

CLUBS AUSTRALIA SUBMISSION 2024-25 FEDERAL BUDGET

Clubs Australia welcomes the opportunity to comment on priorities for the 2024-25 Federal Budget.

Clubs Australia represents 6,000 licensed clubs that employ more than 140,000 people. Clubs are not-for-profit, member-owned organisations whose central activity is to provide sporting and recreation infrastructure to their members and the wider community.

Clubs have a diverse workforce which includes hospitality workers, such as bar attendants and chefs, as well as roles ancillary to hospitality operations, such as greenkeepers, leisure attendants, fitness instructors and childcare workers. The club industry is governed by its own modern award, the Registered and Licensed Clubs Award 2020.

The club industry makes significant contributions to communities across Australia including enhancing the skills development of workers, building and maintaining social facilities, providing a safe and inclusive environment for individuals with disability, supporting emerging and established performance artists, and fostering grassroots sports.

Clubs Australia believes there are further opportunities to support clubs in serving their local communities.

SUMMARY OF RECOMMENDATIONS

Clubs Australia recommends:

- providing financial assistance for clubs to enhance their facilities for people living with a disability.
- expanding fee-free TAFE hospitality related courses to support training and upskilling.
- the Government continue to engage stakeholders as the new skilled migrant visas and additional measures are implemented to ensure that the migration system supports clubs to fill skills shortages.
- the Government index the capping threshold for NFP FBT rebatable employers.
- the Government consider removing FBT on staff business meals in hospitality venues.
- The Government provide relief to clubs by freezing the excise rate on all liquor for 12 months.

CASE STUDIES: LICENSED CLUBS SUPPORTING THEIR LOCAL COMMUNITIES

Recently, the Broken Hill Musicians Club acquired the Silver City Cinema to save it from permanent closure. The next closest cinema is more than 400km away. Since reopening the cinema, the Club has hosted charity events and provided complimentary movie screenings.

Dooleys Lidcombe Catholic Club have invested more than \$70,000 since 2016 in 'Swim, Survive, and Socialise', a water safety program for culturally and linguistically diverse communities.

Yamba Bowling Club is currently training a young apprentice who is completing their Certificate III in Commercial Cookery, with an expected graduation by early 2024. The Club offered a \$1,000 sign-on bonus and annual incentive bonuses to reward ongoing progress.

The Murray Downs Group, encompassing the Murray Downs Golf and Country Club and the Swan Hill Club, has adopted environmentally friendly practices, including purchasing solar panels and energy-efficient equipment.

PROVIDE ADDITIONAL SUPPORT FOR CLUBS TO ENHANCE FACILITIES FOR PEOPLE LIVING WITH A DISABILITY

Clubs provide a safe and inclusive environment for people living with disability, offering various programs and activities, accommodating reasonable adjustment requests for employees, and surpassing the standard requirements for physical accessibility in venues.

Clubs are dedicated to removing barriers to participation, enhancing involvement, and improving the experience for people with a disability visiting their premises. For example, Hornsby RSL hosts augmented bowling games during select times for seniors and people with a disability.

Many venues are interested in upgrading their facilities to better accommodate individuals with disability, but the associated capital expenditure is prohibitive.

With 18 per cent of the Australian population experiencing disabilities, the presence of facilities that can effectively cater to and assist this demographic is imperative.¹

Clubs Australia supports the introduction of tailored grants or interest free loans to support venues with capital works projects, such as the creation of sensory stimulating spaces, installation of assistive technology, and upgrades to address sound absorption or diffusion to enhance facilities for individuals with disability in centrally located community hubs.

The Federal Government may consider offering funding to support venues in acquiring useful resources like communication boards or accessibility maps. Such items would be helpful for patrons or employees who face challenges in verbal communication or have limited mobility.

Clubs Australia recommends providing financial assistance for clubs to enhance their facilities for people living with a disability.

¹ Australian Institute of Health and Welfare. 2022. 'People with disability in Australia'.

EXPAND FEE-FREE TAFE COURSES IN HOSPITALITY TO SUPPORT TRAINING AND UPSKILLING

There is a critical shortage of skilled workers in the club sector, particularly chefs and cooks.

Clubs Australia believes the Australian Government should prioritise enhancing skills development and training by expanding the highly successful fee-free TAFE courses initiative.

In NSW, the only food and hospitality-related course offered for Semester 1 in 2024 is Certificate III in Patisserie, despite the significant shortage of chefs and cooks.

Clubs Australia recommends including additional food and hospitality-related courses, such as a Certificate III in Commercial Cookery, and a Certificate IV in Commercial Cookery, which would support prospective students to pursue a career in the club sector and assist businesses in training aspiring skilled workers.

Clubs Australia recommends expanding fee-free TAFE hospitality related courses to support training and upskilling.

CONTINUE TO CONSULT WITH STAKEHOLDERS AS THE NEW SKILLED MIGRANT VISAS AND ADDITIONAL MEASURES AND COMMITMENTS ARE IMPLEMENTED

As noted above, clubs across Australia continue to experience prolonged job vacancies due to the shortage of local skilled workers and difficulties employing migrant workers, including complex visa arrangements and processes. These job vacancies are mainly in the skilled positions of chefs and cooks.

Clubs Australia recognises the significant work undertaken by the Government over the last twelve months to improve the migration system in Australia, particularly the recent release of the Migration Strategy. In particular, Clubs Australia commends the Government's commitment to streamlining labour market testing and processing to reduce the complexity of the migration system. Furthermore, Clubs Australia supports the development of a new Skills in Demand Visa, with full mobility and clear pathways for permanent residency.

Clubs Australia recommends that the Government continue to work with stakeholders to ensure the migration system supports businesses, including clubs, to fill skills shortages. Migrant employees in the club industry serve as a key labour stream, and Clubs Australia supports any changes to the system to allow for it to be competitively administered to attract skilled workers into Australia, especially in regional areas.

Clubs Australia recommends that the Government continue to engage stakeholders as the new skilled migrant visas and additional measures are implemented to ensure that the migration system supports clubs to fill skills shortages.

FRINGE BENEFITS TAX

Index the capping threshold for NFP FBT rebatable employers

The \$30,000 capping threshold for NFP FBT rebatable employees is not indexed and has not been adjusted since its introduction in 2001, which means that the current rate has not kept pace with market adjustments over this prolonged period.

These arrangements offer NFP businesses, including clubs, an important opportunity to attract talented workers from other industries with competitive salaries. The competitive advantage held by NFPs as a result of this incentive has diminished, making NFP employers less attractive to prospective employees.

Clubs Australia recommends that the Government index the capping threshold for NFP FBT rebatable employers.

Remove FBT on staff business meals

FBT acts as a disincentive for businesses to use hospitality venues for legitimate business purposes like staff lunches and events. This is because, under the current structure of FBT, where an employer provides meal entertainment to employees or their associates, it is subject to FBT where the entertainment is in a hospitality venue.

Removing FBT This would encourage businesses to host businesses for hospitality lunches in venues, which would support the club industry in providing more employment opportunities and strengthen food and beverage revenue streams.

Clubs Australia recommends that the Government consider removing FBT on staff business meals in hospitality venues.

PROVIDE RELIEF TO CLUBS BY FREEZING THE EXCISE RATE ON ALL LIQUOR FOR 12 MONTHS

Alcohol excise duty rates are indexed twice per year, which has resulted in significant increases in the cost of liquor over time. These cost increases are in addition to increases arising from other inflationary effects, such as the cost of ingredients.

Clubs have experienced increased costs across all areas of their businesses and are operating in an ever-challenging economic environment. Clubs Australia has heard through members that almost all their inputs have increased in price, a high proportion of which is passed on to patrons. Clubs Australia recommends the government consider a twelve-month freeze on the excise duty rates for all liquor to support clubs and their patrons with inflationary pressure.

Clubs Australia recommends that the Government provide relief to clubs by freezing the excise rate on all liquor for 12 months.

CONTACT INFORMATION

Clubs Australia appreciates the opportunity to provide a submission. For further information, please contact Simon Sawday, Executive Manager of Policy and Government, on 0451 661 475 or ssawday@clubsaustralia.com.au.