY: You make the observation that too much of the enforcement regime is based on trying to achieve gotcha moments rather than an educative approach. How many of those result in a fine or a breach notice per annum? What is the number of penalties being issued?

Mr House: It is probably a question better asked of the commission in terms of the number of breaches they have issued. I get part of the picture when clubs that have received a breach let me know, but that is not necessarily the full picture. It is important, also, to remember that it is not just the Gambling and Racing Commission that has coverage of clubs in a regulatory sense; there are a number of agencies that do, in terms of food and safety and ORS. It spans a number of different agencies.

MR RATTENBURY: I was going to this question: if there are no fines being issued but they are issuing a warning, that probably is more of an educative approach than if an actual breach or a fine notice is issued. That is why I am interested in this figure—whether it is the gaming commission or the health and safety authorities.

Mr House: I think that might be a useful statistic for the commission to bring forward. What I am going to there is this. For example, the food safety laws that were rolled out were rolled out in the full knowledge that the problem was a particular type of food business, but they were rolled out also before there was information on regulations provided in multiple languages. It is those kinds of examples, and some other examples around the approach some inspectors take in terms of doing their jobs, which I think are more about trying to achieve a particular outcome than necessarily working with the venues. Absolutely there is a place, if a venue has done the wrong thing, for them to receive a breach or a fine. But I think the balance is not there yet.

THE CHAIR: If we go back to the chapter on land development, diversification and new business models, obviously clubs are entertainment, and CZ6 has a number of uses. That is on page 76. On page 79, you talk about an omnibus territory plan variation. What did you have in mind there? Are you suggesting that all of CZ6 be changed to include certain other uses—or just for clubs?

Mr House: One of the things some clubs have come up against is not being able to undertake residential redevelopment under CZ6. In a lot of cases, residential is the ideal form of redevelopment and would represent best use of the land in question. I would imagine if there was an omnibus territory plan variation, it would be to deal with that particular issue in terms of residential.

THE CHAIR: Are there any other uses that you think clubs would require? If you just have a blanket for all the club sites—some of which are reasonably substantial—to allow residential, does that undermine the territory plan?

Mr House: No. A change to the territory plan itself does not prevent the government, through the planning regime, making decisions on particular developments. What we would be saying is that we would like to see as broad a use as possible allowed for sites that clubs occupy. Obviously the government, through the established land and planning regime, will make decisions on particular developments, but I think it is

easier for them to make those decisions when residential, for example, is included than the other way around.

THE CHAIR: I would have thought there was a huge call for drive-in cinemas in the ACT.

Mr House: I don't know; they used to be fun.

THE CHAIR: They did used to be fun. In the pages from 76 through to about 79 you talk about the charges that the government charges, including \$1,000 to do a lease search, basically to determine the type of lease that you have. Then you mention things like the lease variation charge and deconcessionalisation. What should happen with the lease variation charge in regard to clubs?

Mr House: I think the easiest approach would be, in recognising clubs as not-for-profit entities and the desire on the part of many for clubs to change their business model and land being a key ability for them to do that, to not charge a lease variation charge for developments that clubs undertake. There are remissions built into the scheme already. Some of those are due to expire in 2016. We would certainly want to see that suite of remissions extended. Equally, we think there is opportunity for the government to, as it were, kill two birds with one stone and provide remissions for lease variation and deconcessionalisation costs where clubs hand back gaming machine licences, or authorisations, as I think we are going to be calling them now.

Deconcessionalisation in terms of cost and lease variation is significant. For some it is a barrier. But I think there is a greater good to be achieved in terms of the broader picture of clubs looking to diversify and change their business models and rely less on gaming. The government could have a good look at some of the options around lease variation and deconcessionalisation costs as they relate to clubs.

THE CHAIR: Beyond water, which we have discussed, on page 73 you talk about land tax and general rates. I note one small club has had their rates triple in just three years, from \$14,000 to \$42,000, and another slightly larger venue saw their rates go up by a third. Why is that not unreasonable, given the government's policy?

Mr House: Given the government's policy, it is not unreasonable. What we would say, though, is that it needs to be considered again when there are calls for clubs to change their business model and any discussion around how they might do that. As I have said before, in every case where clubs are looking to diversify, it requires funds to do that, to make the necessary investments, to make the necessary expenditures on non-traditional revenue sources. The less money they have, the less able they are to do that.

THE CHAIR: With respect to licensing fees, the new regime, according to your document on page 72, has the ACT clubs paying the highest fees in Australia. How is this managed when, particularly across at Queanbeyan, they are probably a third of what the ACT pays, and is there any justification for it?

Mr House: It was certainly part of a broader approach on the part of the government to introduce a risk-based licensing scheme. The point we would make is that the way

that scheme is currently structured penalises clubs for their generally large maximum occupancy levels. A club with a large maximum occupancy is not the same as a nightclub with a similar occupancy in terms of the numbers of people that are actually in the club. They are not jammed in like sardines in clubs. At the moment the regime penalises clubs for that occupancy level. We would like to see that remedied and also a scheme introduced where not just clubs but any licensee is rewarded for good behaviour. If we have a risk-based licensing system and there are venues that can clearly demonstrate that they do not represent a risk nor have they in years gone by, they should not be paying the same amount.

THE CHAIR: Since the changes, how many clubs, say, in the last two years have had fees or been issued show cause letters?

Mr House: On liquor, I am not aware of any.

MS LAWDER: On risk-based licensing, you said in your submission on page 72 that clubs have been aligned with large bars, as you just said. Was there any consultation with the clubs before this was brought in, and since then?

Mr House: We certainly were consulted, as were all relevant stakeholders. I know the AHA were consulted as well. We worked for quite some time with government on trying to get a better outcome when it comes to liquor licensing, but, in the end, this was the outcome. We have participated in the review of the legislation. I do not know where that is up to in terms of further changes. From memory, I think the minister has indicated a willingness to look at some changes which would involve reward for good behaviour, but I think it has only been a statement. We certainly have not seen anything formal from government on that.

MS FITZHARRIS: I have a supplementary. Going back to the original question around land development, in your submission, on pages 78 and 79, around project planning and development costs for clubs to diversify, you refer to government support, government playing a vital and active role and potentially partnering with clubs. What specifically do you mean in that context? Do you mean as a building partner in a joint venture or a helping hand throughout the process?

Mr House: More in terms of the helping hand side of things. But there are opportunities for the government to play a role in the types of developments that the clubs might undertake. With the Canberra Southern Cross Club, for example, the old pitch 'n' putt site, the proximity of that site to Canberra Hospital might present some opportunities for the government to say, "We could work with the club to have some ancillary services put on that site." Certainly, initial discussions with ACT Health that the club has had have indicated there is some interest in that. If that is something that the government might want to do, there are opportunities for them to be a partner in that development.

MS FITZHARRIS: Do any of the clubs have childcare centres on their premises or do they operate any at the moment that you are aware of?

Mr House: Not on their premises, and no club is looking to have child care on their premises. It would be, in every case, a distinct building. Certainly, the Hellenic Club

has a childcare centre in Yarralumla which has been operating for some time. It is a brand-new facility. There are other clubs that are looking to have child care as part of broader redevelopment, but it will not ever be within the club or part of the club; it will be a distinct building.

THE CHAIR: Ms Porter, a new question.

MS PORTER: Going back to the data collection, Mr House, on page 87, under “Restoring information sharing”, you state:

No information flow or data sharing has taken place since the service provision was taken over by the ACT Gambling and Racing Commission.

Could you talk about what information sharing and data sharing has ceased and what it is that you are looking for to achieve in that?

Mr House: When the industry was directly funding Lifeline to provide the service that is now provided by Relationships Australia, we would, as the funding party, receive quarterly reports from Lifeline on activity. These reports obviously took account of privacy. There was no identification of individuals, but it gave us a sense of what was happening, which was quite useful. If there was a dramatic change in activity that related to a particular area of Canberra or a particular club, that enabled us to work with the clubs in that area, and Lifeline to work with the clubs in that area, to try and address that.

At the moment we have absolutely no picture of what is going on. What would be useful is restoring even a general level of information sharing but, more specifically, particularly in the context of the online exclusion database that exists in Canberra now, when an excluded person seeks to re-enter a club, most clubs will simply not allow them back in but others will. We have guidelines in place that govern the process that clubs should undertake before that person is readmitted. Part of that is to try and confirm as much as we can whether or not that person has availed themselves of the problem gambling services of Relationships Australia or anyone else.

As much as we can, given privacy considerations, we would like to see some information sharing that gives us a sense of whether or not we are on the right track or whether or not we need to do more.

MS PORTER: The page before that talks about harm minimisation and harm reduction measures focusing on physical aspects of the club environment without sufficient regard to social and interpersonal aspects. Could you talk a little bit about that, please?

Mr House: That is largely dealing with requirements around how gaming floors are structured and the need for significant barriers between the gaming floor and the rest of the club. We understand why that is the case, but it has the effect of essentially, for lack of a better word, shrouding the poker machine players in a particular area where they are not able to interact with the rest of the club. We are not saying that the barriers between the gaming floor and the rest of the club should be removed; we understand why they are there. We are simply making the point that, by virtue of that,

we are also keeping them in a particular area, if you like.

MS PORTER: On the next page you say that by raising awareness of the indicators of problem gambling with family and friends and also with healthcare and community service workers, it can lead to earlier intervention. Is that not happening?

Mr House: I do not think it is happening as well as it can. It goes to issues around venue staff getting better at being able to identify potential problem gamblers and engage with them in a way that leads to something productive. We need to get better at engaging with not just the problem gambling service provider but other related agencies that deal with the impacts. Generally speaking, we favour as much as possible greater levels of education and information to inform and educate people who play poker machines than other measures.

THE CHAIR: Ms Lawder, a new question.

MS LAWDER: On page 61, in part 7.2, you talk about cross-border issues and how the clubs in Queanbeyan have different or fewer restrictions. You have commented that these differences have resulted in ACT residents increasingly choosing to spend their money across the border. What is the evidence base for that?

Mr House: It is largely anecdotal and it is based on the experience that clubs in Queanbeyan—one in particular—have in terms of the numbers of ACT residents. In New South Wales you can walk into a club and you simply show your ID. If you are an out-of-state visitor you can get access to the club. As part of that process, the reception staff are able to identify how many people that come into the club are, in this case, ACT residents, and it is significant.

MS LAWDER: No formal research?

Mr House: No, there has been no research done on this, and that is part of the issue that we have. We would like some research to be done on those cross-border issues, which would tease some of this out. Certainly, I do not think anyone within the industry would disagree with the view that a lot of money is going across to Queanbeyan.

MS FITZHARRIS: With regard to tax, the government submission says the ACT is the lowest taxing jurisdiction and your submission says ACT clubs are taxed at a higher rate than New South Wales clubs.

Mr House: Yes.

MS FITZHARRIS: Is the difference that you have added in the community contribution aspect?

Mr House: No. In fact the government's own tax review identified the fact that New South Wales clubs were taxed lower than ACT clubs, regardless of whether you include community contributions or not.

MS FITZHARRIS: That is all taxation or gaming machine taxation?

Mr House: Gaming machine taxation.

MS FITZHARRIS: Because the figures we have in the government's submission say we are considerably lower per capita.

Mr House: Per capita, I am not sure. If it is a per capita figure, I am not sure—

MS FITZHARRIS: Because we have more machines per capita?

Mr House: I am not sure a per capita comparison in terms of tax rates is useful.

MS FITZHARRIS: Your assessment of it being at a higher rate than New South Wales is based on what?

Mr House: On actual tax rates.

MS FITZHARRIS: Actual tax rates?

Mr House: Yes, absolutely.

MS FITZHARRIS: Not including community contribution?

Mr House: No.

MS FITZHARRIS: So the gaming machine taxation is based on gaming machine revenue, not gaming machine profits?

Mr House: That is correct.

MS FITZHARRIS: Would it make a difference if it was based on the profit of a gaming machine as opposed to the flat-out revenue?

Mr House: Would it make a difference in terms of whether or not we are higher or lower than New South Wales?

MS FITZHARRIS: As a measure of the amount of taxation revenue the government collects, the incentive around taxing gaming machines to address problem gambling is limited to the extent that you cannot change behaviour through taxing gaming machines more because it has no impact on the consumer, effectively.

Mr House: Yes, certainly. If the idea is that problem gambling is in some way impacted by the taxation arrangements for clubs, I would absolutely reject that. I do not think there is any evidence that tax rates have an impact in terms of the levels of problem gambling. As I mentioned before, there are states that have a lower prevalence rate of problem gambling than the ACT that have, by the government's own figures, a much more relaxed taxation environment.

THE CHAIR: Mr Rattenbury, a new question.

MR RATTENBURY: You make the observation that the ACT does not operate a central monitoring system. Can you tell us your understanding of why that is not the case?

Mr House: I think traditionally cost, and probably the size of the industry. I think there was a view traditionally that we were too small to require one. I know there were some figures touted around the time of the mandatory precommitment debate which had the cost of a CMS at between \$20 million and \$30 million. I do not think those figures are accurate; I think we could have a CMS—quite an appropriate, reasonable, effective CMS—in the ACT for significantly less than that. But in terms of why we do not have one now, probably cost and the size of the jurisdiction are the main factors.

MR RATTENBURY: You similarly make an observation that you want an automated approval of changes to gaming floor plans. How often do gaming floor plans change, and why do they change?

Mr House: They can change quite regularly, and they can change for a number of reasons—changes to the physical layout of the club itself, which will impact on the gaming floor; or new installations that are on the market that clubs might want to bring into their venue in terms of how machines are actually laid out and the barriers between them. It is actually an industry in and of itself. It happens quite regularly, or it can happen quite regularly.

MR RATTENBURY: Is “regularly” monthly, yearly?

Mr House: It depends on the venue. I am not sure it is going to be helpful to try and come up with an average. Some clubs will not change their floor plan ever, simply because they do not have the resources. Others will try and do it as regularly as possible. I refer to the system that exists in New South Wales in terms of being able to do that quick change system.

MR RATTENBURY: I have one last question. You talk about wanting the ACT government to participate in the trading scheme and buy licences, potentially?

Mr House: Yes.

MR RATTENBURY: What price do the clubs think the government should pay for these licences?

Mr House: As much as possible! No. There will be a market that operates that will operate a bit differently, comparing clubs buying and selling off each other and dealing with the government. I think there is an option for the government to identify a price for which they will purchase machines and for clubs that may not be able to sell machines on the open market to go to the government and avail themselves of that price.

Equally, the government, at some point, if there are going to be new licences issued, will need a mechanism to do that. I would imagine it is not going to be how it used to be done in terms of free licences; they will want to sell them or auction them and

derive some financial return for those licences. In that sense, they will ultimately be effectively participating in the trading scheme anyway. Having them do that at the start as purchasers probably makes sense as well.

MR RATTENBURY: If they were issued for free in the first place, why should the government pay to get them back?

Mr House: For a number of reasons. One is because the government wants to reduce machine numbers. The other thing to keep in mind is that since those licences were originally issued, the government has received tax from each of those machines, each of those licences, over their life. As to this question of whether or not licences have a value, absolutely they do, both in terms of the amount of money they generate for the government in terms of tax but also in terms of the fact that they represent an asset on a club's balance sheet. And certainly the banks put a value on them as well; everyone else puts a value on those machines. So in terms of the trading scheme and any participation the government might have in it, there should be a value there as well.

MR RATTENBURY: The government has taken tax; I accept that. But, equally, the club have generated revenue over X number of years.

Mr House: Indeed.

MR RATTENBURY: So they will have also accumulated wealth.

Mr House: Yes. I guess the basic point I make in response is this: we have had a situation where there has been no incentive for clubs to surrender machines. If there is an incentive for clubs to surrender machines, machines will probably be surrendered. Depending on the policy of the government at the time, it should be a mechanism, I think, which should not be ruled out in terms of the government achieving that aim of reducing machine numbers.

MR RATTENBURY: Do you have any information on how many machines are mothballed by clubs at the moment? We hear reports that some clubs have a whole lot in the basement or in a separate room that are turned off most of the time.

Mr House: I think the Southern Cross Club have indicated that they have 48 in storage. I think that was related to closure of a venue. There are reports of another large venue that has around about 100 machines that may or may not be in constant use. If your question is about how many machines are likely to be stored under the new arrangements in the bill before the Assembly, I would say quite a few.

MR RATTENBURY: Why will they store them?

Mr House: Because at the moment commercial reality does not justify having the same number of machines on the floor. If clubs can store some machines and then make some decisions about the floor plan of their gaming floor, as well as the rest of the club, where they might say, "We'll have a smaller gaming floor and use some of the excess space for a restaurant, cafe or something else," they will look to do that. It gives them some flexibility to make some decisions around pursuing some other revenue lines.

MS FITZHARRIS: I have one more question, related to your recommendation in that regard but also to all of them. In relation to the recommendations that you have made in your submission, have they all been previously raised with the government and discussed and dismissed or is it just that they have been raised at various points throughout history and now is the opportunity to bring them all up together?

Mr House: Some of them have been raised before. Some of the recommendations around land and planning have been put to the government before—and not necessarily outright rejected but they have not gone anywhere. But the majority of the recommendations are probably new, I would say, and have not been raised before.

THE CHAIR: Thank you, Mr House. That brings to a close the hearing for this afternoon. Thank you for your appearance. I think you have undertaken to take two things on notice, to provide further information. Could you get them to the committee within two weeks. We have not set a strict deadline, but we would appreciate getting them as quickly as you can. When available, a proof transcript will be forwarded to you to provide an opportunity for you to check the transcript and suggest any corrections.

The committee will continue its public hearings on Tuesday, 9 June at 2 pm. Thank you all.

The committee adjourned at 4.32 pm.