



CANBERRA SERVICES CLUB

FOR THOSE WHO SERVE OUR COMMUNITY AND COUNTRY



PRESIDENTS REPORT TO ANNUAL GENERAL MEETING 2026

I wish to thank Board Directors, Committee members and our Manager for their collective commitment to the Canberra Services Club (CSC).

Governance Reform

Over the reporting period the Board has reviewed its governance structure and compliance obligations to ensure that the CSC Board is not just meeting its fiduciary responsibilities but that the structure, processes and policies of CSC are 'leading edge' within the community club and Not-for Profit sector.

The Board's reforms modernise the governance framework of the Company. The reforms:

- strengthen governance, compliance and accountability;
- clarify Member rights;
- modernise Constitutional governance;
- separates governance oversight from operational management and compliance; and
- strengthen regulatory governance compliance.

I would like to acknowledge our Director Governance & Audit, Vince Pannell APM, CSC-LM, for his leadership, and Director Peter Komocki for his legal expertise on this significant reform project.

Financial Reform

It is important to reflect on where we have come from, to where we are today, in order to have a clear vision of what has been achieved and what needs to be achieved over the next few years.

- In the year ending 30 January 20, the club ran at a loss of (-\$381,141);
- In the year ending 30 January 21, the club ran at a loss of (-\$381,966). Key members of our current Board reviewed the situation and commenced remedial action;
- In the year ending 30 January 22, the annual debt was reduced to (-\$350,523);

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- In the year ending 30 January 23, the debt was further reduced to (-\$236,639);
- In the year ending 30 January 24, the debt increased to (-\$306,300) as outstanding debts were paid; outstanding maintenance was addressed; and Barton site refurbishment commenced;
- In the year ending 30 January 25, debt was reduced to a small loss of (-\$19,188). This was a direct result of the significant increase in patronage after the upgrade of the Club premises at Barton and the introduction of the Club's Community Incentive Program;
- In the year ending 30 January 26 the CSC was on the verge of making significant surplus but has made a technical loss of (-\$1,096,217) due to insurance losses (See below).

I have no doubt that if it was not for the combined actions of the Board Directors and the Manager of the Club, we would not be celebrating the improved financial viability of the Club.

I would particularly like to thank Vice President and Director Finance & Risk, Karen Drake and Vice President David Spouse for their combined financial expertise, along with our Manager, Vaughan Welch for his club industry knowledge and expertise.

Development Applications

After a long battle, successful Court challenge and amendment of the Development Applications (DAs), that were originally lodged in 2016, I am pleased to report that on 13 May 2025 the Applications to remove the concessional status of the Lease at Griffith (next to Manuka oval) and the lease at Barton were approved by the ACT Government, being the first step to enable redevelopment on the two sites. A significant milestone for our future!

Fire at the Barton Premises

Sadly, only three (3) months after DA approval, in August 2025 a devastating fire occurred at the CSC club premises at Barton. Since the fire at the Barton site, the Board and our Manager have been focused on three (3) key areas:

1. The Insurance Claims (Property Insurance; Contents Insurance; Interruption of Business Insurance);
2. Ensuring Member Engagement - members being able to regularly meet and attend various events and locations whilst we do not have a physical club premises; and
3. Redevelopment options for both sites.

The Insurance Claims

This process has been very complex and the CSC engaged a professional Claims Consultant for that purpose - money very well spent. I would like to particularly thank our Manager Vaughan Welch for the enormous work that he has done to justify our claims. We anticipate settlement on the Property Insurance and Contents Insurance before 30 June 2026. Demolition has already commenced as the building and contents have been written off.

Ensuring Member Engagement

With the assistance and support of a number of Clubs and businesses, the CSC has been able to have a number of scheduled functions and events transferred to other venues. The CSC has continued to engage with members on social media and in person. The CSC continues to organise events and functions for members at venues around Canberra. I would particularly like to acknowledge Alicia Doherty, our Director Marketing & Events, for her amazing initiatives on this front. I also publicly acknowledge the Mercure Hotel Canberra and King O'Malleys Canberra for their wonderful support on ANZAC Day and for other events for our Members.

Redevelopment Options for both sites

The CSC has entered into a Project Development Deed (PDD). The purpose of this PDD is to undertake a Feasibility Assessment of the Redevelopment options. This will enable the parties to enter into negotiations for the joint redevelopment of the Manuka Site and Barton Site, including providing the CSC with a new club. As part of this process the CSC has engaged with the ACT Government's Concierge Team on redevelopment and the NCA Planning Section.

As work progresses we are awaiting a decision by the ACT government in regards to the recommendations of the Inquiry into Clubs in the ACT. If certain recommendations are adopted by the ACT government it will have a positive impact on the CSC development options.

Vision for our club

The Board has adopted the following vision:

- a financially sustainable, community-embedded institution that provides food, beverages, entertainment and social infrastructure;
- an accessible space for meetings, gatherings and belonging for those who serve our community and country and for the broader community;
- the capacity to deliver meaningful community contributions in cash and in kind;
- supporting flexible and reliable employment for all stages of life, ensuring skills development and belonging for our valued employees;
- operating with skilled Boards that are able to keep relevant to evolving community and cultural needs, diversify and effectively govern with competence, integrity and due diligence;
- maintaining the freedom to diversify, and
- the flexibility and capability to adapt to community needs while fulfilling our social purpose and responsibilities as a community club.

Challenges ahead

At the time of writing:-

- The financial position of the CSC remains weak and we must retain all financial reserves so we can cover redevelopment costs, which even with a joint venture partner, will be significant;
- Whilst the CSC is non operational there are still significant ongoing government costs such as rates, land tax, EGM monthly licence fees etc;
- There is still a significant 'Payout Payment' amount that must be paid to the ACT government for the Barton Lease to be deconcessionalised and a new Lease issued.
- Noting that any redevelopment of the Griffith site and/or Barton site will take between 3 and 6 years for completion after DA building approval, the CSC will remain under financial stress.

Community Contributions

The Community Contributions Financial Report for Canberra Services Club (Licence GML0015) for the year ended 31 January 2026 was prepared pursuant to s.172 of the Gaming Machine Act 2004.

The CSC recorded total Gross Gaming Machine Revenue of \$39,757 for the period, generating a Net Gaming Machine Revenue of \$30,215 after the 24% statutory deduction.

Total community contributions claimed are \$15,248, representing 50.47% of NGMR, well in excess of the required 8% threshold (\$2,417), leaving a surplus of \$12,831.

Of the \$14,950 in direct contributions (excluding the GHPMF levy), \$1,200 was cash (ACT Darts team registrations) and \$13,750 was in-kind, primarily comprising dedicated office space for Australia War Widows (\$5,000), darts facilities for 12 ACT Darts home games (\$6,000), and weekly function space for Rostrum Australia (\$1,250). The balance relates to function space access for East Rugby Union, ACT Afrikaans Association, and the Australian American Association.

A mandatory Gambling Harm Prevention and Mitigation Fund levy of \$298 (0.75% of GGMR) has been included in the total claimed figure.

The CSC Executive is comfortable that the report is complete and accurate and all contributions have been assessed as eligible under ss.166–169 of the Act.

In Conclusion

Thanking you for your ongoing support and commitment to the Club. With your ongoing support and the support from our Canberra community, the phoenix will rise once again from the ashes!

Yours in Service,



Jon Hunt-Sharman