

Independent inquiry into the future of the ACT club industry

Government response



Background

In 2024, the ACT Government committed to the *Independent Inquiry into the future of the ACT club industry* ('the Clubs Inquiry'). The terms of reference for the Clubs Inquiry focused on helping clubs diversify their revenue streams and reduce reliance on gambling revenue. The Government also reaffirmed its longstanding commitment to address and reduce the harms caused by gambling, and implement the following priority measures to support this objective:

- phased reduction of electronic gaming machine (EGM) authorisations in the Territory to 1,000 by 2045, with a reduction of 500 EGM authorisations every 4 years; and
- implementation of mandatory account-based cashless gaming in all venues that operate EGMs, along with requirements for players to set gambling loss limits and take breaks in play.

With these long-term policy objectives established with a staged pathway to implementation, the intent of the Clubs Inquiry was to develop a comprehensive 20-year industry transition plan to support clubs' transition, exploring practical measures the ACT Government and club sector could adopt to support this transition.

Clubs play an important role in fostering community connection and belonging, supporting local jobs and grassroots sports. However, there is substantial evidence that EGMs cause significant harm to individuals, families and the broader community. The 2024 ACT Gambling Prevalence Survey found 15.8% (58,075 ACT residents) experienced some level of gambling related harm, with EGMs the form of gambling most commonly associated with harm.

Many community clubs in the ACT rely heavily on EGM revenue to remain financially viable, which is not sustainable nor consistent with the Government's policy intent of reducing gambling harm in our community. While some clubs have made progress in diversifying revenue, there is still work for the industry and government to do to support the transition of the sector away from reliance on gambling revenue.

In April 2025, the ACT Government released the Clubs Inquiry terms of reference. Following an open market procurement process, the Justice and Community Safety Directorate commissioned independent consultancy ThinkPlace^x to form the independent panel of experts to deliver the Inquiry terms of reference.

The Clubs Inquiry ran for approximately nine months from August 2025 until May 2026, engaging widely with the public, ACT club sector, business and community sector, individuals and government agencies. The inquiry process included three key consultation phases: discovery, co-design and validation. Roundtable consultations were held in late 2025 and early 2026. The Panel also received input through survey responses, submissions and consultations. An interim report was released during the validation phase to test the recommendations with stakeholders.

The final Clubs Inquiry report was delivered to Government and subsequently published on 2 June 2026.

Outcome of the Inquiry

The ACT Government welcomes the Clubs Inquiry findings and final report. The delivery of the report fulfils the Government's commitment to establish an independent Inquiry process that would develop a long-term transition pathway for the ACT club sector to support clubs as the government implements harm reduction commitments and planning reform.

The Clubs Inquiry report made a total of 37 recommendations, with 24 recommendations directed towards the ACT Government and 13 recommendations directed towards the club sector. In addition to the recommendations, the Inquiry listed potential regulatory and support measures to facilitate clubs' diversification initiatives.

The Inquiry's recommendations are broad and interconnected and will require coordinated consideration by Government and the club sector to determine an achievable and sustainable pathway for reform. The government remains committed to working with the sector's peak body, ClubsACT and the broader club sector to progress the intent of the report.

To support this the ACT Government will immediately act on recommendation G11 of the Clubs Inquiry Panel to establish a Joint Clubs Transition Governance Group (Clubs Transition Group). This group will consider the Inquiry report findings and examine how best the ideas may be addressed in a way that supports club transition at the broad and individual level alongside the government's existing commitments, including alignment with current government initiatives and future policy direction.

The Inquiry looked in detail at government policies which relate to clubs, the club sector operating environment, current and future challenges and learnings from policy changes. The report recommendations broadly address the following key themes:

- governance and oversight;
- club capability building and transition planning;
- industry diversification and economic development; and
- financial and regulatory settings.

The Government's response is structured to respond to these key themes. This reflects the interconnected nature of the recommendations and the need to consider their cumulative impacts on clubs, the community and the Government's broader gambling harm objectives.

The ACT Government acknowledges that the Inquiry's recommendations were developed through detailed consultation with a broad range of stakeholders from the club industry, gambling harm reduction advocacy and academia, community and business sectors, and members of the Canberra community.

Many of the recommendations will require a considered and co-ordinated approach from across Government and work in partnership with the club sector. The suggested initiatives across each of the identified key themes will require in-depth consideration.

The report makes clear that the successful management of this transition requires shared stewardship by the Government and Clubs.

The Government will work with clubs through the Clubs Transition Group to develop a joint Government-Clubs statement of intent (recommendation G1 of the report) to guide a

cooperative and shared stewardship approach to responding to the Inquiry and supporting the club sector transition process.

The Government will also work with clubs through the Clubs Transition Group to consider how best to integrate policy and regulation change into the Government's ongoing work to support clubs to move away from unsustainable gambling revenue streams which are resulting in unacceptably high gambling harm impacts as identified in successive ACT Gambling Surveys.

In addition to the establishment of the Clubs Transition Group recommended by the Inquiry, the Government has established an internal steering committee at the direction of the Minister for Gaming Reform. This committee will ensure that future support for clubs is delivered in a meaningful and targeted way and relevant areas of the ACT Government work jointly to respond to the Inquiry recommendations. The committee is led by the Justice and Community Safety Directorate and includes members of City and Environment Directorate (Planning and Access Canberra), Health and Community Services Directorate (ACT Housing) Chief Minister, Treasury and Economic Development Directorate, and other relevant areas of Government which will collectively ensure that the Government's future action is joined up, that existing policies are aligned and implemented with the Inquiry recommendations front of mind and that any future reforms are considered from a whole of government perspective.

Response to key themes arising from Inquiry recommendations

The Inquiry's 24 recommendations to the ACT Government are spread across several key themes. Recognising that many recommendations are interdependent and require further detailed consideration with the club sector, the Government will take a coordinated, thematic approach to its response to the report.

Key areas of action

Governance and oversight

The Inquiry highlighted the importance of coordinated implementation, ongoing engagement and appropriate oversight mechanisms to support the sequencing of reforms and management of transition over time. As an immediate first step, the Government will establish the Joint Clubs Governance Group with membership comprising of club representatives, ACT Government and community partners.

The Clubs Transition Group will support implementation of the Government response by considering the sequencing, coordination and practical delivery of reform. The Group's work will inform a longer-term transition pathway for the ACT club sector and support alignment with existing government reforms and initiatives. The Clubs Transition Group will provide a forum for Government and the club sector to work collaboratively through transition issues, including opportunities, challenges and emerging impacts as reforms are implemented.

The Government will also maintain an internal cross-government steering committee which will provide a coordinated government mechanism to oversee and support the implementation of relevant recommendations arising from the Inquiry. The internal steering committee will ensure that the range of policy, regulatory, economic considerations are considered collectively across government, recognising the impacts of reform extend beyond the regulation of gaming and clubs.

Club capability building and transition planning

The Inquiry identified that the ACT club sector is diverse in terms of clubs' scale of operation, land holding, trading hours and service offering. Clubs are at different stages of transition. Some larger clubs or club groups with significant resourcing capability are better positioned and further progressed in redevelopment and diversification whereas smaller clubs that are largely volunteer-led typically face greater challenges to diversify revenue to replace declining gaming machine revenue.

The Inquiry identified that clubs would need to consider their own future transition pathways, recognising that the circumstances and challenges faced by individual clubs will vary. The Inquiry recommended clubs develop their own transition plans to inform regulatory sequencing and eligibility for government support identified in other recommendations. The Government recognises the important role clubs play in supporting sporting, recreational and community activities across the ACT. Supporting clubs to develop sustainable transition plans will help ensure they can continue delivering these community benefits as the club industry transitions away from reliance on gaming machine revenue.

The Government will consult clubs through the Clubs Transition Group to further consider this recommendation.

Through this process, the Government will consider how transition planning may support a better understanding of the challenges, opportunities and implementation considerations across the sector.

Industry diversification and economic development

The Inquiry recognised that clubs operate in a changing environment, with different levels of capacity and readiness to transition away from reliance on gaming machine revenue. It identified the importance of clubs considering future business models, including opportunities to diversify revenue streams, strengthen capability and adapt their operations to remain sustainable.

The Inquiry also highlighted the broader economic and community role of the club sector, including as employers, operators of community facilities and contributors to local economies. Consideration of diversification opportunities will need to recognise the different circumstances of clubs, including the challenges faced by smaller, volunteer-led clubs compared with larger organisations with greater capacity to invest and adapt.

The Clubs Transition Group will provide an avenue to identify practical issues arising from implementation of the Inquiry's recommendations, including sequencing regulatory interactions and any matters requiring further Government consideration.

Financial and regulatory settings

The Inquiry considered the importance of appropriate financial and regulatory settings to support clubs through a period of significant reform. This includes consideration of the impacts of staged gaming machine reductions, regulatory requirements, transition support measures and other settings that may influence clubs' ability to adapt.

Staged approach to gambling reform and harm minimisation

The Inquiry also recommended a staged approach to gaming reform over a 20-year period, recognising that a gradual and predictable transition would provide clubs with sufficient time to

plan, build capability, diversify their business models and adapt to declining reliance on gaming revenue.

The Government's structured pathway to reducing EGM authorisations will be predictably staged and gradual to provide certainty for the club sector in relation to EGM authorisation caps. The phased reduction of EGMs towards 1,000 EGM authorisations by 2045 establishes sets out a clear and predictable pathway which will be achieved through the mandated reduction of 500 machines every four years. The Government has also committed to introduce mandatory account-based gaming in all venues with gaming machines by 2026-27. The ACT intends to introduce legislation in 2026, followed by a transition period to ensure licensees have sufficient time to integrate the necessary technology, adapt operating systems and overcome any implementation challenges.

Beyond gaming reforms, the Government will consider the Inquiry's findings in relation to other financial and regulatory settings, including whether existing frameworks appropriately support clubs to adapt to a changing operating environment while maintaining appropriate regulatory oversight and gambling harm minimisation objectives.

This will include consideration of the interaction between club operations, community use of club assets, local economic activity and the contribution clubs make to communities. These matters will inform future Government decision-making on the policy and regulatory settings applying to the club sector.

Existing government initiatives which support club transition

The Government is already progressing a range of reforms or initiatives relevant to the themes identified by the Inquiry. These initiatives provide an important foundation for the Government's broader response and will be further considered through the Clubs Transition Group which will be tasked with providing further advice back to the Government.

The Government will, where possible, seek to align responses to the Inquiry recommendations with strategy and policy work in progress. These initiatives are detailed below.

- **Balancing transition with gambling harm minimisation**

The Inquiry considered the need for clubs to transition away from reliance on gambling revenue while supporting the Government's broader gambling harm minimisation objectives. The Inquiry acknowledged that clubs' historical reliance on EGM revenue has been a significant feature of the ACT clubs operating model and that reform must balance the sustainability of clubs with the need to reduce gambling harm.

In response to the Clubs Inquiry report recommendations, the Government will approach the Inquiry's recommendations in a way that does not unintentionally have the effect of increasing gambling harm or risk, for instance to children or vulnerable Canberrans.

As part of the *Pathway to 4,000 Gaming Machine Authorisations by 2020*, the ACT Government provided financial and non-financial incentives for gaming machine licensees that took up the option to voluntarily surrender gaming machine authorisations by 31 January 2019. Electronic gaming machines are widely available at clubs in the ACT and are a source of harm as identified in the 2024 ACT Gambling Survey, which found that that EGMs are associated with the most gambling harm,

accounting for one-third of the total burden of gambling harm in the ACT. The government's approach to the phased reduction of EGMs in the Territory aims to *decrease* the accessibility of EGMs in community club venues to reduce gambling exposure and harm.

- **Land Zoning & Housing**

The Inquiry considered future use of club-owned land as part of exploring opportunities for clubs to diversify revenue streams and establish sustainable business models.

The Government notes that some clubs are already consolidating their business models and embarking on new business and land developments that will contribute to wellbeing initiatives such as new housing. The Inquiry found that larger, well-resourced club groups are often further advanced in diversifying and face different risks to many smaller clubs that remain reliant on EGM revenue.

The ACT Government aims to enable the delivery of 30,000 new homes by 2030, including 5,000 public, community, and affordable rental dwellings to address housing supply and affordability. Limited available land left for new suburbs means the ACT cannot rely on new suburban developments alone to meet the needs of the growing population. Making better use of existing suburbs and planning for a more compact, efficient and sustainable Canberra will help to achieve this goal.

- **Planning Priorities**

The Inquiry identified that planning and land use settings may influence the capacity of clubs to diversify and adapt to changing operating considerations. The Inquiry also highlighted that consideration of future land use opportunities forms part of the broader transition challenge facing clubs.

Consistent with the 2024 Election Commitment and the Minister for Planning and Sustainable Development's Statement of Planning Priorities 2025-2028, the City and Environment Directorate has reviewed whether broad based changes to the Territory Plan's Commercial Zone 6 Leisure and Accommodation Zoning (CZ6) would support club diversification.

This review considered whether adding additional uses, such as options to permit residential and/or aged care uses on CZ6 land, would support club diversification while also ensuring how a 'no net loss of community facilities' approach could be facilitated. Several clubs were consulted on their future plans which identified a broad range of development concepts across a variety of land holdings both in CZ6 and other zonings.

This work supported a Submission to the Housing and Infrastructure Subcommittee of Cabinet.

The Government recognises the diversity in the characteristic, zoning and provision of community and recreational facilities for club sites across the Territory. The Government, through the City and Environment Directorate, will work with all clubs on site-specific development opportunities on their land which would support their transition away from reliance on gaming machine revenue.

As part of this, the City and Environment Directorate will commence an expression of interest process in early 2027, where clubs can propose re-zoning (to permit residential use for example) to be included in an amendment to the Territory Plan where it achieves good planning outcomes and results in no net loss of community facilities.

These changes will be progressed through a major plan amendment (MPA), initiated by the Minister for Planning and Sustainable Development and facilitated by the Territory Planning Authority, this term. The clubs participating will be required to enter a deed to ensure that the amendments result in a reduction in poker machines, and ensure that future development includes access to community facilities.

Alongside this work, the Government is considering options for how clubs can be supported to manage or defer increases in rates or charges, including lease variation charges (LVC), resulting from land revaluation associated with new developments or lease variation. This will ensure alignment when new facilities enabled by these zoning changes are operational.

The Government is also considering legislative changes which would streamline planning approvals and support the expansion of events for clubs to fast-track their diversification pathways by allowing development applications to be submitted whilst the MPA process is underway, and allow temporary site uses and activation where there is a demonstrated community benefit (i.e. to expand events, conferencing, hospitality and community uses) without needing to vary the lease, therefore without attracting lease variation charges.

- **Development Solutions**

The Inquiry highlighted that some clubs are considering redevelopment and diversification opportunities as part of their future transition. Where redevelopment occurs, it will also intersect with existing Government regulatory frameworks that apply to development activity.

The Development Solutions Branch was established to provide a single, coordinated entry point for construction and development enquiries. The Branch supports proponents and the community across all stages of development by facilitating access to information, advice and government processes, including application lodgement, pre-application services and post-approval guidance. Development Solutions is distinct from the Territory Planning Authority, which retains its independent statutory role of assessing and determining development applications and administering the ACT planning system.

- **Clubs Concierge Service**

The Inquiry identified that clubs would benefit from improved coordination and a clearer pathway for clubs navigating Government processes, particularly in relation to planning and development matters.

A Clubs Concierge Service has been established within the City and Environment Directorate to provide a single point of contact and liaison specifically for clubs in relation to planning and land development matters and to provide advice on any

proposed (re)development that a club may be considering. The Clubs Concierge Service liaises closely with Development Solutions within City and Environment, and at the appropriate stage, refers queries to Development Solutions to guide and assist clubs with enquiries.

- **Portable Long Service Leave**

The Inquiry recognises that transition of the clubs' sector will have implications beyond business models and regulatory settings, including potential workforce impacts. The Inquiry identified that clubs are significant employers and that workforce capability, skills and employment considerations will be relevant as clubs adapt to changing operating environments.

The Government has announced measures to reduce the immediate costs of the adoption of the Portable Long Service Leave by the Food Services Industry. These measures include reduced levy contributions over three years for the food and beverage services industry. In addition, entry for all expanded industries has been delayed until 1 January 2027. This responds to the financial pressure we understand clubs and hospitality businesses are facing.

The Portable Long Service Leave Scheme is important for the thousands of Canberrans employed by the industry, and we remain committed to ensuring long service leave entitlements are more flexible and accessible across the workforce.

These initiatives demonstrate the Government's existing commitment to supporting a sustainable transition for the ACT clubs' sector and provide an important basis for responding to the Inquiry's recommendations. The Government recognises that implementation of further measures arising from the Inquiry will require careful consideration, including assessment of policy implications, regulatory requirements and where relevant, future budget processes and Government decision-making.

The ACT Government supports a vibrant club's sector that is financially independent, supports a thriving workforce and remains community-focused, providing a welcoming space where community members can meet and socialise without the saturation of gambling exposure and resulting harm felt by the community. It is the Government's aim that through working in partnership with the club's industry including through the Clubs Transition Group through our response to the Clubs Inquiry, we will achieve our long-term goal to support a viable community club sector.

Acknowledgements

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