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Liquor & Gaming NSW

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## Submission – Review of the ClubGRANTS Scheme

### Introduction

Thank you for the opportunity to provide input into the review of the ClubGRANTS Scheme.

The ClubGRANTS Scheme has the potential to funnel much-needed funding into the not-for-profit community services sector to support projects and programs in local areas. However, the way the Scheme has been administered in the past has led to opacity in terms of participation, funding distribution, and impact. In particular, it has been difficult to identify which Local Government Areas (LGAs) were required to have local committees, and whether there was community sector representation on local committees.

There is also lack of clarity around the distribution of Category 2 grants, leading to speculation or even observation that clubs are using these funds to support their own activities. It is unsurprising that clubs elect to use funds this way as it is in line with the ClubGRANTS guidelines. However, a more accountable, transparent process that assures the community that assessments and decisions are reached with probity, fairness and trust of the process at the forefront must be established moving forward.

Finally, while the low tax imposed in NSW on registered clubs that operate electronic gambling machines in NSW is outside the remit of this review, we strongly advise that the NSW Government should review the tax levied on these institutions in relation to the harms that gambling imposes on communities.

### About Community Industry Group

Community Industry Group (CI Group) is the peak body working for not-for-profit community services and organisations in southern NSW. We support community organisations, promote expertise and innovation in community development, foster industry development, and advocate for social justice.

For 30 years, CI Group has taken a leadership role in the local community/human services sector. We regularly engage with those organisations, services, and individuals who support individuals, families, and communities experiencing disadvantage and vulnerability. We also advocate on behalf of not-for-profit community/human services organisations and vulnerable communities to raise awareness of the issues which are impacting service delivery and affecting the lives and outcomes of individuals, families, and communities experiencing disadvantage.

Our members include not-for-profit service providers who deliver:

- Residential Aged Care
- Home and Community Care & Commonwealth Home Support Programs
- Independent Living for Older People
- Homelessness Supports
- Women's and Domestic Violence Support Services
- Child and Family Services
- Youth Services
- Disability Services
- Generalist Community/Neighbourhood Centres

## Response

The generous tax concessions available to registered clubs that operate electronic gambling machines in NSW should generate funds to benefit the communities impacted by the harms that gambling imposes on communities. However, anecdotal evidence from our member organisations reveals that the impacts on individuals and families are extreme, and that minimal projects aimed at addressing the disadvantage associated with gambling harm are funded through the scheme locally.

This is consistent with the findings of Browne et al.<sup>1</sup> in Victoria, which demonstrated that gambling harms, including financial, relationship, emotional/psychological, health, cultural, work/study, criminal and intergenerational harms well exceed the tax or even industry revenue benefits.

CI Group is also concerned that the current ClubGRANTS Scheme encourages unhealthy relationships between the clubs that facilitate problem gambling and the not-for-profit organisations that deal with the effects of problem gambling on individuals, families and communities. Receiving funding direct from a club can be ethically problematic for many community services organisations, particularly when these funded projects are used as positive publicity for the gaming institution.

The current practice of clubs contributing to the Scheme when poker-machine profits exceed \$1 million also skews the distribution of grant funds in relation to harms caused. Currently, a high socio-economic community may receive grant funds due to gambling turnover in local clubs, but a low socio-economic area may miss out, even though the impacts of gambling-related harm are greater.

## Recommendations

- Completely overhaul the ClubsGRANT Scheme to direct all contributions into a central independently-administered entity.
- This entity should distribute grant funding to communities based on the level of gambling harm and disadvantage.
- Establish independent local committees to assess and allocate grants. These committees should NOT include representatives from local clubs, but should include independent community representatives as well as representatives from services addressing the impacts of gambling harm such as the local health district, community organisations etc. We note that, as some of these organisations are likely

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<sup>1</sup> Browne, M, Greer, N, Armstrong, T, Doran, C, Kinchin, I, Langham, E & Rockloff, M 2017, *The social cost of gambling to Victoria*, Victorian Responsible Gambling Foundation, Melbourne.

to apply for grants, a clear Conflict of Interest policy and procedure must be aligned with the grants assessment process.

- Both large infrastructure and smaller project grants should be available.

Thank you for the opportunity to provide input into the Review of the ClubGRANTS Scheme. Please feel free to contact me on 0407 933 279 or at [nsloan@cigroup.org.au](mailto:nsloan@cigroup.org.au).

Yours sincerely.



Nicky Sloan

**CEO**