

2026

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

APPROPRIATION BILL 2026-2027

SUPPLEMENTARY EXPLANATORY STATEMENT

**Presented by
Jo Clay MLA
Leader of the ACT Greens
Member for Ginninderra**

Appropriation Bill 2026-2027

This explanatory statement relates to the Assembly amendments **(the amendments)** to the Appropriation Bill 2026-2027 **(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). There was no public tender nor public procurement process for this MOU.

At the time of signing, the current MOU was estimated to provide \$41,144,000 of public funding to the horseracing industry over a period of five years. Due to Clause 5.3 of the MOU, the actual amount provided to the horseracing industry over the five years is indexed to CPI. This means that the actual amount provided to the horseracing industry is \$41,578,931. The CPI indexation means that the horseracing industry would receive a bonus \$434,931 on top of the original \$41.144M.¹

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 2026-27 budget is \$8,685,161.

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. In 2025, I moved amendments to cut funding by 80%. Those amendments were supported by ACT Greens members but voted down by ACT Labor members, Canberra Liberals members, and both independents, Tom Emerson and Fiona Carrick.

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 were happy to phase out funding over the five years of the MOU rather than cut it off suddenly. This would have allowed the industry to look after its workers and animals as it transitioned. This is now the final year of the MOU. It is even more important to phase out this funding now than when we first began that call.

¹ 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 independent adviser to the Fiscal Sustainability Committee has explained that the ACT Government has been spending more money than it raises and has concluded that “the ACT’s financial position cannot be characterized as ‘sustainable’”.

The Integrity Commissioner recently found serious corrupt conduct in an ACT Government procurement in its Operation Kingfisher report.

In this environment, it is not tenable to continue to grant this level of public funding to an organisation providing no community service to Canberrans and to grant that money outside the usual probity structures of public procurement via grants or tenders.

No public benefit from 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. There is no public benefit that flows from this public funding.

Economic contribution comes from gambling harm and ads about gambling

The 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 an economic contribution that should be valued and subsidised. Most people understand that these are harmful activities that should be regulated and reduced.

The scale of this funding is out of step with other sports

No single sport or activity receives anything even close to the \$8.7M given to the horseracing industry under this Budget.

- 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, 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 for the \$41.6M MOU.

The \$8.7M per year subsidy is financially irresponsible in the current fiscal environment

The [Eslake report](#) and the Fiscal Sustainability Committee found the ACT's financial position is not sustainable. In this fiscal environment providing \$8.7M to the horseracing industry is irresponsible.

Due to favourable indexation rates in the MOU, the horseracing industry would receive an **additional \$434,931** over the estimated funds over the course of the five years of funding. No other sector gets this level of indexation.

Every funding decision that the Government chooses to make sends a signal about what is important to them. While cutting the funding to the horseracing industry would not fix the overall sustainability of the budget, there are many other better uses of public money that benefit the community more widely. It is irresponsible for the Government to continue to fund the horseracing industry with public money while failing to properly fund core services such as library access, public housing, more frequent buses, foundational supports, ambulance officers, harm reduction services, food relief, family violence services, mental health services, palliative care at home, midwifery continuity of care, a separate birth centre, community sport, and bushfire preparedness.

CLAUSE NOTES

Amendment 1
Clause 6 heading
Page 2, line 15 —

This clause omits the heading and substitutes the title 'Appropriations of \$9 452 504 839.'

Amendment 2
Schedule 1, part 1.5
Page 5 —

Amendment 3
Schedule 1
Page 6 —

Amendment 4
Schedule 1
Page 6 —

Amendments 2, 3 and 4 omit parts of schedule 1 and substitute a lower amount to reduce the total appropriation by \$8,685,161 for 2026-27.