



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

TUESDAY, 18 AUGUST 2015

Secretary to the committee:
Mr A Snedden (Ph: 620 50199)

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.

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Amended 20 May 2013

The committee met at 2.03 pm.

TIMMS, MR PHIL, Independent ATM Industry Group

WINGROVE, MR ANDREW, Independent ATM Industry Group

THE CHAIR: Good afternoon and welcome to this hearing of the public accounts committee inquiry into the future of the ACT clubs sector. On 26 March this year the Legislative Assembly referred this inquiry to the committee and we are due to report on the last sitting day of September this year. There are nine different aspects that we are tasked to look at. I would like to thank you for being the first witnesses today. First and foremost I need to remind you of the protections and obligations of parliamentary privilege. Have you read the statement on the table and do you understand the obligations and protections of privilege?

Mr Wingrove: Yes.

Mr Timms: Yes.

THE CHAIR: Thank you. Hansard is recording this for transcription purposes and the whole hearing is being webstreamed and broadcast. Would you like to make an opening statement?

Mr Wingrove: Yes, we would. I am the Vice-President of DC Payments, and we are member of the Independent ATM Industry Group. Thank you for the opportunity to appear today. There is a great deal of uncertainty surrounding the ATM industry at the moment, and we felt it was important that the committee hear from us firsthand.

The Independent ATM Industry Group is the industry body for the independent ATM companies, and our members represent more than 85 per cent of all independent ATMs in Australia. For those of you who are not familiar with the ATM industry, here is a snapshot: there are approximately 31,000 ATMs in Australia altogether. Of these, approximately 55 per cent are owned and operated by independent companies such as ours. The remainder are owned and operated by financial institutions such as banks. Unlike traditional banks with multiple revenue streams, independent ATM companies derive our revenue from ATM transactions only.

Regarding independent ATMs, we estimate that in excess of 5,000 are located in pubs and clubs that have electronic gaming machines across Australia. Almost all ATMs in gaming venues are operated by independent ATM companies, and in the ACT independent ATMs represent just over 53 per cent of the total ATM market.

ATMs provide convenient access for consumers and provide a service to the merchants where they are located. ATMs are important to the clubs industry because they provide a way for patrons to access cash and to participate at the club, including the purchase of food, beverages and entertainment. As noted in the submission by ClubsNSW to the Productivity Commission, a high proportion of people use cash withdrawals for food, 76 per cent; beverages, 70 per cent; spend money outside the club, 70 per cent; and only 35 per cent use them for gambling purposes. In addition ATMs in gaming venues offer a convenient, safe and secure environment in which to access cash, particularly after dark.

Independent ATMs do not provide gambling services; an ATM is a machine which allows consumers to access their own cash, provided the card issuer of their financial institution approves and authorises the transaction. It is not an electronic gaming machine, nor is it a short-term credit machine.

With that in mind I will now focus on the subject of this inquiry and how this involves IAIG members, which is the long-term sustainability of ATM services to patrons and merchants of the ACT clubs industry.

Over the last five years our members have had to manage a high degree of regulatory change, uncertainty and duplication in relation to their operations in licensed venues and the introduction of measures to deal with problem gambling. These measures have had a direct impact on the costs to the industry, and from the perspective of the IAIG, any evidence that links the level of problem gambling to the presence of ATMs in gaming venues is inconclusive.

Despite this IAIG members have, for a number of years, been working collaboratively with governments at all levels to assist with the introduction of reform measures which minimise potential harm caused by gambling. For example, that includes the introduction of per transaction withdrawal limits, turning off access to credit in gaming locations, removing ATMs from gaming floors and onscreen messages.

It is important to note that implementing measures have increased our costs of compliance and made our services more expensive to deliver to consumers. Compounding this issue has been the dramatic change in the ATM industry and significant reduction in volume of transactions. The introduction of contactless card transactions and cash-out facilities offered by most small retailers and major supermarkets has impacted consumer behaviour towards cash transactions and the need to access cash via ATMs.

The volume of cash withdrawals from ATMs provides a measure of change in spending patterns with a move from cash to plastic. According to the latest Reserve Bank payment figures, there has been a declining trend in the volume of transactions since 2009. This means that any government regulation which impacts the volume of transactions makes it more expensive for ATM companies to provide services.

Constant changes at a government level create unnecessary uncertainty. We believe there has been a lot of uncertainty around problem gambling measures and that these measures are having a disproportionate impact on the industry and consumers that use our services. None of these restrictions exist on ATMs that are outside gaming venues.

In particular, IAIG members do not support cash withdrawal limits. They have a disproportionately adverse impact on the ability to access cash by non-gamblers and those who are not experiencing problem gambling. This view was recently supported by the New South Wales government in its April 2015 response to the Legislative Council Select Committee on the Impact of Gambling.

Our members implore the government not to introduce any further regulation that targets ATMs without strong evidence and research indicating that the policy measure

will directly address problem gambling. We also request consultation with the industry. Poorly targeted measures not only do little to help problem gamblers but they do significant damage to legitimate businesses delivering important services to the public. They also unnecessarily impact those consumers who are not at risk of problem gambling and our ability to offer services in regional Australia.

Independent ATMs provide an important service to consumers in the ACT clubs sector, and constant changes to regulation make it difficult for our companies to operate. Thank you for the opportunity to appear today. We are happy to take questions from the committee.

THE CHAIR: I notice in your submission there is only one recommendation, and the recommendation seems to suggest you would like to engage further with the ACT. What would you want from the government that might improve things for your members?

Mr Wingrove: Our recommendation is certainly about consultation. Our primary concern is that if there are to be any changes to ATMs in the club environment, we wish to participate and be consulted in that process. Perhaps I can give you an example, Mr Chairman. Recently when the cash withdrawal limit was applied in the ACT it was done on the basis of a per gaming day, which was different from the proposed legislation at the time at a federal level. There was little consultation on that technical application as to the hours of the day that that was to be implemented. From our perspective, something like that with little notice makes it very difficult for us as technology providers to implement.

THE CHAIR: What would you ideally like? Is it a reversion back to the ability to dispense \$50? Is it not to have a limit? What is it that your members would like?

Mr Wingrove: Primarily it would be to remove the ATM withdrawal limit. We support measures such as ensuring that ATMs do not give access to credit. We support that ATMs should not be placed on the gaming floor, and we support messages onscreen that promote harm minimisation messages to those using the ATM.

THE CHAIR: On the fourth or fifth page of your submission you refer to the New South Wales government response to the report of their select committee on the impact of gaming. You have quoted the line:

There is no research evidence supporting the implementation of a limit—or what that limit should be—to address problematic gambling behaviour.

That is a quote from the government's response. What did the report say in regard to that?

Mr Wingrove: I cannot recall beyond that, but certainly that was the statement from the New South Wales government on the Productivity Commission's findings.

MS FITZHARRIS: Do you have a sense, since the ACT withdrawal limits were implemented, of what change your members have seen in terms of use of machines in clubs?

Mr Wingrove: We have certainly noticed a drop in transactions. Of course it differs from venue to venue, but it is anywhere in the vicinity of a 10 to 19 per cent drop in transactions.

MS FITZHARRIS: The volume of transactions?

Mr Wingrove: Yes.

MS FITZHARRIS: And obviously the value—

Mr Wingrove: Is derived from that, yes.

MS FITZHARRIS: To go back to basics, how do your machines end up in clubs? Do the clubs ask you? What is the process?

Mr Wingrove: I would say it is an essential service of most retail businesses, and clubs are no different, because they wish to be able to provide secure access to cash to their patrons. It is probably a little of both in the sense that the clubs approach independent ATM companies to provide a service and ATM companies, just like any business—it is a competitive industry—approach those venues to place our machines there as well.

MS FITZHARRIS: Would most clubs only have one ATM or would larger clubs have more than one ATM?

Mr Wingrove: Larger clubs will certainly have more than one. It is really based on the size of their venue and the number of patrons that use it. They would be the determining factors for them—and some measure of redundancy as well, of course, if a machine is offline.

MS FITZHARRIS: In terms of changes to your industry in total, are transactions through EFTPOS machines having an impact as well, whereby people are paying direct, in cashless transactions? Is that an exponential shift away from cash?

Mr Wingrove: There certainly is. If you look at the Reserve Bank statistics, they show an ongoing trend away from cash transactions. That is, in part, towards contactless and other forms of card transactions. Cash out via EFTPOS is another avenue.

MS FITZHARRIS: Do you find in clubs that people pay for their meal; can they get cash out at the same time after their meal—after they pay for their meal in the restaurant, for example, like you can ask to do at the supermarket?

Mr Wingrove: It will depend on the venue and their approach. EFTPOS is a cost to the club itself. While there may be a measure of convenience for the venue, there is also a cost. Some venues would prefer not to have that and would prefer to be able to use the ATM as a method of getting cash to their patrons.

MS FITZHARRIS: You mentioned earlier that you do not support the withdrawal

limits. Quite a few of the submissions we have had are around certainty in the industry. I think nationally there is uncertainty about it. If the withdrawal limit is to stay, is there any extra certainty you would like to see in the ACT?

Mr Timms: I am from Cashcard. I do not think so. That is probably the main thing that would give us the certainty.

Mr Wingrove: I would add to that, though. If the limit was still to apply, one thing that would be useful would be to have some form of link of the limit towards CPI. At the moment it is set at a fixed value. Over time, as cost of living changes, any form of limit should be linked to CPI.

MS LAWDER: In your submission you have said that your members own and operate more than 95 per cent of ATMs in gaming venues.

Mr Timms: Yes, 95 per cent in gaming venues.

MS LAWDER: So the ACT is consistent with that—not more, not less, but around that?

Mr Timms: It would be about the same, yes.

MS LAWDER: Do you use a metric that tells you Australia wide and then by individual jurisdiction how much compliance costs are per transaction? Is it 2c or something like that? Do you have that information?

Mr Timms: We do not have that. I do not know whether you have that, Andrew, in your company?

Mr Wingrove: No, we do not. I think it is fair to say that we do not do that today at a location or on a jurisdiction-by-jurisdiction basis.

MS LAWDER: In your submission you talk about the introduction of the withdrawal limits in ACT and South Australia—how it did not seem to go very well in South Australia and that you found the experience in the ACT to be confusing and difficult to implement. Could you talk me through how that process took place and compare that to how you would have liked it to have taken place?

Mr Wingrove: We became aware of it through the process. At the same time you might recall federal legislation was being proposed for a similar withdrawal limit.

MS LAWDER: How did you become aware? Did the government write to you?

Mr Timms: In South Australia the clubs told us in the end. That is the way we found out. We did not find out from government.

Mr Wingrove: I think you are right—through industry associations.

Mr Timms: I am not sure in the ACT whether it was the same or not or whether we heard it from government.

Mr Wingrove: I am not entirely sure of the genesis of it, but certainly once we became aware, our industry body got active. We were trying to determine the probability of it happening and, if so, how it was going to be implemented. Not long before the commencement it became clear to us that the proposal was for a \$250 limit, but rather than matching the federal legislation on a 24-hour basis, it would be linked to the gaming day.

Mr Timms: So it was not a 24-hour rolling basis. It was hard to put together with the gaming-day basis.

Mr Wingrove: That was our recommendation—if there was to be a limit, it should be linked that way. At the time ATM companies, at least at a federal level, were looking to implement it on that basis. We believed the undertaking was that that would be what would occur, but, in fact, it was not. It was just an example for us that whenever there is regulation that impacts technology, it is worth while to have the industry consulted in terms of how that could and would take place.

Mr Timms: In South Australia they delayed the implementation by a month or two because we found out about it so late that we could not implement in the time frame.

MS LAWDER: Whilst my earlier question was whether you have a metric per transaction of the cost of compliance, do you measure it overall? For example, “This change cost us this much money.” Can you quantify those changes in that way?

Mr Wingrove: Not on one particular instance, but we have a lot of compliance in our industry, for example, chip and PIN or EMV compliance and triple DES security, predominantly to do with security and compliance of local and federal legislation. On that basis we measure our total compliance costs.

MS LAWDER: Does that include your testing?

Mr Wingrove: Yes.

MS LAWDER: In 3.1 of your submission you say your organisation does not support withdrawal limits on ATMs in licensed venues. What are the reasons you do not support them?

Mr Wingrove: The reasons we do not support it is that it is essentially a fairly blunt instrument that affects all people accessing cash and the services within a club. Not all people accessing cash from an ATM are gamblers and not all people are problem gamblers. That is the primary reason—we see that it is just one measure that affects many rather than who it is designed to target.

Mr Timms: It could be mum and dad taking the children out for dinner to the club. That \$250 may not be enough for the night, so they need to get it somewhere else.

MR RATTENBURY: You said that your members own or operate more than 95 per cent of the ATMs in licensed venues. Who operates the rest? Is it the banks?

Mr Wingrove: No, in the main it is independent ATM companies.

MR RATTENBURY: But not your members?

Mr Wingrove: Not our members, that is right.

MR RATTENBURY: Why do the banks not operate ATMs in the licensed venues? Do you have that knowledge or a view on that?

Mr Wingrove: It is a decision that they have taken themselves. One reason is that it is a fairly competitive place. Our business is designed to run ATMs as efficiently as we possibly can. That is one of the things we do well. In that environment we tend to have a commercial relationship with the clubs for the placement of the ATM and that works well.

Mr Timms: Whilst we have 55 per cent of the ATMs in Australia, the volume of transactions is biased the other way by far. The banks might have 70 per cent of the transactions.

MR RATTENBURY: Presumably because people do not pay a \$2 fee when they take it out of their own bank account?

Mr Wingrove: That is right.

Mr Timms: I think, also, they are on the high street and in the bank branches. They are in places where there is high foot traffic, whereas in the clubs, even though you might think there are a lot of transactions, they would be fairly low performing machines compared to something in a bank branch or on the high street. That makes it less profitable for them, too, to go into those venues.

MR RATTENBURY: That helps to understand it. In your submission you say you believe putting daily withdrawal limits on machines in licensed venues is ineffective but it adversely impacts on the ATM industry. In what way does it adversely impact? How do you measure that, is what I am trying to get to.

Mr Wingrove: Transactions, in the main. When you apply a daily limit, that impacts access to cash, that lowers transaction volume, therefore, you have less income per machine, therefore, it costs you more to operate that device in that way.

Mr Timms: People are more likely to get cash before they come to the club because they want more than that. So they will take it out of another ATM outside.

MR RATTENBURY: You also said it has created an unnecessary cost burden to the industry. Is that the same thing—because your machines become less economic because of the lower volume of transactions—or are there other costs as well?

Mr Timms: It is both that and the cost of compliance in putting limits in and changing software and what have you.

MR RATTENBURY: Do you have a sense of what that costs?

Mr Timms: No. I guess we would be up in fairly big money.

Mr Wingrove: Yes. That is probably something that we could take on notice.

MR RATTENBURY: That would be great. In your opening you talked a lot about the changing nature of the ATM industry—basically that a whole lot of transactions are increasingly becoming contactless cards, swipe cards, all those sorts of things. Overall, it suggests that cash is not the way that things are going anymore. You have talked about a significant decline in the transactions for your industry. Your submission points to that being a bigger social trend than just restrictions on transactions in clubs.

Mr Timms: Yes, it is. It is also cash out at supermarkets. As you probably know, you do not even have to buy anything from supermarkets; you can just go up and take cash out and treat it like an ATM, and it is free, so why wouldn't you? There is still cash being used there, and that is reducing the number of transactions, as well as the contactless transaction. But I think overall contactless is reducing the amount of cash required in the economy.

MR RATTENBURY: You talked about a drop in transactions, if I understood you correctly, of around 10 to 19 per cent for your industry, your members.

Mr Wingrove: That is in particular clubs since applying for \$250 limit.

THE CHAIR: So that is just in the ACT?

Mr Wingrove: Correct. And not all ATMs in the ACT—I am specifically talking about club venues since applying the \$250 limit.

MR RATTENBURY: So 10 to 19 per cent in the clubs. Presumably that band is because it is different at different clubs?

Mr Wingrove: Yes.

MR RATTENBURY: What, then, in the same period of time has been the drop in transactions at your ATMs generally?

Mr Wingrove: The Reserve Bank figures that are published on a quarterly basis will show anywhere between eight to 12 per cent on an annual basis.

MR RATTENBURY: Essentially, it is commensurate?

Mr Wingrove: I would not agree with that completely.

MR RATTENBURY: Eight to 12 crosses over 10 to 19. I am trying to distil it. There is obviously a trend going. If you can walk up and contactlessly swipe your card to pay for your meal at the club or you can walk down to your machine and pay a \$2 fee, people are going to choose a contactless outcome. It has nothing to do with a daily cash limit. That is what I am positing. I am trying to understand what is driving the

reduction because we are seeing an overall trend to use ATMs less. How much of that is driven by social trends? If it is 10 to 19 per cent, 10 to 12 per cent of that is social trend, three per cent is limits? I am trying to gauge how much impact this particular measure has.

Mr Timms: Maybe it is three to five per cent extra.

MR RATTENBURY: Are you able to give us a cost of that to your industry? Are you able to put a dollar figure on that?

Mr Wingrove: Probably not, in the sense that it is commercial-in-confidence information in terms of the transaction revenue.

Mr Timms: We are actually competitors, too.

MR RATTENBURY: I see. Forgive me for causing a fissure.

MS LAWDER: In answer to Mr Rattenbury's first question, you talked about the competitive nature. His question was about why the independent ATMs are in clubs rather than the bank ATMs. Is that just a relationship with the clubs or is it an actual tender process? When you say "competitive", do they go to market?

Mr Wingrove: Yes, they do. In some cases it is in an informal way and in some cases in a formal tender process.

MS FITZHARRIS: Could I understand exactly what it means to "update a machine"? With this cash withdrawal limit, what do you actually need to do to implement that new regulation? Is it all software that you can do centrally or do you have to go to every single machine?

Mr Wingrove: It depends. You certainly have to do a lot of work at the central host and processing platform which controls the way the device, the ATM, operates. In some cases—and it might depend on the ATM model type—you may need to upgrade the software on the machine and, in some cases, possibly the hardware on the machine. It differs depending on the device type.

MS FITZHARRIS: I note you said you were late into the consultation process. If there was to be a breach of the new regulation, the ATM would be responsible or would the club be responsible for that breach?

Mr Timms: I think it is the club, if I remember rightly.

Mr Wingrove: I think that is right.

MS FITZHARRIS: So there is an onus on the club to work with you?

Mr Wingrove: Yes.

MR RATTENBURY: Earlier this year there was a bit of a discussion in the ACT where, with the daily limits on ATMs, some of the clubs had installed EFTPOS

machines that were not subject to the same restriction. Are those EFTPOS machines separate to your organisation? Are they provided by somebody else?

Mr Wingrove: Our organisation does not provide EFTPOS devices.

MR RATTENBURY: Where does that come from then? Is that from the banks? How does that work?

MS FITZHARRIS: They were referred to as cash-out machines behind the bar as opposed to EFTPOS.

Mr Timms: I know there are some other third-party ATM deployers that have put some out there. I think some of the regulations say that as long as there is a person there handing the cash out they can keep some control over somebody who might be coming back every five minutes. But I know there were some of these machines around at one stage that really acted like an ATM. I think they were stopped because, even though it was an EFTPOS machine, you did not have a person there controlling it. I think the difference is that if someone is there, they can make sure you are not a problem gambler coming back all the time.

THE CHAIR: You are both from different companies that provide ATM services. What is the nature of each of the companies? Are they a corporate body or are they owned by individual owners or own machines and you facilitate their deployment?

Mr Wingrove: Our business is a corporate entity, and the primary nature of our business is providing independent ATMs to retail premises. We also provide outsourcing services to financial institutions and corporate retailers. We essentially support and provide their networks for them.

Mr Timms: I work for First Data, which owns the Cashcard Australia group. Cashcard is mainly about deploying ATMs, but First Data is involved in ATM and EFTPOS switching transactions between banks and building societies and credit unions. We also do some processing for a major bank for its credit cards. We are into other lines of business as well.

THE CHAIR: Thanks very much. When a transcript is available a draft will be provided to you for correction and if there is additional information you would like to provide to the committee, we would be grateful to receive that. You took a couple of things on notice. If you could get them to us as quickly as you could; we have to report in the last week of September. Thank you for your attendance this afternoon.

LYNCH, MR AUSTIN, Vice President, Old Narrabundah Community Council
SCHECKENBACH, MR MAX, Treasurer, Harmonie German Club
LANDER, MR CHRIS, Treasurer, Spanish Australian Club of Canberra

THE CHAIR: Gentleman, welcome to this hearing of the public accounts inquiry into elements impacting on the future of ACT clubs sector. Thank you for your submission. Before you on the table is a privilege statement. Could you please signify for the committee that you have read the statement and understand the implications and protections of privilege? So acknowledged. We are recording the hearings so they will be transcribed, and be aware that they are being webstreamed and broadcast as well. Would you like to make an opening statement to the committee?

Mr Lynch: Yes. I appear as Vice President of Old Narrabundah Community Council Inc. I have brought with me Max Scheckenbach, the Treasurer of the Harmonie German Club, and Chris Lander, the Treasurer of the Spanish Australian Club, both in Narrabundah. You have read my written submission. I would like to add something to that then hand it over to the two gentlemen I brought with me.

Old Narrabundah Community Council supports the written submissions of the Polish White Eagle Club and the Canberra Musicians Club. The community clubs task force should compare ClubsACT insurance scheme with the insurance scheme provided to community councils like ONCC Inc—old Narrabundah—so that the scheme with the lowest premium is put in place. This would lower the costs of all clubs.

The ACT government undervalues the role of small clubs in our society. They provide dance spaces and meeting spaces that will be lost, like at the Italian club in Forrest when it closes. Clubs provide the cheapest facilities for Canberra residents. ACT government and agencies will make more revenue if small clubs are developed into blocks of flats. It has a conflict of interest.

Labor and Liberal governments get donations from large clubs. Small clubs are dependent on volunteers and have no-one to defend their interests. ClubsACT, as is obvious, will mostly concentrate on the big clubs' interests. Contractors for club developments are obviously given instructions to make sure their reports justify the development. Social impact assessment reports for both the Brumbies and the Braddon clubs are suspiciously silent on loss of facilities for the local community.

The local community is obviously a minor stakeholder in the public interest test. Public consultation is just a tick-a-box exercise, the outcome pre-determined. Objections are noted and put in a round filing cabinet. The ACT government should consider measures to help small community clubs survive by cutting their costs, not increasing them.

Allowing residential development on section 34, block 13, Narrabundah adjacent to the German and Spanish will have a detrimental operational effect on both those clubs. Future world cup games all produce high noise emissions at 3 am from both clubs. Normal Friday night music at the Germa generates 20 decibels over allowable PA limits. The ACT government could better communicate what its plans are for this block of land.

When it was part of the omnibus DV, ONCC Inc were told by the task force that residents of Gowrie Court would be moved there. A noise metre was placed on the fence to measure sound without knowledge or permission. I was told that it was the contractor's job to tell the club what they were doing. When the block was moved out of the omnibus DV, we had to dig up this information.

A letter from the Chief Minister has informed us that the vacant block is owned by Housing ACT. We were never, ever told this. The letter also states there have been discussions with the Germo and the vets. Both clubs have said the ACT government has not contacted them about the vacant blocks.

THE CHAIR: You made the suggestion that there should be measures to help the small clubs cut their costs. Apart from access to the insurance scheme, what else could the government do?

Mr Lynch: I will leave that to these two gentlemen because they are both treasurers and know the accounts of both their clubs.

Mr Scheckenbach: Our big concern is what safeguards will the club receive, if any at all. We have been there for over 50 years, and we hope to go for another 50 years. But putting residential property beside the club, whether that be public housing or private tenancy, brings about some serious concerns for us. We currently have Friday night music. This sound metering goes above what is acceptable. During the last world cup there were games on between 2 am through till 8 am, and the noise got above what some might consider acceptable.

We would like to know whether we will be safeguarded. We were there long before anyone was there. We currently give our facilities to the Canberra Blues Society and a number of community groups—ACT pistol shooters, ACT brewers, ACT aquarium society. Where will they go when we close?

The Hungarian club has gone and it looks like the Italian Club is not far behind it. These groups currently use our facilities. The biggest one we currently have at the moment is the Blues Society, and they use our facilities at least once a month. Where will they go? That presents a problem for them as well. Through this, we give our community contributions and we as a club would like to know where we are going to be supported, if at all? This presents some real problems for us.

In terms of costs, rates are high. We are always looking internally to what we can cut back, and that is sometimes difficult when we run a club that is to benefit the members. We have to look very hard where we can save money. Sometimes it is just not possible with our current situation.

THE CHAIR: Can you tell the committee what your rates have done, say, over the last five years?

Mr Scheckenbach: No. As I am only new into this position, I am still trying to go through and look at that. But I can bring that back to you.

THE CHAIR: Yes. On the noise, as a venue that provides music and entertainment,

you want guarantees that your current existence is not compromised by someone who comes later?

Mr Scheckenbach: Yes. We also have the German choir. They are not as loud as, say, the Blues Society. The Blues Society were there last weekend and they were there again three weeks ago. We are happy for them to use our facilities because it is about people using the facilities. It would be a real shame for them to have to look somewhere else. We are in a central location.

MS FITZHARRIS: Having listened to what you have spoken about, it is quite specific to a current proposed draft variation to the territory plan. I want to make sure that you understand the nature of this inquiry as opposed to subsequent or ongoing government consultation on the draft variation process. I want to, at your discretion, chair, say that we may be limited in terms of what we can do. In raising it here, we can certainly pass the information on, but it may not be the best forum for you to go about this, in terms of your feedback on that particular draft variation.

I say that so that you are aware this is quite a different process, although there are some related issues. I was surprised to hear that you have not been directly consulted by the government. That is new to me, and I can certainly pass that on—or any of us can pass that on. But I would encourage you to follow up those avenues, which I can provide to you after this, for that purpose. We are quite a different inquiry and committee.

THE CHAIR: Point No 4 of the list of nine things is land development and sales, so that whole process is certainly within the remit.

MS FITZHARRIS: Yes, but we may well be behind the process that you need to be engaged in, and I do not want you to go away from here waiting for something from us when you may miss other opportunities.

THE CHAIR: Hopefully, somebody from the government is listening. Chris, could you outline problems or issues for the Spanish club?

Mr Lander: Again, it is about the age of the club. Our club, the Spanish Australian Club, commenced construction in 1972. Its front-page price tag was \$60,000. I think its registration as an association was in the late 60s—1968 or thereabouts.

As with all food, hospitality, club industries in Canberra, we have all felt the squeeze of the economic slowdown brought about by larger issues than we have to deal with. These have put a lot of limitations on our income, on our revenue streams. With respect to some of the costs that you were curious about, we are trapped by the late night trade at the city venues. When I commenced eight years ago as treasurer we were paying around \$400 to \$500 for a liquor licence per annum. We now pay \$4,900. To equate that to a cost, that equates to \$1 for every liquor sale over the bar. If I sell you a beer, \$1 of that is for the liquor permit fee.

Because of our small trade, we trade only three days a week—we trade on Friday, Saturday and Sunday—we are facilitating primarily on a Friday night the sponsored group, Sol De Espana, a dancing group. I open the club; again, as a committee person,

there is no cost to the club for my labour, so I open the club on Fridays for the children to dance, from four to five years old, up to adult classes. That is one of our primary groups that we give our support to, the cultural and ethnic dancing, which is a significant part of the Spanish culture.

Our membership base would be predominantly over 60s. Probably 50 per cent of our membership base is in retirement. We support the Narrabundah Football Club, the NFC, which has been growing. We committed to a \$500 increase in donations to them. We started a few years ago at \$3,000. This year we donated \$4,500 to them. That equates to nearly \$50 a player in reduction for their annual entry fees to the soccer, which is to Capital Football; the lion's share of that is for insurances.

So the club is facilitating a sporting group. One of the problems we have as a small ethnic group is that we do not get any support from ACT government in these areas because we are not predominantly a sporting group, like Vikings or some of the other groups. We do not contribute to your poker machine taxes because our revenue base is so small. We only have 14 machines, so we fall under the envelope of the 15-machine cap that influences a lot of the poker machine legislative changes.

My wife's parents were founding members, digging the footings back in 1972, cooking the lunches, which they went and purchased from themselves to contribute funds to the building fund. The foundation of all of these ethnic clubs is from volunteering, barbecues and raffles. That is how they did it. Basically they all bought their club, regardless of how they got it; by default, when you bought a raffle ticket and you bought a sausage, you were building your club.

That age group, that 50-years-ago immigrant group, is now diminishing by its age and by its mobility. One of the things that I do not think the government really has a handle on is that these ethnic clubs are a place for these people to come and speak their native tongue, and to express their cultural and heritage interests, whether it be dance, costume, language, cuisine or music. There is a value that should be put on these places by the government that has been lost in translation, having regard to maintaining independence by their own support group. That equates to a cost to the community and the government having regard to their independence, and remaining in their own homes, being diminished. That value needs to be quantified by greater minds than mine.

To us, we are looking at diminishing costs, right down to turning off hot-water systems weekly and turning off new equipment, to try and diminish our electrical bills. Our rates are over \$20,000 a year. We are punished by the size of the land. Although it might be in a fabulous area now, it was not when it was granted a long time ago. It was on a main access corridor, with not very much residential around it.

The compliance for our poker machines is completely by volunteers. There are no staff as such. There is one staff member. We have a \$5,000 wage bill per annum. I do the cleaning. We do the lawn mowing. We do the maintenance. Our membership has diminished. We are starting to build now because NFC, the football club, is up to eight teams. In my father-in-law's time, when he started the football club back in 1965, they had 16 teams. We came right down to only two teams, and now we are in a rebuilding phase. Perhaps the government can assist us in regard to the sporting

element.

With the liquor licensing area, we are trapped by legislation. The increase in fees for liquor licensing was basically driven by violence in the city, stemming from the late night trades. Our trade terminates at 7 o'clock, 7.30 or 8 o'clock in the evening on a Saturday and Sunday. Most of them are 60-plus. The fight has gone out of our group.

We occasionally have larger functions, as Max does. Whereas they are sponsoring the Blues, we have other groups. But some of these functions do go through to midnight. That is where there is a lack of amenity for any residential conversion in the block that is very close by, between the German club and us. Right now, apart from anything else to do with our economics, it is the biggest threat to the future viability of our clubs. I think that should be taken on board.

You may not be able to do anything about it—thank you very much, Meegan, for that comment—but for this group, that is the most significant risk to the Spanish club and the German club as they stand today. We could not put a club in a suburban development; likewise we should not be putting a residential development between three commercial operations.

THE CHAIR: We might call a halt there and go to questions.

MR RATTENBURY: You raised the issue of insurance in your submission. Can you give us a sense of what that costs each year? What is insurance worth to you?

Mr Scheckenbach: I will have to get back to you on that, but I can do that in the next day or two.

Mr Lander: I can quantify ours. When I commenced eight years ago, we had \$4,000 in the bank. Four weeks after taking up the role of treasurer we had a nearly \$19,000 insurance bill for public liability. We elected to take that as a monthly fee through a number of functions that year. The preceding year we had generated enough income to save the 20 per cent penalty for doing it on a monthly basis, and we paid that fee in a lump sum. In following years, through negotiating with different parties and changing insurers, the more recent bill was around \$15,000.

Mr Scheckenbach: I do know that one; it is approximately \$40,000 a year for us, which we pay on a monthly basis. We cop an extra month, so it is \$44,000, which is quite significant for us.

MR RATTENBURY: There is a broader question that the committee has to consider around the issues of deconcessionalisation of these sites. We have seen that in some areas. Does the ONCC have a view on when deconcessionalisation is appropriate? What should the policy thinking be around those deconcessionalisation processes?

Mr Lynch: This all happened after the fight over the Hungarian club. We had the KLA review. Surrounding the Hungarian club there was a petition raised. I worked out that 65 per cent of the petitioners were against the development. So they are not looking at local communities. The public interest is the ACT Treasury's interest. This is the public interest test; it is never local. ACT governments of Liberal and Labor

persuasion have just taken things from Narrabundah. They have given us more or less nothing. They just keep taking away. That is the history.

MS LAWDER: I am interested in your submission. Under the heading “Legislation and regulation”, you said:

The ORS should consider using computer applications to replace the current manual system.

Could you explain a little more exactly what you were referring to?

Mr Lynch: I meant poker machines. If you barcode a poker machine—I have never done poker machines in the ACT. I am sure there is an application that they must be working on so that it is easier to work out what the takings of a machine are, the payouts—everything.

Mr Lander: In New South Wales a lot of them are all linked electronically. A lot of the reporting that we do at our club is done manually. My sister-in-law and another committee person do it totally manually. That has diminished. The ACT government has not really followed that through. Maybe with some of the larger groups the ticket in, ticket out has diminished their amount of manual inputting, whereas we are below that economic viability.

Mr Scheckenbach: I worked at a club in New South Wales where one of the machines was owned by one of the directors. That cannot happen here.

THE CHAIR: No, that does not happen here.

MS FITZHARRIS: You mentioned, Chris, that you have 14 poker machines. How many do you have at the Harmonie club?

Mr Scheckenbach: Twenty.

MS FITZHARRIS: What proportion of your revenue comes from the machines?

Mr Lander: Revenue? In net revenue—in a gross sense it would be about five per cent. Ours is quite small. It is not a big income spinner but it is a significant element, just as a billiard table is, just as the domino tables are. You all get punished—if you lose at the dominos, you have to pay for the drinks. The same thing happens with the billiards and at bingo. We do the bingo. So there are small winnings there, with drinks as well. It is a very small ticket but it is an essential part of our membership.

With our narrow period of trade of five or six hours, the possibility of long-term activity by single members has long since passed. We are a very responsible area. I know there is an inordinately large focus at this point by the current government on diminishing problem gambling within the community. I think they are aggressively pursuing that. They have passed it to industry to voluntarily give up a certain number of machines.

I feel confident in saying that in our space there is nil problem gambling because it is so personal. This is one of the things that is lost in it. In the larger clubs where there are hundreds of machines, it is a very depersonalised environment. Engagement with members by staff, the recognition of those and the vast membership means there are a lot of strangers in your space, whereas in our community club, nearly everyone knows everybody. In that area, again, we succumb to the legislation and the trend of government at this point.

Mr Scheckenbach: We are up around the 50 per cent mark of our club revenue. But if you add Oktoberfest and multicultural, we drop down below the 45 per cent mark.

MS FITZHARRIS: Respecting completely the history of your club, certainly for other assets in the community, for an asset that was used five or six hours a day for three days a week, people would be seriously considering the ongoing viability. Effectively you have an asset sitting there that is unused for 80 per cent of the week. What are your options then? What do you do?

Mr Lander: What are our options? One of the biggest things we have is diminishing outgoings, as Max alluded to earlier. It is a minority that does the majority, in any club, any group and any volunteering organisation. With my building experience we are renovating our kitchen because it is 30 years old. We have had three attempts at different traders trading in our restaurant. With the commencement of trade in the restaurant, that will change the dynamics of the club inordinately. Our trading hours will be able to be extended; they naturally do, because the dining experience takes it later into the evening. But without that food, there is a significant limitation to the trade of the club.

There are other interests we are progressing with. One of the outdoor activities in Spain is a metal boules, the equivalent to petanque and bocce. We are trying to facilitate that. We have got the grounds. There is more work to be done. There are different groups that are taking a greater interest in us now. With the motor sport clubs, we are supporting the veteran and vintage motorcycle club. They are a significant group that use our facilities. Some of the car clubs are starting to be interested because we have got the grounds that we can utilise for their car displays.

It may sound terrible. In the time that I have been in that role, we have gone from \$4,000 in the bank to topping out at \$170,000 just recently. We are looking at that money being spent basically on more alliances with other groups and expanding our trade in different areas. It is not a completely negative sentiment but it probably sounds poor in a business sense.

THE CHAIR: Could you provide the committee with what your rates bill was, say, four or five years ago and what it has gone up to? That would be useful. With any other charges that have gone up inordinately, such as the liquor licence, could you give us some comparison with what they were?

Thank you, gentlemen, for taking the time to do a presentation and appear today. A copy of the transcript, when it is available, will be provided for correction. If you want to provide further information, upon reflection of what you have said, we would be grateful to receive that. You have taken a number of things on notice. Could we

have those quickly, as we have to report by the end of September. We have to write the report between now and then. Thank you very much for your attendance this afternoon.

HELYAR, MS SUSAN, Director, ACT Council of Social Services—ACTCOSS

THE CHAIR: Thank you, Ms Helyar, for your appearance here this afternoon representing the ACT Council of Social Services. On the table in front of you is a privilege statement. Can you acknowledge for the committee that you have read and understood the obligations and protections of privilege?

Ms Helyar: Yes, that is fine.

THE CHAIR: Please be aware that this hearing is being transcribed by Hansard as well as being broadcast and webstreamed. Would you like to make an opening statement?

Ms Helyar: Thank you, yes, I would. My comments today focus primarily on responding to issues raised in the ClubsACT submission to this inquiry. I note the vast majority of submissions to this inquiry are from community organisations that receive grants from clubs. These grants are highly valued in the context of limited access to funds for their activities and relatively few avenues through which organisations and individuals can access known government sources of funds for their essential roles in the community.

Of all the organisations the clubs support, a generous reading would find between one and two per cent have a purpose in assisting people adversely affected by gambling. That is based on the ClubsACT list in their submission. The remaining 98 per cent of grants are for community interests the clubs see as aligned with their purpose and member priorities.

The contributions made are generally between \$2,000 and \$5,000 each year. To put them in context, gaming machines can earn up to \$1,200 an hour if played at maximum speed and rate. Even if a gaming machine is returning to the club only the \$120 an hour recommended by the Productivity Commission, a grant of between \$2,000 and \$5,000 would be recouped by one machine operating between 17 and 42 hours, which is less than a few days a year.

I note the research led by Monash University and funded by UnitingCare Australia in 2012. I should note that I worked for them when that research was done. It found that the ACT community benefit claims amounted to approximately 6.6 per cent of poker machine expenditure. To this we can add the eight per cent levy, and this means around 15 per cent of club revenue is returned to the community. This social dividend is recognised with concessional taxation and leases. Clubs also get free advertising on sports uniforms and in the communications of organisations that receive their support, a positive reputation and concessions in tax and lease arrangements in recognition in their role of supporting community life.

I am not inclined to support the tax concession referred to as the club grants scheme in the clubs submission. If clubs want to contribute more, it should be into a pool of funds used to support reducing gambling harm, not generic community grants aligned with club member interests and priorities. Clubs were set up for a social purpose, so giving grants for those social purposes is completely within their articles of association and is the intention of those organisations. It should not be considered a

bonus to the community.

I note the recommendation that clubs have made that they get a levy concession if their community contributions go to organisations that assist people harmed by gambling. Problem gamblers were found by the Productivity Commission in 2010 to account for approximately 40 per cent, although some measures say it could be as high as 60 per cent, of all poker machine expenditure. It should not be necessary to offer a financial incentive to fund services supporting people harmed by gambling. It is certainly not appropriate to offer any financial reward for contributing to this work on reducing the impacts of and recovery from gambling harm.

One suggestion made from the ACTCOSS membership is to reduce the levy but tighten the criteria for distribution of grants. Another suggestion was to centralise the levy in an independent grant-making authority, like Lotterywest. Indeed, in some jurisdictions like Victoria and New Zealand, the levy funds an anti-gambling foundation that supports public health research and promotes approaches to reducing gambling. If any changes to current regulatory settings are to be made, the community risks and benefits of these options that I have suggested should be explored further.

There is merit in the proposal by ClubsACT in expanding the research agenda of the problem gambling research fund to include more public health focused research and interventions alongside research on prevalence, therapeutic interventions and community-led harm minimisation. Certainly, that has been a topic of conversation within the problem gambling assistance fund.

Measures to reduce access to cash, enable breaks in play and limit access to gaming machines are all effective in reducing harms. A mandatory pre-commitment program would also significantly increase breaks in play. Most people will not become problem gamblers, but regulation needs to prioritise reducing risks of harm because, whilst the prevalence of problem gambling and harmful gambling is relatively low, the consequences are catastrophic.

Much like most trips in a vehicle will not result in a crash or significant injury or death but we make everyone wear a seat belt every trip because the inconvenience is low and the reduction in catastrophic outcomes is profound, regulation of gambling activity should be based on the same rationale. There are many other road safety regulations for which protecting people from the relatively low risk of catastrophic events outweighs the inconvenience of the regulation to the vast majority of drivers.

ACTCOSS does not support growth in the number of gaming machines as the population grows. I note one of the other submissions spoke about that as well. The cap on gaming machines is a good start in reducing the number of machines in our community, and the reduction should be escalated over time. One strategy to incentivise reducing gaming machine numbers would be to charge a monthly licensing fee so that clubs that remove machines carry less costs than those that keep machines.

Having a gambling problem is one of the more stigmatised social problems. For example, a lower proportion of people seek help for gambling than for substance abuse. The stigma associated with being harmed by gambling is based on and

perpetuated by a narrative that says gambling is a harmless social activity. In that context, if you experience harm, then you are the problem. If we are going to turn around help seeking, it is important that the community acknowledges that gambling is inherently harmful, just like driving is inherently harmful, and we need to regulate it so we reduce the risk of harms.

The harms associated with gambling are exacerbated because the consequences are felt by people around the person who is directly harmed. This includes financial hardship, emotional harm, contact with the criminal justice system and harm to long-term wellbeing of children and young people. The Productivity Commission in their 2010 report estimated that between six and 10 others are harmed as a result of one person being identified as a problem gambler. Government and non-government and informal support networks carry the costs of responding to the needs of this wide range of people. As noted earlier, the grants offered by clubs do not contribute in any substantial way to reducing these costs.

Clubs are one of the few places to access low-cost social activity and hospitality services. Their concessional status is founded on them offering a social good into our community. There is a cruel irony in the fact that one of the major harms from gambling is financial hardship. Even relatively low level gambling activity by a breadwinner can rob a low income household of funds for food, utilities and petrol. Even a relatively low spend on gambling can mean the difference between a low wage worker keeping up or getting behind on their rent and other essential bills. Money spent on gambling conceivably robs these low income households of a modest meal at the local club for which they were set up.

Revenue from club-based gambling is going down partly as a result of measures to reduce problem gambling. However, the gambling industry is going through a significant period of change and disruption, much like other industries. The level of online gambling is rising. This shift in spending necessitates a reimagining of the revenue streams available to clubs. Small clubs are struggling to survive, much like small organisations in other parts of our community and are needing to reorganise and reorient themselves to be sustainable in a changing operating environment in which either an economy of scale or a niche role are the determinants of longevity. In this context, partnerships, collaboration and collective effort are critical.

For both ethical and pragmatic reasons, clubs should be enabled to shift their business model away from gambling revenue to revenue from their core activity—being a social hub—and to increase other activities that fulfil broader social purposes. We would be very interested to explore the opportunities for partnerships with community organisations to grow the provision of affordable housing.

I would need see further independent analysis of the costs and benefits of extending concessional leases. The recommendation in the clubs submission that past activities should be grounds for future reductions in lease charges does not stack up from my perspective. The concession was for the activity for which the lease was granted; it is not something that they can then trade into the future. Any ongoing concessional arrangements should be premised on the land use continuing to deliver a social dividend.

For ACTCOSS, this dividend needs to be delivered for the benefit of low income, vulnerable and disadvantaged residents because the concessional arrangements take money out of government coffers that can be used to support those households. The proposals around housing, aged care and childcare services would best be reviewed by the specialist peaks in these areas.

I will make a general comment that any entry to these sectors should not be in competition with non-club, not-for-profit organisations with a track record and capability in either residential development or service delivery. Again, I stress that concessional tax and lease arrangements for development by clubs should be premised on an ongoing, verifiable concessional access to the entertainment and other services offered.

Thanks for the invitation to present. I note there was very limited input from community organisations and concerned citizens on the wide range of topics included in the terms of reference. This opportunity for ACTCOSS to share our perspectives and reflections on the ClubsACT submission is a valuable balancing of the public debate.

THE CHAIR: You made the point that the clubs should not get a concession for helping ameliorate some of the impacts they cause. What role does the government have? The government gets a very large slice of the gaming machine revenue, but I think the numbers we got at annual reports was that it spends less than \$400,000 per year on addressing problem gaming. A large amount of the revenue we get from, for instance, motor registrations is spent on road safety, but we do not ask the car companies to run campaigns. What is the responsibility of the ACT government in this, and are they doing enough to address problem gaming?

Ms Helyar: The ACT government is picking up many of the costs that are not picked up through other processes—through emergency relief, the concessions program and through the assistance provided around family support, domestic violence and housing assistance. I would imagine there is an argument one way that that is being covered through those expenses.

Your comment about the amount of spending through the fund is an important one. I am part of the fund advisory group, and it has been one of the things I have raised in those meetings. One of the challenges has been that the organisations that would be eligible to access those funds do not seek funding out of that pool. There is an issue around the capability of community organisations to pitch good ideas to that fund. I think it is partly to do with the stigma and the hidden nature of gambling that many organisations do not identify they have an interest and a capacity around supporting people who are problem gamblers.

The way we have dealt with that in ACTCOSS is we have worked really hard on promoting the learning and development around gambling for community organisations so people can start to see where the links are with their work. Certainly we have been talking about how we build the capacity of organisations like, for example, the Multicultural Community Forum, which are very interested in this but have struggled to come up with concepts that can then be put to a grant process. Further work could be done on that, and we have certainly talked about using some of

the resources to facilitate community organisations to engage well with the issues and to access those resources more readily.

MS PORTER: I want to go back to what you said about clubs working more in partnership, I thought you said, with organisations in relation to activities they may take on when they are diversifying; is that correct?

Ms Helyar: Yes.

MS PORTER: Have you approached any clubs or ClubsACT with an offer to facilitate some of that discussion so that they can perhaps start building those partnerships?

Ms Helyar: Yes. Prior to this inquiry ClubsACT and I met, and that was part of the conversation we had. We will continue to pursue that conversation. I would be concerned if the entry of ClubsACT into things like child care, aged care and affordable housing squeezed out the organisations that have delivered those very well over a long period of time. It is important that any move into those diversified income streams be done in partnership.

MS PORTER: Without divulging a private conversation, do you believe you received an indication from ClubsACT that they had already thought they would need to reach out to other organisations to form partnerships rather than doing it alone, in that it is not their core business, obviously?

Ms Helyar: That is right. That was part of the conversation we had—to talk through if that was what they were interested in doing. Certainly, that is where I put affordable housing on the table, which I thought was critical. They have indicated they are happy to continue those conversations.

MS FITZHARRIS: I want to follow up on Ms Porter's question. Is it ClubsACT as a body that is looking to enter the child care and affordable housing market, or is it their members?

Ms Helyar: I think they were speaking on behalf of their members, much like ACTCOSS does not deliver affordable housing; we just have conversations about our members' interests.

MS FITZHARRIS: There are a number of contradictions, in my mind, or there is some tension between some of the arguments we have had put to us. Just now the two clubs that presented to us—I think you might have heard—gave evidence that they do not want housing near their particular development. There are a number of tensions around the land development space for the clubs. Also the clubs have obviously worked a lot with their members and grant recipients about saying that the social capital that clubs bring is very strong. I take your point that there seems to be some kind of tension there and there is also harm being caused as a result of some of the behaviour in clubs.

It is very hard to get to who this is affecting, whether our regulation is appropriate for the level of harm and whether it is targeted enough—that is, do we have a big stick

now that is not really getting to the right people? In terms of your members, do you have any sense of who is being impacted and where they are? Is there a typical person who is a problem gambler, from your point of view?

Ms Helyar: No, I do not think there is. The broader research shows that it does not discriminate particularly, although certainly younger men seem to have some higher risk factors. That is one group for whom some specific interventions would make more difference.

When I talk with my members about this—and this is why we have done the work on trying to increase the visibility, awareness and literacy around problem gambling—often family support services, housing services, emergency relief services and domestic violence services say it is not the presenting issue. People do not come to those services and say, “We’ve got a problem gambler in our midst in some way that is impacting on our lives.” But it comes up over time. It comes up as, “Oh, that explains a whole lot of things that were going on; I’m six months into working with this family, and now I get it.”

MS FITZHARRIS: Mostly, your members see these families. What proportion is it? We heard yesterday that there were probably 1,000 people in the ACT that are problem gamblers.

Ms Helyar: That are losing \$10,000 a year or more, yes.

MS FITZHARRIS: Are those problems all manifesting in these domestic violence and other family services—affordable housing stress?

Ms Helyar: My understanding is that they manifest in financial counselling and emergency relief, definitely. One of the biggest growth areas in demand for emergency relief is from people in jobs. Either their job does not pay them enough to cover their costs of living or there is something else going on.

The other thing I would say is that if 1,000 families are losing \$10,000 a year or more, how many families can afford even to lose \$5,000 a year? The thresholds for setting the problem gambling level are very high and how you define a problem gambler is very strict. Bryan Rodgers’ work showed that that moderate-ish group is also quite stuck and significant harms are experienced in that group.

MS LAWDER: In your discussions with some of your member organisations, have you had any feedback from them about the benefits? We have heard from some of the clubs and other organisations talking about the warm, safe, welcoming kind of feel of the clubs. For some people it is one of their perhaps few social activities. Is that a factor? Is that encouraging people who may not otherwise go? Have your member organisations suggestions for other alternatives rather than going to clubs?

Ms Helyar: That is why our evidence speaks to supporting clubs to diversify their income streams, because I think they provide a place that is valued by the community. If the average is 50 per cent of the revenue stream coming from gambling, that is not sustainable long term. It is not even sustainable as a business model, if it is true that most gambling is going to end up online. If we are to sustain the social value that

clubs offer, a different business model is essential, not only for the harms associated with gambling but for the social purpose that they fulfil in this community.

MS LAWDER: We heard from someone—I do not recall exactly who—about an increasing feminisation of gambling, especially problem gambling, and that women used to be far fewer in number of problem gamblers but that number is increasing. Have you heard about that?

Ms Helyar: Yes. I cannot comment on the detail of that, except to say that there is a whole lot of things in which harmful activities are less socially sanctioned for women than they used to be. More women drink more now; binge drinking is more prominent now than it might have been 20 years ago. It is probably part of the social change.

MS FITZHARRIS: Equality.

Ms Helyar: It is part of equality. We equalise harms as well as opportunities. I really do not have anything to add to that analysis.

MS LAWDER: On one of my favourite topics: have you heard from any of your members about the contribution of problem gambling to people becoming homeless or very much at risk of homelessness?

Ms Helyar: I have heard that people in homelessness services—and there is some research on this—do not say, “I’m homeless because I lost all my money gambling,” but you would find that that has been a significant part of their trajectory. Some work was done in South Australia. I do not know if the secretariat can find this, but that work back in the early 2000s went to homelessness services and asked them, and I think it was something like 30 per cent of the people in those services talked about problem gambling.

MS LAWDER: So they may say, for example, financial difficulties—

Ms Helyar: Yes.

MS LAWDER: as the reason for seeking assistance, before you drill down.

MR RATTENBURY: I want to explore the deconcessionalisation issue a little bit. You touched on it in your opening remarks. I am interested in your further analysis of the tension between clubs saying, “We’re not viable. We don’t have the supporter base anymore,” and then wanting to sell land and turn it into apartments or some other option. I have contemplated whether we should turn those leases over for some other community use, but there do not seem to be other community organisations with the resources to suddenly set up a new outlet, either. Have you, or through your membership, thought those issues through and do you have any views on what we should do in that space?

Ms Helyar: We have not thought it through in any detail. Certainly, it is something we have been considering as part of our advocacy around affordable housing and growing supply of affordable housing. We have had conversations both with government and with others around what the issues are that you would have to

understand. My concern about deconcessionalising leases is that the government loses the short-term revenue base and then there is no way—

MR RATTENBURY: So you get the one-off revenue injection.

Ms Helyar: You get the one-off revenue base, and ACTCOSS is very into revenue-matching community needs, so there could be some grounds for supporting that. But, on the other hand, you lose the community purpose long term. If things like the residential development end up being for high cost housing in high amenity locations, that is not a broader community benefit. My comment was that it is really important to balance those things out. My thought is that for the clubs that are not able to retain a member base and are not able to retain a commitment to the purpose for which they were set up, how much of that is change that is just happening and how much is that about putting some resources into building some partnerships, which might help turn things around?

With respect to your concept of looking to other organisations that could make better use of the asset and to have it useful long term, resources are needed to host those conversations and to think through the business case one way or another. Resources for those conversations are really important. It will not happen with a small, struggling club with a small volunteer base and an unorganised community need. There has to be a way of pulling that together and resourcing a conversation that can be well informed by business analysis.

THE CHAIR: You mentioned something to assist with facilitation between unorganised community need. In the main these would tend to be large blocks with, in most cases, significant properties. If they are not viable as a going concern with a club that had both a food and beverage and gaming stream, how would they be viable otherwise without possibly enormous government subsidy or assistance?

Ms Helyar: That is what we would have to work out. But if there is a need for some more infrastructure in the community, you could repurpose that infrastructure to something like community office space, or child care, aged care, the service provision side, or you might want to make it affordable housing. The smaller clubs are often the ones in those circumstances and the local community need a way of pulling their interests together and navigating the costs and benefits and the business models rather than it being something that they do off their voluntary bases and on the smell of an oily rag.

THE CHAIR: Anglicare, when they appeared, said that their research showed it perhaps was not the number of machines but the number of venues, and it is about the accessibility of a venue in your neighbourhood rather than the number of machines inside the venue. In that regard a smaller number of venues would possibly be a good thing to reduce problem gaming?

Ms Helyar: That has been some of the analysis that has informed the machine buybacks, the cap on the machines.

THE CHAIR: But it is contrary to what the buyback is about. Anglicare said that it was the ability to get to a venue, not the number of machines in the venue, that was

one of the factors that contributed.

Ms Helyar: I do not want to comment on that. I know work has been done on that in Victoria. There has been quite a lot of research done on the locational impacts of access to machines, but I cannot provide you with any more insights.

MS FITZHARRIS: I want to follow up on the discussion around the deconcessionalisation and being able to make better use of a community asset. Another one of the tensions seems to be the redevelopment of the more established parts of Canberra, which is where a lot of the smaller clubs that generally refer to themselves as ethnic-based clubs are finding themselves on quite large blocks of land in established parts of the city, but there is often localised and immediate resistance to some of those changes of use. In terms of affordable housing, do your members view that as a problem we need to overcome by having these sorts of conversations with community groups as well?

Ms Helyar: Absolutely. Certainly, on a separate but related matter, we have written to government and spoken about the value of working with organisations like the Conservation Council and ACTCOSS to facilitate conversations in community about densification and urban renewal. We think there are some things that the community values in terms of local amenity, green space that needs not to be lost through that process. Also there are some values that need to be retained in terms of the ACT being a place where we have salt and peppering of housing so that we create communities that are diverse and sustainable.

MS FITZHARRIS: Arguably, those are the areas that are harder for new entrants or lower income people to live in because they are now no longer the outskirts of the city; they are the inner parts of the city and, as a result, have become more valuable.

Ms Helyar: Yes. They are good places to live because of the access to infrastructure. I have said this before: we have had 50 years of investment in that infrastructure. Why should it just be the few wealthy people that can afford new housing? That is not an efficient use of a resource that has been built up over time. But, on the other hand, how do you create communities that feel cohesive? We think we have a role in supporting that.

THE CHAIR: Thanks for your attendance today, Ms Helyar, on behalf of ACTCOSS. When a transcript is available, a copy will be provided. If you have any corrections or suggestions you would like to make or any further information you would like to provide to the committee, we would be pleased to receive that. Thank you very much.

The committee adjourned at 3.36 pm.