

Fact sheet FS3140

Reforms to club accountability requirements and amalgamation and de-amalgamation framework

Changes to streamline the operation and regulation of the registered clubs industry were passed by the NSW Parliament in March 2018.

The reforms made changes to the *Registered Clubs Act 1976* and the Registered Clubs Regulation 2015.

Overview of the reforms

The reforms follow two reviews of the clubs industry conducted by Liquor & Gaming NSW (L&GNSW).

The changes include:

- ▲ a co-regulatory model that shares oversight for low-risk accountability responsibilities for clubs between L&GNSW and Clubs NSW, with L&GNSW retaining the power to step in where appropriate
- ▲ enabling the Independent Liquor & Gaming Authority (the Authority) to investigate and sanction individuals who breach club governance and management requirements with a maximum penalty of \$11,000
- ▲ increasing the flexibility of the club amalgamation and de-amalgamation framework to make it easier for clubs to merge and de-merge
- ▲ enhancing protection for clubs and club members merging with another club.

Purpose of the reforms

- ▲ The accountability reforms enable L&GNSW and the Authority to focus more time and resources on high-risk governance matters by giving industry greater responsibility to self-regulate low-risk accountability requirements.
- ▲ The amalgamation reforms simplifies and streamlines the merger and de-merger process for clubs by reducing red tape, time and cost.

Co-regulation accountability requirements for clubs reforms

- ▲ The reforms introduced a co-regulatory model for clubs, and updated and moved a number of accountability requirements from the *Registered Clubs Act 1976* to the Registered Clubs Accountability Code – prescribed in the Registered Clubs Regulation 2015.
- ▲ Oversight of certain low-risk accountability responsibilities is now shared with Clubs NSW for their members, with L&GNSW retaining power to step in to resolve issues when required.
- ▲ L&GNSW continues to oversee accountability requirements for non-Clubs NSW clubs.
- ▲ Clubs continue to be subject to reporting obligations to their governing bodies and members but will be able to do so with less red tape.
- ▲ Shifting to more self-regulation of the industry allows the regulator to focus on more high-risk breaches of accountability requirements to ensure better outcomes for club governance and club members.

Stronger disciplinary powers for the Authority

- ▲ Under the *Registered Clubs Act 1976*, the Authority will be able to discipline individual directors for misconduct.
- ▲ This means clubs will not be forced to cover the cost of investigations or penalties imposed by the Authority where a rogue director breaches a requirement under the Act.
- ▲ This ensures changes to reporting requirements are balanced with tougher sanctions for individuals who do the wrong thing.
- ▲ A club official who breaches the Registered Clubs Accountability Code may also face disciplinary proceedings or prosecution.

Club amalgamation and de-amalgamation framework reforms

- ▲ Have made it easier for clubs to merge and de-merge.
- ▲ Make the process less onerous for clubs by reducing red tape, time and cost, which have been one of the biggest barriers to clubs amalgamating and de amalgamating.
- ▲ Clubs can proactively seek out mergers and search for viable merger partners across the State.
- ▲ Clubs can grow or downsize depending on their needs under an adjustable limit of 10 amalgamations per club.
- ▲ Club members benefit from increased protections for club assets following a merger as well as increased transparency about potential mergers for more informed decision making.

For further information

To find out more about the proposed reforms, contact L&GNSW:

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