The NSW Government is undertaking a review of the ClubGRANTS Scheme (Review).

On this page

* [**Have your say**](https://www.liquorandgaming.nsw.gov.au/operating-a-business/gaming-licences/clubgrants/clubgrants-review#Have)
* [**What is happening?**](https://www.liquorandgaming.nsw.gov.au/operating-a-business/gaming-licences/clubgrants/clubgrants-review#What)
* [**Terms of Reference**](https://www.liquorandgaming.nsw.gov.au/operating-a-business/gaming-licences/clubgrants/clubgrants-review#TermsofReference)

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Liquor & Gaming NSW is seeking feedback until 18 March 2024 to inform the Review.

You can give us your feedback by:

* Providing a written submission
* [**Completing a survey**](https://nswliquorandgaming.qualtrics.com/jfe/form/SV_d5pf664767osntQ)
* Providing a written response and completing a survey

Written submission

You can email a written submission to [**gaming.policy@liquorandgaming.nsw.gov.au**](mailto:gaming.policy@liquorandgaming.nsw.gov.au%20).

Liquor & Gaming NSW has published a [**discussion paper**](https://www.liquorandgaming.nsw.gov.au/documents/public-consultations/ClubGRANTS-Review-Discussion-Paper.pdf) with targeted questions and background information to help guide your submission. However, you do not have to answer these questions in your submission.

Survey

You can complete a [**survey**](https://nswliquorandgaming.qualtrics.com/jfe/form/SV_d5pf664767osntQ).

The survey will take 10 to 30 minutes to complete based on how many questions you choose to answer.

Privacy

Your written submission may be made publicly available. If you do not want your personal details or any part of your submission published, please indicate this clearly. Submissions may be referred to in a report on the outcome of the consultation, however if you do not want your information made publicly available, your submission will be referred to as an anonymous submission. Survey responses will be de-identified and aggregated.

There may be times when the NSW Government must to release the information in written submissions, such as under the Government Information (Public Access) Act 2009*.*

What is happening?

Liquor & Gaming NSW is leading the Review in consultation with The Cabinet Office and NSW Treasury.

Liquor & Gaming NSW is running the Review separately to, but concurrently with, the cashless gaming trials, and may seek views from the [**Independent Panel for Gaming Reform**](https://www.liquorandgaming.nsw.gov.au/community-and-stakeholders/independent-panel-on-gaming-reform).

Terms of Reference

1. Background

The ClubGRANTS Scheme (the Scheme) was established in 1998 under the *Gaming Machine Tax Act 2001*(Act) to ensure that larger registered clubs in NSW contribute a portion of gaming machine profits to support local community services, programs and projects. Part 4 of the Act provides for a rebate of tax levied on registered clubs where a proportion of the clubs’ profits have been applied to community development and support.

The objective of the Scheme is to ensure NSW registered clubs with gaming machine profits over $1 million contribute to the provision of frontline services to their local communities and to ensure that the disadvantaged in the community are better positioned to benefit from the substantial contributions made by those clubs.

There are three categories of grants:

* Category 1 provides grants for specific community welfare and social services, community development, community health services and employment assistance activities. It is administered by clubs, with grants provided by individual clubs directly to the successful applicant.
* Category 2 provides grants for other community development and support services not listed in Category 1, including expenditure on a club’s core activities, such as sport, returned servicemen’s league/veteran welfare and golf course and bowling green maintenance. It is administered by clubs, with expenditure allocated by individual clubs to their core activities or directly to recipients.
* Category 3 provides infrastructure grants for arts and culture, community facilities, disaster readiness and sport and recreation. It is administered by the Office of Responsible Gambling and funded through a Special Deposit Account called the ClubGRANTS Fund established by section 17A of the Act.

Criteria and administration requirements for Category 1 and 2 grants are outlined in the ClubGRANTS Guidelines approved by the Minister for Gaming and Racing. Category 1 and 2 grants combined total around $100 million per year, while Category 3 grants total around $12.5 million per year.

2. Purpose

The NSW Government is committed to restoring integrity and public trust in government grants, including implementing legal protections to ensure the key principles of transparency, accountability and probity are embedded into the way NSW Government grants are delivered.

The [**NSW Treasury 2023 Evaluation Policy and Guidelines (TPG22-22)**](https://www.treasury.nsw.gov.au/sites/default/files/2023-02/evaluation-tpg22-22.pdf) require all NSW Government agencies to regularly examine initiatives to ensure they are achieving intended outcomes and providing a social benefit to the people of NSW.

The Scheme has not been formally reviewed since 2013, when the Auditor-General of NSW conducted a performance audit of the Scheme’s management. The Guidelines of the Scheme have evolved since that time in response to technological changes, changes to the industry and externalities such as drought, bushfires, floods and the COVID-19 pandemic.

To ensure Government’s standards for grant programs are being met, the ClubGRANTS Review (Review) will determine whether the Scheme provides cost effective benefits to local communities, including whether the taxation arrangements are appropriate, whether the regulatory framework remains fit for purpose, and whether the administration of the Scheme meets contemporary standards.

This will include examining all aspects of the Scheme and all options for reform, including repealing, reforming or amending the current Scheme.

3. Terms of Reference

The Review will include examination of:

**1. The costs and benefits of arranging the Scheme as a tax concession:**

* whether the Scheme provides benefit to the people of NSW (as per TPG22-22)
* whether the tax concession given to clubs under the Scheme provides value for money
* whether the tax concession is effective in the context of other forms of concessions provided to clubs
* whether there are alternatives for funding community programs that are more cost effective or provide greater benefits to the people of NSW.

**2. The appropriateness of the Regulatory framework:**

* whether the intent of Part 4 of the *Gaming Machine Tax Act 2001* (Act) remains valid
* whether the Scheme’s objectives listed in the ClubGRANTS Guidelines, align to, and achieve the intent of the Act
* whether the regulatory framework is effective in achieving the Scheme’s objectives.

**3. The effective administration of the Scheme:**

* whether the Scheme's current administration arrangements achieve the objectives listed in the ClubGRANTS Guidelines
* whether the Scheme’s current administration complies with modern standards for grants programs, including the NSW Grants Administration Guide, relevant standards, codes, and best practice grants administration, including the principles of transparency, accountability and probity.

The Review will make recommendations to the Premier, Treasurer and Minister for Gaming and Racing.

4. Proposed process for the Review

Liquor & Gaming NSW will lead the Review in consultation with The Cabinet Office and NSW Treasury. The Review will run separately to, but concurrently with, the cashless gaming trials and may seek views from the Independent Panel for Gaming Reform.