

25 June 2025

Sarah Low
Director Policy & Reform
Liquor & Gaming NSW
Department of Creative Industries, Tourism, Hospitality and Sport

Via email: gaming.policy@liquorandgaming.nsw.gov.au

Dear Ms Low,

ClubsNSW welcomes the opportunity to provide a submission on the Regulatory Impact Statement (**RIS**) of the Registered Clubs Regulation 2025 (**the Regulation**).

ClubsNSW is the peak body representing more than 1,200 registered clubs across the state. 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. These clubs support 75,500 direct and indirect jobs.

Clubs in New South Wales have a long history as social, cultural and economic assets that benefit local communities. Under the stewardship of directors and employees, clubs take their social license to operate seriously, including the responsibility to be transparent with members. Clubs must be supported in a regulatory environment that enables their ongoing sustainability and viability.

The key matters of concern for ClubsNSW are set out below with the detailed position on the Regulation is set out in **Attachment A**.

1. Top Executives

Remuneration

ClubsNSW supports the appropriate disclosure of executive remuneration to allow club members to assess whether the remuneration policies adopted by the club's board of directors are in the best interests of the club.

The current Draft Regulation proposes the disclosure of the contract details, including remuneration, of a top executive. The disclosure of individual-level remuneration will have serious unintended consequences for workplace health and safety and does not align with the current practice adopted in other regulated remuneration disclosure schemes. The Draft Regulation should be amended to align this requirement with other existing disclosure schemes by making the disclosure mandatory in annual reports rather than upon the request of a member.

Workplace Health and Safety Concerns

ClubsNSW has undertaken consultation with member clubs and also the Club Managers Association, the union that represents club management employees. Serious workplace health and

safety concerns were raised during this consultation with respect to the disclosure of the remuneration of individual club executives. These concerns included individuals, such as former employees, misusing the information provided to engage in a campaign of bullying and harassment. The mental health and well-being of club employees remains paramount to the industry.

Existing Disclosure Schemes

ClubsNSW notes that concerns about the potential improper use of individual remuneration levels is addressed in most of the existing regulated remuneration disclosure schemes. For example, the Australian Accounting Standards Board Standard on Related Party Disclosures (AASB Standard 124) requires the disclosure in aggregate of key management personnel. The standard defines key management personnel as being the personal having the authority and responsibility for planning, directing, and controlling the activities of the entity and includes both senior executives and directors.

Similarly, the Annual Reports (Departments) Regulation 2015 and the Annual Reports (Statutory Bodies) Regulation 2015, which provide the disclosure scheme for NSW Government agencies and statutory bodies, do not require the disclosure of remuneration for individual senior public servants, but rather disclosure in aggregate.

Mandatory Disclosure in Annual Reports

As companies limited by guarantee, most clubs have an existing legislative obligation under the Corporations Act to comply with the AASB Standard for disclosure of remuneration for key management personnel in their annual report. ClubsNSW supports the proactive disclosure requirements under this scheme. To avoid unnecessary regulatory duplication ClubsNSW recommends that Registered Clubs Accountability include a requirement for all clubs to disclose to members the remuneration of key management personal in accordance with AASB Standards in their annual reports, regardless of whether this is required under corporations law. This approach would minimise the regulatory burden on clubs while enhancing the transparency and accountability objectives of the Code. The disclosure of key management personnel remuneration in aggregate will minimise the WHS risks.

We note that there are existing processes under section 247A of the Corporations Act that allow clubs members to gain access to more detailed company records, which could include a top executive contract, subject to being able to demonstrate that the disclosure is sought for a proper purpose. ClubsNSW submits that this is appropriate avenue for members seeking further detailed disclosure of the terms of employment of top executives.

Recommendation

Replace the requirement in the Draft Regulation for the disclosure of the details of the employment contract of top executives with a requirement to disclose the remuneration of key management personnel in accordance with the relevant AASB Standard in the club's annual report.

Terms of Employment and Termination

ClubsNSW notes that the Regulation also proposes to introduce that terms of contract of a top executive would need to be released. ClubsNSW does not support the terms of contract being released and member feedback has indicated that this poses significant concerns from a confidentiality perspective.

Furthermore, the release of employment contract details may negatively impact clubs' ability to attract and hire individuals into roles in the future. ClubsNSW believes the current requirements to report on a top executive, including the role, length of employment, and responsibilities, are sufficient in providing transparent information to members.

Recommendation

ClubsNSW recommends that the current provision of information for top executive contracts in the Regulation is retained, and terms of employment, remuneration and termination of employment do not need to be released.

2. Volunteer Secretaries

All clubs in NSW are required to have one secretary at all times to fulfil obligations under the *Registered Clubs Act 1976* (the Act) and Regulations. Under the Act, an employee of a club cannot be a director on the board. As a result, some clubs appoint an honorary secretary who fulfils the role of secretary under the Act whilst also filling a position on the Board. Some clubs also have an individual who only fills the secretary role on an unpaid basis.

ClubsNSW is aware of at least 95 small clubs that currently utilise a volunteer/honorary secretary arrangement, with 71 of these clubs located in regional NSW. Furthermore, over the last six years, ClubsNSW is aware of at least 200 clubs that have had a volunteer secretary position.

Small clubs have expressed concerns about the rapidly evolving regulatory environment and the associated costs of compliance. For context, the number of regulations introduced between 2010 and 2019 more than doubled compared to the previous decade. Volunteer secretaries enable clubs, particularly those facing financial viability concerns, to continue their operations and maintain vital community assets. ClubsNSW would hold serious concerns if volunteer secretaries are unable to be utilised, as there does not appear to be another viable option for clubs to rely on.

It is often the case that clubs that have an honorary secretary are often run primarily by volunteers. We recommend that the Regulation allow for volunteer secretaries to be engaged under a volunteer arrangement (as opposed to contracts of employment). This will ensure that there is a clear statement of expectations for an individual who is filling the position.

Recommendations

ClubsNSW recommends that the Regulation allow for volunteer secretaries, with appropriate regulations in place to support individuals filling this role, including a volunteer agreement.

ClubsNSW would appreciate the opportunity to work with Liquor & Gaming NSW to ensure the appropriate regulatory framework is implemented.

3. Quarterly Financial Statements

Time-limit for member request to quarterly statements

ClubsNSW supports the introduction of a time limit for member requests for quarterly financial statements. However, ClubsNSW recommends that the limit be 3 years to align with other record-keeping requirements, including the requirement to keep general record-keeping requirements under the Gaming Machines Regulation 2019.

The proposed amendment will support clubs in reducing administrative burden and potential cost to retrieve historical records where they may be requested by a member.

Recommendation

ClubsNSW recommends a three-year limit of member requests for a club's quarterly financial statements.

Providing information at an individual club level

Clubs have expressed concerns about the potential requirement to prepare and provide individual club profit and loss statements and trading accounts to members. Under the Australian Accounting Standards, a company that operates multiple businesses under a single legal entity is not required by law to prepare separate financial statements for each line of business. Therefore, clubs prepare one set of General-Purpose Financial Statements covering the entire legal entity.

Recommendation

ClubsNSW recommends that a club should have the choice to provide quarterly financial statements to members either at the whole club level or an individual club level.

4. Other Matters

ClubsNSW position on the draft Regulations, including proposed wording where relevant, is available in **Attachment A**.

ClubsNSW would also welcome the opportunity to work with Liquor & Gaming NSW to update the *Registered Clubs Accountability Guidelines* and *Registered Clubs Accountability Disclosure Register* to ensure clubs are aware of their obligations under the Regulation.

For further information, please contact Alex Staric, Policy Manager, at AStaric@clubsnsw.com.au.

Yours sincerely,

Daniel Mitchell
Chief Strategy & Advocacy Officer
ClubsNSW

Attachment A: Table of Recommendations in draft Regulation

Clause in draft Regulation	Key policy change	ClubsNSW Position
Clause 9 (2) (d)	Requiring the memorandum of understanding (MoU) between amalgamating clubs to specify the steps to be taken to protect and preserve employees' leave and other entitlements.	<p>ClubsNSW supports the protection of any employees involved in an amalgamation.</p> <p>Under the current legislative framework, employee entitlements in the context of a transfer of business or transfer of employment are comprehensively addressed by <i>the Fair Work Act 2009</i> (Cth). This includes provisions relating to the transfer of leave and other employment-related entitlements. Additionally, long service leave entitlements are governed by the <i>Long Service Leave Act 1955</i> (NSW).</p> <p>Given the existing statutory protections and the significant penalties for non-compliance, including potential criminal liability, ClubsNSW believe the current legislative provisions are sufficient. As such, ClubsNSW do not support the proposed amendment requiring the MoU to detail specific steps for preserving employee entitlements, as this would duplicate existing legal obligations and potentially create unnecessary administrative burden.</p> <p>ClubsNSW recommends clause 7 (2) (d) in the Registered Clubs Regulation 2015 be retained.</p>
Clause 21	The units of competency that must be completed by fully trained members of a governing body have been updated to match the current requirements.	<p>ClubsNSW supports the proposed amendment to the Regulation, which updates director training courses to ensure mandatory education remains relevant.</p> <p>ClubsNSW recommends that consideration be given to additional training for board members on governance requirements. This may include:</p>

Clause in draft Regulation	Key policy change	ClubsNSW Position
		<ul style="list-style-type: none"> • Consideration be given to including additional governance training requirements as a mandatory course (such as BSBOPS406- Participate in organisational governance, SITXFIN008- Interpret financial information and SITXGLC002- identify and manage legal risks and comply with law. Any additional training should be subject to the same requirements for large and small clubs in the Regulation. • Introducing a refresher training for board directors to support them in understanding their governance obligations. Member clubs were supportive of the consideration of further training, however, this must be balanced to ensure they are not subject to extensive regulatory burden. <p>ClubsNSW recommends that further consideration be given to training to support the industry in meeting their governance requirements.</p>
Schedule 1, clause 9 (d)	<p>Details of a top executives employment that have been approved in reporting period, including:</p> <ul style="list-style-type: none"> • terms of employment • the role and responsibilities of the top executive • remuneration (including fees for service) • termination of employment. 	<p>ClubsNSW understands the intent of this proposal, however, has concerns, including:</p> <ul style="list-style-type: none"> • Member clubs have noted that releasing terms of employment raises significant privacy concerns, particularly where the terms may be used for vexatious reasons by a member. • There is a risk of members misunderstanding or misinterpreting a term of employment within the contract. • The Australian Accounting Standard, AASB 124 Related Party Disclosures, already requires public companies (including many clubs) to disclose key management personnel (KMP) remuneration in their annual reports. • Unlike listed companies, clubs do not have shareholders who may use remuneration figures to compare against the company's share performance. • The disclosure of remuneration may cause unnecessary tension amongst staff and expose employees to unfair criticism.

Clause in draft Regulation	Key policy change	ClubsNSW Position
		<ul style="list-style-type: none"> The release of employment contract details may negatively impact clubs' ability to attract and hire individuals into roles in the future. <p>ClubsNSW recommends that the current provision of information for top executive contracts in the Regulation is retained, and terms of employment, remuneration and termination of employment do not need to be released to members.</p> <p>Instead, there should be a requirement to disclosure the remuneration of key management personnel in accordance with the relevant AASB Standard in the club's annual report.</p>
Clause 26	Clarifying that appointed directors under the Regulations are not required to comply with the eligibility criteria in the club's constitution.	ClubsNSW supports this amendment to the Regulation.
Schedule 1, Section 10 (b) (ii)	Introducing a five-year limit of member requests for a club's quarterly financial statements.	<p>ClubsNSW supports the introduction of a time limit for member requests for quarterly financial statements. However, ClubsNSW recommends that the limit be 3 years to align with other record-keeping requirements, including the requirement to keep general record-keeping requirements under the Gaming Machines Regulation 2019.</p> <p>The proposed amendment will support clubs in reducing administrative burden and potential cost to retrieve historical records where they may be requested by a member.</p> <p>ClubsNSW recommends a three-year limit of member requests for a club's quarterly financial statements.</p>

Clause in draft Regulation	Key policy change	ClubsNSW Position
Schedule 1, Clause 10 (2)	Specifying that trading accounts must be provided to the Board at the individual club level on a quarterly basis.	<p>Currently, clubs have the option to provide trading accounts to directors and consequently members at either an individual or whole club level.</p> <p>Under Australian Accounting Standards (aligned with IFRS), a legal entity is only required to prepare consolidated financial statements (if it controls other entities) or financial statements at the entity level. Furthermore, directors have a legal obligation under the <i>Corporations Act 2001</i> to remain informed about the club's financial position. ClubsNSW is of the view that it should be up at a club to determine how they choose to produce quarterly financial statements.</p> <p>ClubsNSW recommends that clubs should retain the choice to provide quarterly financial statements at either a club group or individual club level to members.</p>
Clause 5	Introducing further details on what reports to L&GNSW on proposed management contracts must include.	ClubsNSW supports this amendment to the Regulation to the extent it provides clearer guidance on what is required to be provided to Liquor & Gaming NSW for a management contract.
Schedule 1, Clause 9 (2)-(3)	Clarify the time period for reporting gaming machine profits to members to be based on reporting period rather than gaming machine tax period.	<p>ClubsNSW does not agree with the proposal in the Regulation to require clubs to produce gaming machine profits in line with their financial year reporting instead of the gaming machine tax period. The proposed amendment to the Regulation may cause operational issues for clubs, increase administrative burden and also cause confusion amongst members.</p> <p>ClubsNSW recommends clause 9 (2) (j) in the Registered Clubs Regulation 2015 be retained.</p>
Not currently in draft Regulation	Amending the Regulation to allow for volunteer secretaries.	ClubsNSW is aware of at least 95 small clubs that currently utilise a volunteer/honorary secretary arrangement, with 71 of these filling a position in a club within regional NSW.

Clause in draft Regulation	Key policy change	ClubsNSW Position
		<p>ClubsNSW would welcome the opportunity to work with Liquor & Gaming NSW to ensure appropriate regulation to support volunteers filling this position.</p> <p>ClubsNSW recommends that the Regulation allow for volunteer secretaries, with appropriate regulations in place to support individuals filling this role, including a volunteer agreement.</p> <p>ClubsNSW would appreciate the opportunity to work with Liquor & Gaming NSW to ensure the appropriate regulatory framework is implemented.</p>

b) Other Proposed Amendments to the Regulation not in the Regulatory Impact Statement

Clause in draft Regulation	Proposed Amendment to Regulation	Rationale
Schedule 1, Clause 2 (e) to (f)	Only require clubs to provide an aggregated total figure of amounts paid to consultants.	<p>There are currently two separate reporting requirements for clubs under the Accountability Code relating to consultants. ClubsNSW believes that streamlining the requirement to report on consultants will support clubs and reduce administrative burden.</p> <p>Providing figures on the amount spent with individual consultants can also put clubs being at risk of breach of the confidentially provisions with the contract with consultant, as these matters are typically commercial-in-confidence.</p> <p>ClubsNSW recommends that the clubs provide an aggregated figure for consultants during the reporting year period.</p>
Clause 20 (2)	Remove the condition for clubs to have to notify police 7 clear days before the date on which members less than 18 years of age will be given access to the club premises.	<p>ClubsNSW has received member feedback that has indicated that complying with this requirement can be extremely burdensome, particularly where clubs have regular junior activities and junior memberships. The current condition can also be difficult to comply with, particularly where a club may be trying to schedule a make-up class.</p> <p>ClubsNSW recommends the removal of condition to notify police 7 clear days prior to junior members entering the club.</p>
Schedule 1, Clause 5	ClubsNSW recommends updating the definition of management contract to ensure it is clear that contract catering agreements are not captured.	<p>It is not clearly defined in the Regulation to what an extent a contract is a management contract for the purposes of the Regulation. This can cause confusion for clubs in determining whether an agreement may be classified as a management contract.</p> <p>For example, clubs across the state engage contract caterers to assist in delivering food services at the club. Whilst it is ClubsNSW view that this is not a management contract and is not the intent of the Regulation to capture these arrangements, the</p>

		<p>current wording of the Regulation creates ambiguity about this requirement.</p> <p>ClubsNSW recommends the definition of management contracts be updated to ensure that only relevant contracts are captured.</p>
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