

2025

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

APPROPRIATION BILL 2025-2026

SUPPLEMENTARY EXPLANATORY STATEMENT

**Presented by
Jo Clay MLA
Member for Ginninderra**

Appropriation Bill 2025-2026

This explanatory statement relates to the Assembly amendments (**the amendments**) to the Appropriation Bill 2025-2026 (**the Bill**) as presented to the Legislative Assembly by Jo Clay MLA. It has been prepared in order to assist the reader of the Bill and to help inform debate. It does not form part of the Bill and has not been endorsed by the Assembly.

The Statement must be read in conjunction with the amendments. It is not, and is not meant to be, a comprehensive description of the amendments. What is said about a provision is not to be taken as an authoritative guide to the meaning of a provision, this being a task for the courts.

Overview of the amendments

For the past fifteen years, the ACT Government has provided funding to the Canberra Racing Club and Canberra Harness Racing Club under a special deal to the horseracing industry via Memoranda of Understanding (MOU). The current MOU provides \$41.44M of public funding to the horseracing industry over a period of five years. At the time of writing, the MOU appeared on the ACT Government's Justice and Community Safety Directorate website: <https://www.act.gov.au/open/racing-memorandum-of-understanding>.

The purpose of the amendments is to phase out funding for the horseracing industry. Public funding to the horseracing industry is inconsistent with community expectations, ACT Government priorities and funding arrangements for other arts, sports and recreational groups.

In response to a Budget Estimates question, the Minister for Gaming Reform said that the total amount of funding provided to the horse racing industry (Canberra Racing Club and Canberra Harness Racing Club) under the MOU in the 2025-26 budget is \$8,514,864. The amendments propose to reduce this amount by \$6,811,891, which is 80% of the amount provided to the horse racing industry under the MOU.

I have tabled similar amendments in 2022 to cut proposed funding by 20%, then in 2023 to cut it by 40%, then in 2024 to cut it by 60%. Those amendments were supported by ACT Greens members but voted down by ACT Labor and Canberra Liberals members.

The ACT Greens have taken the approach that while we do not think it is financially responsible to continue to subsidise the horseracing industry, we are happy to phase out funding rather than cut it off suddenly. This will allow the industry to look after its workers and animals as it transitions.

No public benefit from this MOU

There is no public benefit delivered by this MOU.

Historically, public servants could not find any reason to justify this funding deal. The [2010 cabinet submission](#) signed by Andrew Barr which first set up the MOU taxpayer subsidy noted that it "does not provide any argument to support the existing subsidy."

Since then, the ACT Government has spent and pledged over \$100m to the horseracing industry over three MOUs. The ACT Government has consistently provided 40% - 50% of the club's income.

What is the public benefit that flows from this public funding?

Economic contribution comes from gambling harm and ads about gambling

ACT Government and commentators have referred to the industry's economic contribution to Canberra as one reason to justify funding. This contribution comes primarily from gambling harm and ads for gambling.

The [Independent report from IER on the economic and social impact of Thoroughbred racing in the ACT](#) stated that around 60% of the racecourse's economic contribution comes from industry and wagering operator expenditure (that is, gambling and gambling ads).

Prior to being the Minister, the current Minister for Gaming Reform said on 20/7/2023 "Now is a fantastic time to push Government to ban online gambling and betting advertising".

It is astonishing for a government to say they want to reduce gambling harm and are considering banning online gambling and gambling ads, and at the same time to promote gambling and gambling ads as a valid economic contribution.

It is also inconsistent with community values. The majority of Canberrans do not believe gambling and ads about gambling are a public contribution that should be valued and subsidised. Most people understand that these are harmful activities that should be regulated.

There was no public tender or grants process and scrutiny is poor

The arts and sports sector do not receive this level of Government funding. No single sport or activity receives anything even close to the \$8.5M given to the horseracing industry under this Budget.

- The 29 arts organisations and centres receive between \$40,000 and \$950,000 each per year, totalling around \$9M for the whole sector. They do not get any certainty about indexation either – unlike the horseracing handout which locks in indexation for five years.
- For the professional sports teams, the Raiders receive \$2.6M per year, the Brumbies receive \$1.8M per year, and the Canberra Capitals and Canberra United \$400,000 each per year. All of those sports combined get less than the horseracing industry.
- Community sporting groups have to apply for individual Club Enhancement Program grants of up to \$20,000.

In addition to receiving less money than the horseracing industry, arts and sports organisations must go through a more rigorous process to obtain it. Typically they go through a competitive grant or tender process and face scrutiny in delivering on their obligations.

The horseracing industry did not go through a grant or tender process at all and their current MOU is in breach.

One of the terms under the MOU is to "develop a report in response which will outline proposals to limit the use of whipping in at least three ACT race meetings annually. The Report must be provided to the Minister by the end of 2023." During [Estimates Committee hearings](#), the Minister told us the Canberra Racing Club has not yet provided this report. Government further indicated the report is delayed and it might be difficult for the horseracing industry to meet the terms at all.

I do not know when or if this term will be met. I am concerned about the financial risks and probity involved in continuing to fund an organisation that is in breach of its agreement.

The \$8.5M per year subsidy is financially irresponsible in the current budget

The Treasurer has stated that this budget contains “difficult decisions”. The budget as tabled will cut many essential services supporting our community and environment, all of which receive less funding than the \$8.5M given to the horseracing industry.

It is irresponsible to continue to fund the horseracing industry while cutting core services that tackle homelessness, women’s safety, library access and the environment.

CLAUSE NOTES

Amendment 1
Clause 6 heading
Page 2, line 15 —

This clause omits the heading and substitutes the title ‘Appropriations of \$9 027 026 109.’

Amendment 2
Schedule 1, part 1.5
Page 5 —

Amendment 3
Schedule 1
Page 6 —

Amendment 4
Schedule 1
Page 7 —

Amendments 2, 3 and 4 omit parts of schedule 1 and substitute a lower amount to reduce the total appropriation by \$6,811,891 for 2025-26.