



Regulatory Impact Statement

Proposed

Registered Clubs Regulation 2009

June 2009

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Proposed *Registered Clubs Regulation 2009*

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1 Introduction

Title of proposed regulation	<i>Registered Clubs Regulation 2009</i>
Relevant Act	<i>Registered Clubs Act 1976</i>
Responsible Minister	The Hon Kevin Greene Minister for Racing and Gaming Minister for Sport and Recreation
Proponent	NSW Office of Liquor, Gaming and Racing Department of the Arts, Sport and Recreation

The *Registered Clubs Regulation 1996* will be repealed on 1 September 2009, as provided for by section 10 of the *Subordinate Legislation Act 1989*. This Act deals with the making and staged repeal of subordinate legislation.

The Subordinate Legislation Act requires that subordinate legislation be repealed every five years. Through this repeal process, legislation can be regularly reviewed so as to ensure the objects of the Subordinate Legislation Act are achieved.

Review of the Registered Clubs Regulation was initially due by 1 September 2001. However, that review was postponed (pursuant to section 11 and subsequently under section 10(4) of the Act) because of significant reforms to the liquor laws that were being developed at the time. Commencement of those reforms on 1 July 2008 has allowed the review of the *Registered Clubs Regulation 1996* to proceed.

When regulations are automatically repealed they can either lapse, be remade as is, or be modified. The Subordinate Legislation Act requires that a Regulatory Impact Statement be prepared when a regulation is proposed to be made. A Regulatory Impact Statement must address the objectives sought to be achieved by the proposed Regulation, and discuss the reasons for those objectives.

Implementation of objectives by means of a regulation should not normally be undertaken unless the anticipated benefits to the community from the proposed regulation outweigh the anticipated costs to the community.

In determining these costs and benefits the impact on the economy and on consumers, members of the public, relevant interest groups, and any sector of industry and commerce that may be affected, needs to be considered. These factors must be taken into account when considering all options.

This Regulatory Impact Statement has been prepared to meet the requirements of the Subordinate Legislation Act.

In 2008, the Government introduced a requirement for a Better Regulation Statement to be prepared with respect to the making of legislation.¹ The Government's better regulation principles require that new and amended regulations must minimise the costs of compliance for business and administration costs for government. This Regulatory Impact Statement also considers the seven principles required to be addressed in a Better Regulation Statement (see Chapter 9).

Invitation to provide comments and submissions

Persons and organisations are invited to make comments and submissions in response to this Regulatory Impact Statement. It is preferable that comments and submissions be emailed.

The closing date for comments and submissions is Wednesday 1 July 2009.

Please send comments and submissions to:

Email: clubs.regulation@olgr.nsw.gov.au

OR

Registered Clubs Regulation Regulatory Impact Statement
NSW Office of Liquor, Gaming and Racing

Business: Level 7, 323 Castlereagh Street, SYDNEY NSW 2000

Postal: GPO Box 7060, SYDNEY NSW 2001

This Regulatory Impact Statement, including the draft *Registered Clubs Regulation 2009*, is available from www.olgr.nsw.gov.au, or by calling (02) 9995 0453 during business hours, or by emailing clubs.regulation@olgr.nsw.gov.au.

Terms used in this Regulatory Impact Statement

The following lists terms that are used in this Regulatory Impact Statement and their meaning.

"the Act"	=	the <i>Registered Clubs Act 1976</i>
"the existing Regulation"	=	the <i>Registered Clubs Regulation 1996</i>
"the proposed Regulation"	=	the <i>Registered Clubs Regulation 2009</i>
"Liquor Act"	=	the <i>Liquor Act 2007</i>
"Gaming Machines Act"	=	the <i>Gaming Machines Act 2001</i>
"the Authority"	=	the Casino, Liquor and Gaming Control Authority
"the Director"	=	the Director of Liquor and Gaming
"ClubsNSW"	=	the Registered Clubs Association of NSW

¹ Premier's Memorandum, *M2008-05 Guide to Better Regulation*. Note also the Better Regulation Office, Department of Premier and Cabinet website, including its *Guide to Better Regulation*, www.betterregulation.nsw.gov.au.

2 Background to Registered Clubs Regulatory Framework and Industry Environment

Laws governing the operation of registered clubs in NSW

The principal law regulating registered clubs in NSW is the *Registered Clubs Act 1976*, which operates alongside the Commonwealth's *Corporations Act 2001*.

The majority of registered clubs in NSW have been established as a company limited by guarantee under the Corporations Act and, therefore, are subject to the requirements of that Act in addition to the Registered Clubs Act. Other NSW registered clubs are either a co-operative established under the *Co-operatives Act 1992 (NSW)*, or a corporation constituted by another Act.²

Other key legislation affecting the operation of registered clubs in NSW include the *Liquor Act 2007*, the *Gaming Machines Act 2001*, and the *Casino, Liquor and Gaming Control Authority Act 2007*. A registered club cannot exist unless it holds a club licence under the Liquor Act.

The Registered Clubs Act primarily focuses on club governance and accountability. It includes provisions relating to club elections, membership, management, and reporting. A range of offences, procedures relating to amalgamations and inquiries, and disciplinary action are also provided for in the Act.

The Registered Clubs Act has been amended a number of times since the commencement of the current Registered Clubs Regulation on 30 August 1996. Key changes have included the transfer of provisions relating to gaming machines to the Gaming Machines Act from 28 March 2002, and transfer of registered club liquor-related provisions to the Liquor Act from 1 July 2008. These and other amendments have resulted in significant changes being made to the existing Regulation over the past 13 years.

Decision making, administration, and enforcement responsibilities

Casino, Liquor and Gaming Control Authority

The Casino, Liquor and Gaming Control Authority was established on 1 July 2008 pursuant to the *Casino, Liquor and Gaming Control Act 2007*. It is an administrative body which has functions conferred on it by the gaming and liquor legislation.

The Registered Clubs Act is part of the gaming and liquor legislation for the purposes of the Casino, Liquor and Gaming Control Authority Act. This latter Act contains administrative and other relevant provisions that apply in relation to the Registered Clubs Act, including investigation and enforcement powers.

The Registered Clubs Act also contains specific provisions relating to the functions of the Authority, which include:

- determining matters relating to the requirements of amalgamations, club elections, and complaints;

² Section 10(1)(b) of the *Registered Clubs Act 1976*.

- approving persons to act as an administrator, liquidator, receiver or official manager;
- giving directions regarding the conduct of club functions for minors;
- the taking of disciplinary action against clubs;
- granting authorisation applications;
- approving the form and manner of documents such as reports and applications;
- receiving notification of the cessation of a club's secretary and approving persons to act as secretary;
- keeping under constant review the operation of the Registered Clubs Act and making recommendations to the Minister as it thinks fit;
- upon being directed by the Minister, inquiring into, and making a report and recommendations to the Minister upon, any matter connected with the administration of the Registered Clubs Act;
- keeping under constant review the standard of the premises of registered clubs;
- receiving submissions or reports from any person with respect to the operation of the Registered Clubs Act; and
- imposing conditions with respect to any matter that relates to the Authority's functions under the Registered Clubs Act and revoking or varying any such condition.

The Authority has capacity to delegate its functions under section 13 of the Casino, Liquor and Gaming Control Authority Act.

Director of Liquor and Gaming

In addition to the functions specified under the *Liquor Act 2007* and the *Gaming Machines Act 2001*, the Director of Liquor and Gaming also has functions under the Registered Clubs Act and Registered Clubs Regulation, which include:

- determining matters relating to the termination of contracts, the subject and procedures to be adopted at inquiries concerning an allegation about corrupt or other improper conduct, and making orders concerning an inquiry's findings;
- applying to the Supreme Court for orders where property is disposed of otherwise than as provided for by section 41J of the Act;
- approving the form of returns, notices, applications for clubs seeking approval to dispose of core property referred to in section 41J of the Act, and the form and manner of registers used for recording disclosures, declarations and returns;
- making a disciplinary complaint to the Authority regarding a registered club;
- receiving amended rules and financial information and other information relating to clubs, members of a club governing body, top executives, other staff members and consultants;
- giving directions to registered clubs with respect to calling for expressions of interest relating to amalgamations;

- approving an 'exception area' relating to the five kilometre rule which restricts access to clubs by certain members of the community;
- making conditions relating to 'exception areas' and approving, varying, and revoking these areas and authorisations.

Section 6A of the Registered Clubs Act enables the Director to delegate to a person any function conferred or imposed on the Director by the Act, other than the power of delegation.

Department of the Arts, Sport and Recreation - NSW Office of Liquor, Gaming and Racing

The NSW Office of Liquor, Gaming and Racing forms part of the Department of the Arts, Sport and Recreation. The Office makes staff available to the Casino, Liquor and Gaming Control Authority to perform its functions. It assists in developing forms and notices, processing applications, maintaining records, and ensuring compliance with the Act, Regulation and the requirements of the Authority. The Office is also responsible for providing information and assistance to clubs and others, and facilitates the operation of a strategic compliance and enforcement program by the Director of Liquor and Gaming.

NSW Police Force

The NSW Police Force, through the Commissioner of Police, has specific functions under the Registered Clubs Act which include:

- receiving notification of authorisation applications and dates which members under the age of 18 years are to be given access to the club's premises;
- giving directions regarding the conduct of club functions for minors;
- inquiring into matters requested by the Director of Liquor and Gaming concerning a person who is the subject of an investigation; and
- making a disciplinary complaint to the Authority regarding a registered club.

Section 6A of the Registered Clubs Act enables the Commissioner of Police to delegate to a person any function conferred or imposed on the Commissioner by the Act, other than the power of delegation.

Registered clubs industry environment

The Registered Clubs Act provides that clubs can be established for social, literary, political, sporting or athletic purposes or for any other lawful purpose. They must provide accommodation (facilities) for members and their guests.

The Act requires that clubs must be conducted in good faith.³ The Gaming Machines Act allows clubs to operate gaming machines, subject to regulatory approval. The Liquor Act enables clubs to sell liquor on their premises to members and their guests.

Generally, only the club and its members are entitled to derive, directly or indirectly, any profit, benefit or advantage from the fact that the club has applied for, or is granted, a liquor licence under the Liquor Act.⁴ As registered clubs are non-profit bodies they must use their profits for the benefit of the club and its members.

³ Section 10(1)(a) of the *Registered Clubs Act 1976* and note section 10(2).

⁴ Section 10(1)(j) of the *Registered Clubs Act 1976*.

As at 31 March 2009, there were 1,529 registered clubs in NSW. Clubs total membership across NSW in 2007 was approximately 5.5 million.⁵

The Independent Pricing and Regulatory Tribunal final report, *Review of the Registered Clubs Industry in NSW*, which was released in June 2008, states that about 40% of registered clubs in NSW are located outside the metropolitan area.⁶ The Tribunal estimated that the value of clubs' contribution to social infrastructure in NSW in 2007 was \$811 million.⁷

Clubs may be entitled to receive a tax rebate under NSW tax laws where they use their profits on projects and services which benefit the community. The NSW Community Development and Support Expenditure Scheme provides a tax rebate to registered clubs of up to 1.5% of their gaming machine profits over \$1 million provided that an equivalent amount has been applied to approved expenditure⁸ on community development and support. Clubs allocated \$59 million under this scheme in 2007-08.

Clubs also make a significant contribution to the NSW economy through employment and having volunteers involved in clubs and governing bodies. In 2007, clubs employed over 43,000 people, and about 44,000 volunteers participated in club activities.⁹

⁵ Allen Consulting Group Final Report to ClubsNSW, *Social Impact Study of Clubs in NSW (2007)* February 2008 at p vi. Note that included in this membership are people who are members of more than one club.

⁶ At p 30.

⁷ At p 3 of the Tribunal's final report.

⁸ Approved expenditure can be cash or in-kind.

⁹ Allen Consulting Group Final Report to ClubsNSW, *Social Impact Study of Clubs in NSW (2007)* February 2008 at pp 32 and vi respectively.

3 Need for, and Objectives of, Government action

The Registered Clubs Act was enacted in 1976 to ensure that appropriate standards of conduct and management are observed by all registered clubs.¹⁰

Key requirements of the Act relate to the establishment of clubs, the rules that apply to clubs, and the management and operation of clubs. These provisions exist to ensure the integrity and proper conduct of the club movement, and the protection of the rights of club members.

Clubs have a duty to act in good faith. They, along with members of the governing body and top executives, have a responsibility to ensure club operations are conducted to high standards of propriety. Members and the broader community need to be assured, and have confidence, that a club's funds are being used in accordance with accepted standards. Members and the community also need to be satisfied that there is no impropriety by persons who are in a position of authority or have close connections with the operations of clubs.

Certain provisions in the Registered Clubs Act require that matters be prescribed in the Regulation to ensure those provisions assist in achieving the objectives of the Act. Some of those provisions relate to members' rights to:

- nominate for and elect the club's governing body,
- vote on matters that are likely to have a significant impact on their club's future,
- be kept informed of the club's financial position and certain commercial dealings, and
- be satisfied that gifts and remuneration received by members of the governing body, top executives and other staff, are appropriate and do not compromise the integrity or financial sustainability of the club.

Other provisions in the Act requiring the making of Regulations deal with club amalgamations and a range of procedural matters, as well as compliance mechanisms and offence provisions which act as an important deterrent to improper behaviour.

Failing to make a regulation will leave these matters unspecified, and will impair the efficient operation of the Act. There will be operational uncertainty for club governing bodies and management. Confidence of members and the broader community in club operations and accountability will be affected. Members' rights will be eroded by not being kept informed about significant matters. Provisions of the Act designed to promote industry integrity and standards will be undermined, and an acceptable level of standards within the club industry will not be achieved.

For this Regulatory Impact Statement (which supports the making of the proposed *Registered Clubs Regulation 2009*), the objective of Government action is to make sure the purpose of the Registered Clubs Act can continue to be realised by having in place the necessary supporting regulation envisaged by that Act.

¹⁰ Second Reading Speech, *Registered Clubs Bill 1976*, NSW Parliamentary Hansard, 24 February 1976

4 Options for Achieving the Objectives

This chapter examines the following five options for achieving the Government's objective referred to in Chapter 3.

- Option 1 Take no action
- Option 2 Industry self-regulation or co-regulation
- Option 3 Address matters in the Act rather than by Regulation
- Option 4 Address matters by administrative provisions
- Option 5 Make a regulation

Option 1 Take no action

The Registered Clubs Act requires regulations to be drafted to provide for a range of important matters (including machinery and procedural matters) necessary for the Act's efficient operation. By taking no action, the operation and conduct of clubs in relation to issues such as accountability, amalgamations, rules, notices, and applications will not be properly regulated, thereby placing clubs and their assets at risk.

Many sections of the Act are dependent on regulations being made to give full and proper effect to those provisions. Clubs are likely to incur unnecessary costs in seeking to comply with the Act in the absence of regulations providing the necessary guidance. It will also be difficult for regulators to effectively carry out their enforcement functions, particularly where information and records have not been kept or are inadequate.

This option is not supported as the objectives referred to in Chapter 3 will not be achieved.

Option 2 Industry self-regulation or co-regulation

This option will place the responsibility for the development and oversight of certain aspects of the regulatory framework for the registered clubs industry on an organised industry body.

Industry self-regulation has been adopted in other areas to do with registered clubs. For example, the Club Code of Practice developed by ClubsNSW sets out common standards of conduct for all members of ClubsNSW, with a specific focus on corporate governance, and established a Code Authority to deal with breaches of the Code.¹¹ However, the Code only applies to those clubs that are members of ClubsNSW, and such membership is voluntary. Further, the ClubsNSW Code of Practice does not deal specifically with the matters that are provided for by the Registered Clubs Regulation, nor the objectives outlined in Chapter 3.

It would be inappropriate to leave the matters dealt with under the Registered Clubs Regulation unregulated, or to rely on industry to self-regulate. Industry self-regulation may not capture all organisations involved in an industry. Nor does such a system have the force of law. While a self-regulatory system could require that a non-governmental penalty system be developed, such as making an apology or exclusion from an industry

¹¹ ClubsNSW, *Code of Practice*, July 2008.

body for non-compliance with the regulatory framework, these are not considered to be sufficient deterrents.

Under a co-regulatory framework some of the penalties provided under a self-regulatory system could have the force of law. But the issue still remains as to how this system could apply to all registered clubs. Further, matters that could be self-regulated by industry are not necessarily consistent with what is required to be regulated under the Act, and it is doubtful that self-regulation is capable of achieving the same standards of probity.

A pure self-regulatory system could lead to uncertainty within the clubs industry – particularly regarding the maintenance of industry standards and associated loss of members' confidence in the way clubs are run, and members' rights to be informed on financial matters, proposed amalgamations and be involved in the decision-making concerning the future of their club.

This option is therefore not supported as it does not provide a guarantee that an acceptable level of standards within the industry will be achieved or maintained. Further, this option will not adequately assist in the implementation of practices, particularly in the area of financial accountability.

Option 3 Address matters in the Act rather than by regulation

Parliament has decided that substantive matters of Government regulation should be dealt with by principal legislation (an Act) and that lesser, routine matters be provided for in subordinate legislation (e.g. a regulation) as its general approach to law making.

It is clear from the wording of the *Registered Clubs Act 1976* that regulations were envisaged to give effect to the Act. There is no expressed intention that the matters which are covered by the existing Regulation were to be specified in the Act at some later point in time.

Maintaining these provisions in a regulation instead of the Act allows for a degree of flexibility in the regulatory framework. Should additional changes or enhancements to the framework be required, effecting such changes by regulation is a simpler and more efficient process than that involved in amending an Act.

Dealing with changes by regulation means that amendments can be made quickly and at less cost than is the case for principal legislation. Also, scrutiny of subordinate legislation by the Minister for Regulatory Reform and the Legislation Review Committee of the NSW Parliament, along with the ability of Parliament itself to disallow regulations, recognises that there is an appropriate review procedure.

Accordingly, this option is not supported as it is clear that the Registered Clubs Act envisages that certain matters be provided for by Regulation rather than in the Act itself.

Option 4 Address matters by administrative procedures

The majority of matters dealt with by the Regulation cannot be dealt with appropriately by administrative means. This is because the Act specifically requires that regulations be made. In light of this, administrative action will not provide the necessary legal certainty, or deliver legal sanctions where non-compliance is found.

However, administrative means has been used where appropriate. An example is clause 11C(4) of the existing Regulation which requires an application under section 60 of the

Liquor Act 2007 relating to a proposed amalgamation having to be accompanied by a copy of a memorandum of understanding. This clause has been omitted from the proposed Regulation as this matter is able to be dealt with administratively.

Even where matters might be able to be addressed administratively there is no assurance that appropriate standards will be met or maintained, particularly in regard to financial accountability. This will impact on regulators' ability to enforce compliance with the Act.

This option is therefore not supported.

Option 5 Make a regulation

This is the preferred option, as it is the only viable means of ensuring the effective operation of the Registered Clubs Act.

This approach is consistent with the intention of Parliament as reflected in the provisions of the Act. In some instances, regulations are the only means of achieving the efficient operation of substantive provisions. In other instances, the proposed Regulation will complement relevant provisions of the Act.

By making a regulation, clubs, members of governing bodies and top executives will have certainty about the standard of conduct expected of them and their accountability to members and regulators. Members and regulators will be assured that the information provided to them is relevant by ensuring consistent form and content.

A regulation provides confidence that provisions of the Act can be legally enforced. A regulation is also the only means by which certain exceptions to provisions of the Act may be made.

Accordingly, the option to make a regulation, namely, the proposed *Registered Clubs Regulation 2009*, is supported.

Conclusion

It is considered that the best way of achieving the stated objective to ensure that the operation of the Registered Clubs Act is not undermined is to proceed with Option 5. This option provides the greatest net benefit to clubs, their members and the broader community.

5 Changes reflected in the proposed Regulation

This chapter outlines proposed changes to the *Registered Clubs Regulation 1996*.

The proposed 2009 Regulation is divided into five Parts and one Schedule compared to the existing Regulation, which is divided into eight Parts and five Schedules. Some of the Parts and Schedules of the 1996 Regulation have been repealed since the Regulation commenced.

The changes to the *Registered Clubs Regulation 1996* that are being proposed are outlined in the tables below. Table 1 refers to the clauses that are not being carried forward into the proposed new Regulation, while Table 2 refers to those clauses which are being modified. Both tables state the reasons for the changes.

The impacts of modifying provisions of the existing Regulation are considered more fully in Chapter 6, which provides an analysis of each of the clauses proposed in the *Registered Clubs Regulation 2009*.

Table 1 Clauses to be removed from the Regulation.

1996 Provision	Description of Provision	Reason for removal
Clause 11B(2)	Any person may make a submission to the Authority in relation to a proposed amalgamation.	This clause is redundant as the requirement is covered by section 17AEA(1) of the Act.
Clause 11C(4)	An application under section 60 of the <i>Liquor Act 2007</i> in relation to a proposed amalgamation must be accompanied by a copy of the memorandum of understanding required to be entered into under Clause 11.	It is proposed that this requirement be dealt with administratively.
Clause 14C(2)	It is a condition that a club holding a club functions authorisation is to ensure that any time during a function that the number of persons in any function area or access area covered by the authorisation does not contravene the conditions of any development consent granted under the <i>Environmental Planning and Assessment Act 1979</i> .	This clause is redundant as the requirement is covered by a development consent granted under the <i>Environmental Planning and Assessment Act 1979</i> .
Clauses 53A	Transitional provision relating to section 17A of the Act concerning the application of club amalgamation provisions for 'pre-committed' clubs that were on foot when the <i>Gaming Machines Act 2001</i> commenced.	This clause is redundant as section 17A has been repealed.
Clause 55A	Transitional provision relating to members being entitled to vote at elections as provided under their club's rules, and in accordance with section 30(9)(a) of the Act, immediately before 1 August 1997.	This clause is redundant and has been superseded by clause 50D of the 1996 Regulation. Clause 50D is covered by clause 23 of the proposed Regulation.

1996 Provision	Description of Provision	Reason for removal
Clause 56	Transitional provisions concerning the <i>Registered Clubs Amendment Act 2003</i> , which apply to sections 34D(1)-(2), 39, 41C, 41F and 41J of the Act.	This clause is redundant as the period for which the transitional provisions relate has ended. However, clause 56(5)(c) has been retained and is now clause 29 under the proposed Regulation.
Clause 56A	Prescribes a time period of 6 months commencing 1 July 2008 for the former Liquor Administration Board to determine matters on hand as at that date.	This clause is redundant as the time period for the Board to determine matters has expired.

Table 2 Clauses that are being modified

1996 Provision	2009 Provision	Description of Provision	Reason for Amending
Clause 2	Clause 2	Specifies the date of commencement of the proposed <i>Registered Clubs Regulation 2009</i> , and that it is a requirement for the Regulation to be published on the NSW legislation website.	It is a standard requirement when drafting Regulations to state that the Regulation is required to be published on the NSW legislation website.
Clause 5	Clause 9(2)	This clause requires notice relating to authorisation applications to be provided to the local consent authority and local police, and specifies the timeframe for the giving of such notice. The notice must be in the form approved by the Authority.	This clause amends the timeframe for notifying local consent authorities and police about authorisation applications to make it consistent with clause 7(1A) of the <i>Liquor Regulation 2008</i> . The proposed clause now allows notice to be given before the making of the application. The existing clause provides only for notice to be given within 2 days of making the application.
Clause 7(2)	Clause 11(2)(b) and 11(3)	This clause specifies the timeframe for the making of a submission in response to an authorisation application.	This clause has been amended so the timeframes for the making of a submission are consistent with clause 12 of the <i>Liquor Regulation 2008</i> . The existing clause provides for submissions to be made to the Authority within 30 days of the making of an authorisation application, or such longer period as the Authority may allow. The proposed clause also allows the Authority to determine a timeframe of less than 30 days.

1996 Provision	2009 Provision	Description of Provision	Reason for Amending
Clause 47J(2)	Clause 20(2)	This clause defines the 'metropolitan area' by referring to areas determined by the Australian Bureau of Statistics.	The numbering of the relevant Statistical Local Areas determined by the Australian Bureau of Statistics has been updated. The original boundaries remain unchanged.
Clause 12	Clause 25	This clause specifies the content of a notice which is to be displayed in the vicinity of the place where the club's sign in registers are kept. The notice brings to members attention that they are not allowed to make entries in the guest register relating to minors.	<p>This clause has been amended to remove reference to persons under the age of 18 years not being permitted in a part of the club premises defined under the Act as a bar area, as this requirement has been transferred to clause 33 of the <i>Liquor Regulation 2008</i>.</p> <p>The clause has also been amended to require the notice to be obtained from the NSW Office of Liquor, Gaming and Racing, and to provide a transitional period (until 31 March 2011) for clubs to display the new notice.</p>
Clause 54	Clause 30	This is a savings clause which confirms that any matter or thing that, immediately before the repeal of the <i>Registered Clubs Regulation 1996</i> , had effect under that Regulation continues to have effect under the new Regulation.	This clause amends reference to the Regulation that is being repealed by omitting '1983' and inserting '1996'.
Schedule 1	Schedule 1	Schedule 1 lists the offences under the Act and Regulation for which a penalty notice may be issued and the penalty amount to be paid.	<p>Amendments to Schedule 1 provide for additional provisions of the Act and Regulation for which a penalty notice may be issued. Changes have been made to penalty notice amounts relating clauses 47H and 47H(1) of the 1996 Regulation, which have been carried forward under clauses 17 and 18(1) of the proposed Regulation.</p> <p>A number of offences have been included in Schedule 1 which were not included in the 1996 Regulation. These relate to breaches of administrative and procedural matters. Such notices are a cost effective approach to remedying minor breaches rather than through lengthy and costly court proceedings.</p>

6 **Analysis of the Proposed *Registered Clubs Regulation 2009***

The proposed *Registered Clubs Regulation 2009* makes provision with respect to the following:

- the amalgamation of registered clubs under the Act;
- applications for, and granting of, authorisations under the Act;
- the accountability of registered clubs;
- the rules of registered clubs;
- notification that a person has ceased to be the secretary of a registered club;
- the display of notices in registered clubs;
- evidentiary matters with respect to criminal proceedings under the Act;
- persons authorised to make complaints under Part 6A of the Act;
- the issue of penalty notices and the penalty amounts payable under such notices; and
- saving, transitional and formal matters.

The proposed Regulation comprises 5 Parts. The components of each Part are known as clauses.

This Chapter examines the economic and social costs and benefits of provisions in the proposed *Registered Clubs Regulation 2009*. In the discussion below, costs and benefits are considered on a clause-by-clause basis, except for Part 1 covering clauses 1 to 3.

It is contended that the benefits outweigh the costs for each clause of the proposed Regulation.

Part 1 Preliminary

This Part of the proposed Regulation deals with machinery matters.

Clause 1 (Name of Regulation) states how this regulation is to be cited. It is to be named the *Registered Clubs Regulation 2009*.

Clause 2 (Commencement) states the Regulation will commence on 1 September 2009. This clause is carried forward from the existing Regulation, with minor changes referred to in Chapter 5.

Clause 3 (Definitions) provides that the term 'core property' referred to in the Regulation has the same meaning as in section 41J of the Act. This clause also provides that the notes included in the Regulation do not form part of the Regulation.

Economic and Social Costs and Benefits

There are no economic and social costs or benefits associated with Part 1 of the Regulation. These clauses relate to machinery matters and facilitate the interpretation of the Act.

Part 2 Amalgamations

In 2007, most of the previous provisions in the Act relating to club amalgamations were deleted, and a new procedure was incorporated into the Regulation. This action followed extensive consultation with the registered club industry. Part 2 of the proposed Regulation carries forward the amalgamation procedure that was introduced in 2007.

Clause 4 – Calling for expressions of interest

The clause requires that a club which is seeking or proposing to amalgamate must, before entering into any agreement or understanding with another club, call for expressions of interest from other registered clubs located within a radius of 50 kilometres of the premises of the proponent club.

The clause also provides that the Director of Liquor and Gaming may give directions to clubs calling for expressions of interest which must be complied with.

The option of not having restrictions placed on the area for clubs to call expressions of interest was considered. This option is not supported as it does not achieve the policy objective which is to facilitate the maintenance of club assets for the community in which the club was originally established. Allowing for those clubs located within a reasonable distance from the club that is seeking to amalgamate to first be considered for amalgamation provides an incentive for the dissolved club's premises and facilities to remain in the area and to continue to be accessible by its members.

The 50 kilometre radius requirement is considered a reasonable distance to capture a number of clubs in the vicinity that may potentially be interested in amalgamating. This heightens the opportunity for negotiating an amalgamation proposal which provides for a dissolved club's assets and facilities to remain in the area, thereby ensuring that members can continue to access those club's premises and facilities.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 73(1) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on the club seeking or proposing to amalgamate, which will be required to call for expressions of interest. Those costs include notifying clubs of the expressions of interest and processing responses. There will also be an administrative cost to clubs that respond to the expression of interest. ClubsNSW provides assistance to its member clubs by advising industry of clubs seeking to amalgamate.

Benefits associated with this clause will flow to clubs within a 50 kilometre radius of the proponent club's premises, as they will be given an opportunity to first be considered for the proposed amalgamation. This may benefit those clubs through the financial advantages that can arise from amalgamations – such as economies of scale, additional revenue opportunities, increased income from membership fees, and access to a greater pool of potential patrons.

Benefits associated with this clause will also flow to members of the club proposing to amalgamate, given that there is a greater potential for that club's assets (including its premises) to continue to be available to its members and the local community.

Benefits arising from the requirement that the Director of Liquor and Gaming can give directions to clubs calling for expressions of interest ensure that clubs within the 50 kilometre area are given relevant information to more fully consider an amalgamation proposal, and respond accordingly.

Clause 5 – Notification to club members

This clause specifies how members are to be notified of a proposed amalgamation which their club is a party to. The notice is to be displayed on a notice board on the club's premises and on the club's website (if any).

Notification by these means is considered to impose the least cost on clubs while providing an adequate opportunity for members to be aware of the proposed amalgamation. The option to require that members be individually notified by mail was considered. However, this option would result in significant costs for clubs – particularly those with large numbers of members. Clubs proposing to amalgamate are often suffering from financial distress, and it is therefore important that notification costs be kept to a minimum.

This clause is carried forward from the existing Regulation.

Prescribing this matter is required by section 17AE(2) of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

Clubs will incur minor costs in having to display a notice on their noticeboard and website. However, the benefits associated with this clause will flow to members that are required to be notified and consulted. Such benefits will result from members being made aware of the proposed amalgamation and being able to express their views and vote on the matter.

Clause 6 – Memorandum of understanding between clubs

This clause requires that clubs proposing to amalgamate must enter into a memorandum of understanding. The clause specifies that the memorandum of understanding must state each club's position regarding:

- the manner in which the premises and other facilities of the dissolved club will be managed, and the degree of autonomy that will be permitted in the management of those premises and facilities;
- a list of traditions, amenities and community support that will be preserved or continued by the amalgamated club;
- intentions regarding the future direction of the amalgamated club;
- the extent to which the employees of the amalgamated club will be protected;
- intentions regarding certain assets of the dissolved club (i.e. core property, cash or investments, poker machine entitlements); and
- the circumstances that would permit the amalgamated club to cease trading on the premises of the dissolved club or to substantially change the objects of the dissolved club.

An agreed period of time is to be specified before any action can be taken in relation to these matters.

The clause also requires the memorandum of understanding be made available to the clubs' ordinary members at least 21 days before any meeting held for the purposes of voting on whether to approve the proposed amalgamation. The memorandum is to be displayed on the club's premises and on the club's website (if any).

The option not to require that a memorandum be entered into, or to specify its content, was considered. This approach would be detrimental to members in that it would undermine their right to be aware of critical elements of club amalgamation proposals and to make an informed decision on the future of their club.

It is therefore considered appropriate to include in the Regulation a requirement for a memorandum of understanding, and to specify what is to be included in this document. This will help to ensure that members are sufficiently informed and able to make an informed decision on whether or not to support an amalgamation proposal.

The 21 day requirement for the availability of the memorandum reflects a common standard applying in circumstances where members or shareholders are required to vote on critical issues affecting the future of a club or company. The option to require that members be individually provided with a copy of the memorandum would result in significant costs for clubs – particularly those with large numbers of members. Clubs proposing to amalgamate are often suffering from financial distress, and it is therefore important that these costs be kept to a minimum.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 73(1) of the Act.

Economic and Social Costs and Benefits

Costs associated with the clause will impact on the clubs proposing to amalgamate. They will result from the requirement for clubs to prepare and make available to members the memorandum of understanding. While preparation of a memorandum will likely require professional assistance, this could be provided to clubs at the same time as assistance is provided on other aspects of an amalgamation (required under the Registered Clubs Act and the Corporations Act).

Benefits associated with this clause will flow to ordinary members of the club, in that those members will be properly informed of the future arrangements for their club's operations when considering whether or not to approve an amalgamation proposal. Members will have a degree of certainty that those arrangements will continue for a reasonable period into the future.

Clause 7 – "Major assets" of dissolved club

Section 17AI(1) of the Registered Clubs Act provides that during the period of three years following an amalgamation the parent club must not dispose of any of the 'major assets' of the dissolved club unless the Authority approves. Under section 17AI(3), 'major assets' means assets that are of a class prescribed by the regulation.

Clause 7 specifies the class of assets which are defined as 'major assets' as being any core property. That is, any real property owned or occupied by the club that comprises:

- the defined premises of the club; or
- any facility provided by the club for the use of its members and their guests; or
- any other property declared to be core property by a resolution passed by a majority of the ordinary members at a general meeting.

However, ordinary members can pass a resolution at a general meeting declaring such property not to be core property of the club.

The option of not prescribing any property to be a major asset of a club was considered. However, this would result in section 17AI having no effect, and the objective of that provision (which is to ensure that club assets cannot be stripped following an amalgamation) would not be achieved.

Having only some core property included in the definition of major assets under clause 7 was also considered. However, it is unnecessary to qualify core property given that section 17AI(2) allows the Authority to approve of the disposal of any of the major assets of a dissolved club within three years only if it is satisfied that the disposal is necessary to ensure the financial viability of the parent club and has been approved by a majority of members of the dissolved club.

This clause is carried forward from the existing Regulation.

Prescribing this matter is required by section 17AI(3) of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

Clause 7 facilitates the interpretation of the Act.

Costs associated with this clause are that clubs may not be able to realise the monetary value of assets that are obtained via an amalgamation within three years of the amalgamation taking place. However, this is outweighed by the benefits to members in that, for a period of time, the parent club is prevented from indiscriminately disposing of the assets of the dissolved club.

Part 3 Applications and authorisations

Part 3 of the proposed Regulation deals with authorisation applications relating to non-restricted areas, junior members, and club functions and other applications.

Clause 8 – Fees to accompany application for certain authorisations

This clause specifies a fee of \$50 to accompany various types of authorisation applications.

The option of not charging a fee for the making of applications was considered. However, it is appropriate for the regulator to be able to recoup some of its administrative costs of processing and determining applications. A fee of \$50 is considered reasonable, and it is somewhat less than the real cost of processing applications.

This clause is carried forward from the existing Regulation.

Prescribing this matter is required by sections 23A(2)(b) and 73(1)(h) of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

It is appropriate that some of the cost of authorisation applications be borne by those who will receive the benefit from the granting of such authorisations. The fee prescribed is minimal compared with the social benefits that members and the community will gain through the conduct of functions on club premises which normally would not be permitted. The club will also benefit through increased revenue. The application fee will be offset against the Authority's administration costs in processing the application.

Clause 9 – Notice to be given to local authorities and police

This clause requires the applicant to give notice of an authorisation application to the local consent authority and local police no later than two working days after the application is made. The notice must be in the form approved by the Authority.

The option of not requiring notification to be given to police and local councils was considered. However, it is important that these stakeholders be aware of an application and be able to make a submission to the Authority if desired, given their community protection roles and the impact that the approval of an authorisation may have on their responsibilities.

Providing for a notification timeframe of more than two working days after an authorisation application is made was considered too long given that local councils and police have many other demands on their resources and they need to be made aware as early as possible of an application so they can respond to it, if necessary.

This clause is carried forward from the existing Regulation, with minor changes referred to in Chapter 5.

Prescribing these matters is provided for in sections 23A(2)(c) and 73(2A) of the Act.

Economic and Social Costs and Benefits

The minor costs associated with this clause will impact on applicants. They will result from the requirement for applicants to notify the local consent authority and local police of authorisation applications made to the Authority. This requires the delivery of a notice (included in the application form available from the Authority) to the local consent authority and local police.

These costs, however, will be outweighed by the benefits which will flow to the local consent authority and local police and inevitably to the wider community. By making these bodies aware of an application they may make submissions to the Authority about the merits of granting the application.

Having the Authority approve the form in which notice is to be given ensures consistency regarding the information provided, and helps to ensure the consent authority and police are sufficiently informed.

Clause 10 – Clubs functions authorisation notice to be fixed to premises

This clause states that an application for a club functions authorisation is to be fixed by the applicant to the club premises to which the application relates within two working days of making the application. The notice is to be in a form approved by the Authority.

The option of not requiring notice of an application to be fixed to the club premises was considered. However, it is important that members and local residents be aware of an application and be able to make a submission to the Authority if desired, given that approval of an application may have a positive or detrimental impact on their community.

The option of having a timeframe of other than two working days for the fixing a notice on a club's premises after it was made was considered. A one day timeframe is considered too short as it provides insufficient time for the fixing of the notice. A period of more than two working days is considered too long as members and other persons need to be notified as soon as possible, given that such persons generally only have 30 days to make a submission in response to the application.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in sections 23A(2)(c) and 73(2A) of the Act.

Economic and Social Costs and Benefits

The minor costs associated with this clause will impact on clubs. They will result from the requirement for clubs to fix a notice of their application on their premises.

These costs, however, will be outweighed by the benefits which will flow to members and the local community, in that persons may become aware of the application and can thereby make submissions to the Authority about the merits of granting the application.

Having the form of notice approved by the Authority ensures consistency regarding the information provided, and helps to ensure members and other relevant persons are sufficiently informed about the authorisation applications.

Clause 11 – Submissions in relation to applications

This clause provides that any person may make a submission to the Casino, Liquor, Gaming and Control Authority in relation to an application for an authorisation. A submission must specify details of the application to which the submission relates, and be made within 30 days of the date on which the application was made, or such shorter period as the Authority may determine. The Authority has discretion to extend the period submissions may be made.

The option for having a period of other than 30 days was considered. Thirty days is consistent with similar timeframes for the making of submissions under the liquor and gaming laws. There is flexibility for the 30 day period to be lengthened or shortened should the circumstances warrant.

This clause is carried forward from the existing Regulation, with minor changes referred to in Chapter 5.

Prescribing this matter is required by section 23A(5) of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on persons and organisations that make a submission to the Authority. They will result from persons and organisations needing to make a submission within a stipulated timeframe of 30 days, and having to prepare the

submission, which includes having to provide details in the submission of the application to which it relates.

The information required by Clause 11 to be included in the submission enables the Authority to readily identify the application to which the submission relates. This will save time for the Authority in undertaking its tasks and, consequently, will help to reduce administrative costs.

Clause 12 – Advertising of other applications

This clause provides that the Casino, Liquor, Gaming and Control Authority may require applications that are not referred to in clause 8 to be advertised. The Authority may refuse to determine such applications that have not been advertised.

The option of not allowing the Authority to require such advertising of applications was considered. However, it is appropriate that the Authority be able to utilise its discretion in circumstances where the public interest would benefit from local stakeholders being made aware of an application by a club. This power is also available to the Authority in relation to liquor applications under clause 14 of the *Liquor Regulation 2008*.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 23A(2)(c) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on the applicant. They will result from the requirement for applicants to advertise their application in a manner directed by the Authority. This will be determined on a case by case basis, and may include display of a notice on the club premises, and providing notice to certain stakeholders.

Benefits associated with the clause will flow to the community as the clause will ensure members of the community are aware of applications (which they may otherwise not be) and will have an opportunity to raise concerns if they wish.

Clause 13 – Conditions of junior members authorisations

This clause specifies the conditions to which a junior members authorisation is subject. The conditions require that a club must record in a register the dates on which junior members are given access to club premises, and, at least 7 clear days before the event, give written notice to the local police of the dates junior members are to be given access to the premises.

The option of not requiring a register of dates to be maintained was considered. Given the substantial benefits to regulators in having access to this information (as detailed below), this option is not supported.

Restricted access to registered club premises by members and their guests is an important principle of the club movement, and this clause assists in maintaining the integrity of that principle.

The option of requiring that local police be given more than, or less than, seven clear days notice before a junior members event is to occur was considered. Given that police must be able to consider the need to allocate necessary resources for such a function,

seven clear days notice is an appropriate amount of time having regard to the commercial constraints that may apply to clubs.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 23A(9)(a)(ii) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on clubs. They will result from the requirement for clubs having to keep a register recording dates junior members are given access to club premises and notifying police.

Benefits associated with this clause will flow to regulators by the keeping of a register. They will result from regulators having access to information which can assist in enforcing restrictions on entry to a club by non-members and minors.

Part 4 Accountability

The primary corporate governance provisions in Part 4A of the Registered Clubs Act were introduced in 2003, and focus on improving accountability and probity in the registered clubs industry. The provisions aim to create a high standard of transparency and accountability. In 2007, these provisions were amended as a result of a review of their effectiveness undertaken in consultation with the industry peak bodies.

The Independent Pricing and Regulatory Tribunal (IPART) in its June 2008 report, *Review of the Registered Clubs Industry in NSW*, considered that the strong focus on accountability, transparency and probity is appropriate.

Part 4 of the proposed Regulation contains corporate governance provisions carried forward from the existing Regulation which support the operation of the provisions in Part 4A of the Act.

Clause 14 – Definition of “top executive”

Under section 41B(1) of the Registered Clubs Act, club secretaries and managers appointed under section 66 of the Liquor Act are defined as a ‘top executive’. Top executives are subject to certain accountability requirements under Part 4A of the Act. Part 4A prohibits the club from entering into a contract with a top executive or a member of the club’s governing body, or a company which these persons have a pecuniary interest, unless the proposed contact is first approved by the governing body. Top executives must also declare certain financial interests and certain gifts. Remuneration of top executives must be approved by the governing body of the club.

These club accountability requirements exist in the Act to protect the club and its members from inappropriate conduct by persons who, because of their high level position within the club, are able to have a significant influence on club decisions, particularly in relation to financial matters.

Section 41B(1)(c) provides for the regulations to prescribe other persons who may also be a ‘top executive’.

Clause 14 further defines ‘top executive’ to include a person nominated by the club as a top executive, or a person who is one of the five highest paid employees of the club

(including any person who acts in the position of any such employee for a continuous period of not less than 3 months).

The option not to include additional persons in the definition of a 'top executive' was considered. However, capturing the persons defined in clause 14 is appropriate as those persons are likely to be able to influence club decisions in much the same way as those persons included in the definition of 'top executive' under section 41B(1) of the Act. This clause therefore supports the effective operation of Part 4A of the Act.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 41B(1) of the Act.

Economic and Social Costs and Benefits

This clause facilitates interpretation of the accountability provisions of the Act covered by Part 4A by making it clear which persons are a 'top executive'.

Costs associated with this clause will impact on top executives and clubs. They will result from the requirement for top executives having to declare to the secretary of the club in writing that they have a financial interest in a hotel, or have received a gift or remuneration from an affiliated body exceeding \$500. They will also result in restricting a club from entering into a contract with top executives, or a company in which the top executive has a pecuniary interest. Cost will be imposed on clubs and members of the governing body in having to meet to consider a proposed contract with a top executive.

Benefits associated with this clause flow to members and the club by making them aware of such dealings. Members can therefore be satisfied that the club is operating with propriety. Clubs can be assured that their top executives are not personally deriving advantages or profits from contracts it has entered into.

Clause 15 – Returns declaring gifts and remuneration

Section 41F of the Registered Clubs Act requires that a member of the governing body of a registered club or an employee of a registered club must submit a written return in each year to the club, in accordance with the regulations, declaring any gift or remuneration received by the member or employee from a person or organisation that is a party to a contract with the club.

Clause 15 specifies that such a return is to be submitted within 21 days after the end of the financial year the gift or remuneration was received.

The clause also specifies guidelines to assist in determining what constitutes a gift that is to be disclosed. Namely, gifts which exceed a value of \$500 or when added to the value of all other gifts received from the same donor, exceeds \$500. If the value of a gift (other than money) is unable to be determined, the gift must be disclosed.

The form of the return is to be approved by the Director.

The option of not specifying requirements in relation to returns was considered. However, this would undermine the purpose of section 41F, which clearly requires that the regulations specify such requirements to assist with the interpretation of, and in compliance with, the section.

Specifying an amount of less than, or more than, \$500 for gifts to be declared was considered. It is appropriate that a \$500 sum be prescribed as this is a sufficient sum to potentially lure someone to act improperly, and it should therefore be disclosed. Where gifts are unable to be valued, to avoid any perceptions of or actual conflict of interest, it is considered appropriate that all such gifts be declared.

This clause is carried forward from the existing Regulation.

Prescribing these matters is required by sections 41F(1), 41ZB(a)-(b), and 41ZC(1) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on persons required to submit a return. Those costs will be minimised by requiring that the return need only be submitted once each financial year.

Benefits associated with this clause will flow to the club and its members. Making members of the governing body and club employees accountable will help to satisfy the club and its members that there is no conflict of interest in the club's operations.

Having the form of returns approved by the Director will ensure relevant information is provided in a consistent manner. This will help to reduce administrative costs in processing the returns and facilitate the efficient and accurate recording of information.

Clause 16 – Register of disclosures, declaration and returns

This clause requires the register of disclosures, declarations and returns relating to gifts, remuneration, interests in contracts and financial interests in hotels by members of the governing body, top executives and other staff members to be kept by the secretary in a form approved by the Director. The recording of this information is required to be made in relation to the club under Division 2 of Part 4A of the Registered Clubs Act. This clause includes a penalty (maximum 50 penalty units) for non-compliance.

Not prescribing any form for the keeping of the registers referred to in the clause was considered. This is not supported as it will result in a variety of registers of varying quality which will complicate compliance and enforcement efforts.

The imposition of no penalty, or a penalty of less than the maximum 50 penalty units, was considered. A maximum penalty level of 50 penalty units is appropriate given the seriousness of not complying with the accountability requirements of the Act. An absence of this information, or inadequate information, will impede regulators' investigation functions and make it difficult to enforce breaches of the Act. Poor quality information will also impact on members in that they may be prevented from determining whether or not their club is being conducted with high standards of propriety.

This clause is carried forward from the existing Regulation.

Prescribing these matters is provided for in sections 41ZB(b1) and 73(3) of the Act.

Economic and Social Costs and Benefits

The costs associated with this clause will impact on the members of the governing body, top executives and other staff who are required to provide the information to the club secretary.

These accountability measures requiring information about interests, gifts and remuneration received to be recorded in a register will benefit the standing of the club itself through making such information transparent. Members can be satisfied there is no conflict of interest and the club is being operated in a proper manner.

The imposition of a penalty for non-compliance with this provision is appropriate given the detrimental effect on the club should a conflict of interest arise.

Having the Director approve the form of the register ensures consistency and relevancy of the information recorded.

Clause 17 – Reporting – financial statements

Clause 17 requires that clubs must prepare on a quarterly basis financial statements that incorporate the club's profit and loss accounts and trading accounts for the quarter, and balance sheet as at the end of each quarter. The financial statements must be provided to the governing body of the club. made available to members, and provided upon request to the Director and any particular member.

The clause also requires clubs to indicate, by displaying a notice in the form approved by the Director on the club's premises and on the club's website (if any), how the members of the club can access the financial statements.

There is a penalty (maximum 50 penalty units) for non-compliance with this clause.

The option of discontinuing these existing reporting requirements was considered. However, doing so would undermine the integrity of the accountability provisions in Part 4A of the Act, and possibly impede a club's governing body from properly carrying out its functions, which could result in financial mismanagement or negligent conduct.

The option to require that members be individually provided with the statements required to be prepared by mail was considered. However, this option will result in significant costs for clubs – particularly those with large numbers of members. Display of a notice on club premises and on a club's website is sufficient to ensure members are aware how financial statements can be accessed.

The option of having no timeframe, or a timeframe of less than 48 hours or more than 48 hours, to make the financial information available to members was also considered. It is not appropriate to leave this matter to the discretion of an individual club to determine, as late provision of the financial information could result in it being outdated by the time it is made available. Less than 48 hours was considered too short a timeframe for clubs to do what is necessary to arrange to have the information available. More than 48 hours was considered too long, as it is in the interests of members for them to have access to the same financial information that is available to their club's governing body as soon as practicable after that information has been considered by the governing body.

The imposition of no penalty, or a penalty of less than the maximum 50 penalty units, was considered. A lower penalty would be inappropriate given the need for members to be aware of the financial situation of their club. Non-disclosure will impede regulators investigating functions and make it difficult to enforce breaches of the Act. Lack of or poor quality financial information will also impact on members in that they may be prevented from determining whether or not their club is being conducted with high standards of propriety.

This clause is carried forward from the existing Regulation.

Prescribing these matters is provided for by sections 38(1) and 73(3) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on clubs and members. They will result from the requirement for clubs having to prepare and provide periodic financial statements to the governing body and members, and the Director if requested. Clubs will also bear the costs of having to notify members of how to access the financial statements and associated costs in providing members access to records, and copies to the Director and members, if requested. As most clubs are required to prepare annual financial statements under the Corporations Act, they are able to provide copies of the same documents to the regulator and members, which helps to minimise the costs to the club in having to comply with this clause.

Benefits associated with this clause ensure accountability to members regarding the club's financial position. It also ensures the Director is able to access financial and other records to assist in ensuring compliance with the Act and that there is no impropriety. The imposition of a penalty for non-compliance with these provisions is appropriate given the detrimental effect on a club and persons having commercial dealings with the club who are reliant on such information should such records not be kept, or kept in a manner that reflects the true position of a club.

Having the Director approve the form of notice ensures relevant and consistent information is provided to members.

Clause 18 – Reporting – provision of information to members

This clause requires that clubs must record information, in a form approved by the Director, relating to any disclosure or return received by the club as required under Division 2 of Part 4A of the Act. Such disclosure or return relates to gifts, remuneration received by, and financial and other interests of, members of the governing body, top executives and other staff members. Other information that must be recorded includes:

- the number of top executives of the club whose total remuneration is \$100,000 or over;
- details of any overseas travel by a member of the governing body or employee;
- details of any loan made to an employee which is over \$1,000;
- details of any contract approved by the governing body relating to the remuneration of a top executive;
- the name of any employee who is a close relative of a member of the governing body or a top executive of the club and the employees remuneration;
- details of any amount equal or more than \$30,000 paid by the club to a consultant, and the total amount paid to all consultants;
- details of any legal settlements involving a member of the governing body or an employee;
- details of any legal fees paid by the club on behalf of any member of the governing body or an employee;

- the total amount of the profits (within the meaning of the *Gaming Machine Tax Act 2001*) from the operation of approved gaming machines in the club during the gaming machine tax period;
- the amount applied by the club during the gaming machine tax period under the Community Development and Support Expenditure (CDSE) Scheme.

The information must be made available to members within 4 months after the end of the reporting period. The information is also to be provided to the Director on request in writing.

The clause also requires the club to indicate, by displaying a notice in the form approved by the Director on the club's premises and on the club's website (if any), how the members of the club can access the financial statements.

There is a penalty (maximum 50 penalty units) for non-compliance with this clause.

Various options were considered in terms of whether to prescribe the information to be recorded and the kind of information to be reported to members. Different options were also considered in terms of what the monetary limit should be for each of the matters prescribed. For those matters that have a prescribed monetary amount, consideration was also given as to whether the amounts should be higher or lower than what is currently prescribed.

Given the influential positions of the people involved, and the level of accountability expected of such persons in their capacity as club decision makers, it is important that measures be in place to reduce the potential for corrupt conduct and to ensure key information is available to expose such conduct.

The amounts prescribed in the clause (including those relating to consultants and employees) are comparable with similar reporting requirements that apply to other organisations. These limits have been set at thresholds where it is considered that members should be aware of these financial arrangements as they involve club property which is owned by members.

The option to require that members be individually provided with the information required to be maintained by mail was considered. However, this option will result in significant costs for clubs – particularly those with large numbers of members. Display of a notice on club premises and on a club's website is sufficient to ensure members are aware how this information can be accessed.

The option of having no timeframe, or a timeframe of less than 4 months or more than 4 months, to make the information available to members was also considered. It is not appropriate to leave this matter to the discretion of an individual club to determine as late provision of the information could result in it being outdated by the time it is made available. Less than 4 months was considered too short a timeframe for clubs to do what is necessary to prepare the information arrange to have it available. More than 4 months was considered too long, as it is in the interests of members for them to have access to this information as soon as practicable after the end of the reporting period.

The imposition of no penalty, or a penalty of less than the maximum 50 penalty units, was considered. Such penalties are inappropriate given the importance of club members having access to the information required by the clause. Non-disclosure will impede regulators investigating functions and make it difficult to enforce breaches of the Act.

Lack of or poor quality information will also impact on members in that they may be prevented from determining whether or not their club is being conducted with high standards of propriety.

This clause is carried forward from the existing Regulation.

Prescribing these matters is provided for by sections 38(1) and 73(3) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on clubs. They will result from the requirement for clubs having to compile and keep the information specified in this clause, and providing such information to members, and the Director if requested. Clubs will also bear the costs of having to notify members of how to access the information.

Benefits associated with this clause ensure accountability to members regarding the club's financial dealings and alleviate any concerns that might arise with respect to a perceived or actual conflict of interest. It also ensures the Director is able to access records to assist in ensuring compliance with the Act and that there is no impropriety. The imposition of a penalty for non-compliance with these provisions is appropriate given the importance for such information to be disclosed to members and the Director so they can be satisfied that the club is being conducted to high standards of probity.

Having the Director approve the form of how the information is recorded and the notice ensures relevant and consistent information is provided to members and the Director. This will also reduce administrative costs for government in processing the information.

Clause 19 – Exceptions relating to disposal of core property

This clause provides exceptions where core property of a club may be disposed. Section 41J of the Act defines core property as any real property owned or occupied by the club that comprises:

- the defined premises of the club; or
- any facility provided by the club for the use of its members and their guests; or
- any other property declared to be core property by a resolution passed by a majority of the ordinary members at a general meeting.

Section 17AI(1) of the Act provides that during the period of three years following an amalgamation the parent club must not dispose of any core property of the dissolved club unless the Authority approves.

Exceptions to the disposal of core property provided by the clause include:

- where the property is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation of a registered valuer;
- the property is being disposed of to a wholly owned subsidiary of the club;
- the property is being leased or licensed to a telecommunications provider for the purposes of a telecommunication tower;
- the disposal of property involves calling for expressions of interest and a subsequent selective tendering process, and the disposal and the disposal process have been approved by a majority vote of ordinary members;

- the property is being sold by private treaty, but only if it failed to sell at public auction or open tender conducted by an independent real estate agent or auctioneer (the property must also have been valued by a registered valuer and the disposal approved by a majority of ordinary members at a general meeting);
- the terms and nature of the disposal are disclosed to the ordinary members of the club, and the disposal is approved at a general meeting of the ordinary members of the club;
- the property is being disposed of to a government department, statutory body representing the Crown, State owned corporation or local council;
- the Director has, on application by the registered club, approved of the property being disposed of otherwise than in accordance with section 41J(3) of the Act.

The option of having no exceptions to the disposal of core property under section 41J was considered. However, various circumstances warrant exceptions being made to ensure a club does not unduly suffer financial distress from being unable to dispose of assets. Exceptions can be justified where safeguards are in place to ensure the disposal is proper, or where there are broader community issues at play.

Whether there should be capacity for other disposals of core property to be exempted from section 41J was also considered. To provide for situations not envisaged by the Regulation, it is appropriate that the Director has the capacity to approve of property being disposed of outside of the constraints of section 41J. In this regard, it is impractical to amend the Regulation to allow disposal in each circumstance given that disposal timelines may be critical and having to amend the law may frustrate the disposal of property.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for by section 41J(4) of the Act.

Economic and Social Costs and Benefits

Cost associated with this clause will impact on clubs. They will result from clubs having to hold general meetings to vote on certain disposals and calling for expressions of interest.

Benefits associated with this clause will flow to clubs and their members. They will result from this clause facilitating the disposal of core property in certain circumstances where disposal would otherwise not be permitted by the Act.

Clause 20 – Exemptions from section 41L of the Act

Section 41L of the Act prohibits clubs from entering into contracts with certain persons who have a direct involvement with the club's operations and their close relatives.

Clause 20 exempts certain contracts that a club is prohibited from entering into under section 41L involving the secretary, manager, close relatives and others. Such contracts involve the provision of goods and services to club premises that are outside the metropolitan area and an open tender process being conducted.

The option of not providing exemptions under section 41L was examined. In doing so, the potential impact on clubs situated outside the metropolitan area (as defined by clause 20(2)) was considered. It was recognised that such clubs could be disadvantaged as

there may be limited availability of some goods and services in the club's local area. It is therefore considered practical and in the best interests of these clubs to be exempted from entering into contract prohibited under section 41L. In allowing such exemption the requirement for an open tender process is considered appropriate to ensure a proposed contract does not result in a conflict of interest.

This clause is carried forward from the existing Regulation, with minor changes referred to in Chapter 5.

Prescribing these matters is provided for in section 41ZB(c) of the Act.

Economic and Social Costs and Benefits

Cost associated with this clause will impact on clubs. They will result from clubs having to conduct an open tender process when entering into contracts for the delivery of goods and services outside the metropolitan area.

Clause 20 recognises that clubs situated outside the metropolitan area (defined by the clause) may have difficulty obtaining certain goods and services. Therefore, the benefits associated with this clause will flow to non-metropolitan clubs and their members, who will be able to access a greater range of goods and services in circumstances where choice may be limited because of a regional or remote location.

Clause 21 – Pecuniary interests in companies

Section 41K(1) of the Act provides that a registered club must not enter into a contract with a member of the governing body or a top executive, or with a company or other body in which such a member or top executive has a pecuniary interest, unless the proposed contract is first approved by the governing body.

Clause 21 specifies what constitutes a pecuniary interest for the purposes of section 41K(1) of the Act. Namely, a shareholding of more than 5% in a company is a pecuniary interest. However, any shareholding in a company that carries on the business of supplying gaming machines or liquor to the club is a pecuniary interest to which section 41K(1) of the Act applies.

Specifying a different level of shareholding than that proposed was considered. However, a 5% level is appropriate as at that level, the member of the governing body or top executive is expected to derive significant benefit from contracts and may be in a position to influence decision making at the company. In regard to a company that carries on the business of supplying gaming machines or liquor to the club, making any shareholding a pecuniary interest will help to ensure there is transparency in arrangements for the provision of these essential goods. It is noted that contracts can still be entered into in these circumstances so long as they are first approved by the club's governing body.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 41ZC(1) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on members of a governing body, top executives and the club. They will result from the requirement for certain contracts to first be approved by the governing body.

Clause 21 facilitates the interpretation of the Act by making it clear what constitutes a pecuniary interest. Benefits associated with this clause flow to a club, its members and the community. They will result from a club's governing body being made aware that a member of the governing body or a top executive may personally benefit from the club entering into certain contracts. Members can be better satisfied that such persons are acting properly and in the best interests of the club.

Part 5 Miscellaneous

Part 5 of the proposed Regulation relates to a range of miscellaneous matters.

Clause 22 – Exceptions to 5-kilometre rule

The object of clause 22 is to enable local residents (that is, persons who ordinarily reside within a radius of five kilometres from the premises of a registered club) to be admitted as temporary members of that club in certain circumstances.

This clause permits the Director to approve applications for exceptions to the five kilometre rule referred to under section 30(3B) of the Act.

The five kilometre rule encourages persons living within a five kilometre radius from the premises of a registered club to become a member of the club, rather than being admitted as a temporary member. The Act provides for flexibility in applying this rule to cater for situations where a person lives within a five kilometre radius, but travelling distance to a club is longer than five kilometres.

Clause 22 clause permits the Director to include conditions for the approval, such as displaying a club map depicting the boundaries relating to the application. The Director is able to vary or revoke the approval at any time. The application is to be in a form approved by the Director, who may also require additional information.

Not providing for any exceptions to the five kilometre rule was considered. However, this is inconsistent with the policy objective of section 30(3C) of the Act which is to provide for exceptions where appropriate, thereby allowing persons to access club facilities in circumstances where they would otherwise not be able to.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 30(3C) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on clubs. They will result in clubs having to make an application to the Director for an exception to the five kilometre rule, and having to comply with any conditions the Director may require, including the displaying of a map.

Benefits associated with this clause will flow to clubs and members of the community. In particular, persons who live within a five kilometre radius of a club's premises, but where access by road is in excess of five kilometres, will have the benefit of being able to enter the club as a temporary member and, therefore, not be required to pay an annual membership fee to use the club's facilities. Clubs will benefits in these circumstances from the patronage of the person who may otherwise not be inclined to visit the club.

The map, if required to be displayed, will give clarity to persons seeking entry to the club.

Having the Director approving the form of the application will reduce processing costs for the regulator by ensuring consistent information is provided in a consistent manner.

Clause 23 – Approval of club rules that limit voting members

The Act at sections 30(1), 30(8) & 30(9) together set out the voting requirements of club members, who under club rules are entitled to vote at an election of the governing body of the club. In 2006, section 30(9)(a) was amended from requiring a majority of a club's full members to requiring no less than 25% of the full members of a club. In 2007, the Registered Clubs Regulation was amended to stipulate the procedure for how the percentage of full voting members can be reduced.

The procedure requires that any proposal to reduce the percentage of voting members must first be approved by a majority of club members present at a general meeting. Under the former law, this would have been incorporated in the rules of the club as a majority (50%). Following approval by the members, the club can then make an application to the Director to reduce its percentage of full voting members to no less than 25% of total membership.

Any such application must be in the form and manner approved by the Director and be accompanied by such information as may be required by the Director.

At the time, the changes were strongly supported by the club industry.

This clause is carried forward from the existing Regulation.

Prescribing these matters is provided for in section 73(1)(n) of the Act.

Economic and Social Costs and Benefits

Cost associated with this clause will impact on the club and the Director. They will result in the club having to arrange for its rules to be changed. There will also be administrative costs associated with the issue of directions by the Director.

Benefits associated with this clause impact on members and the regulator. They will result in having safeguards in place to prevent a minority group of shareholders trying to take over the club, unless members have voted to change the rules to enable this to occur. Allowing the Director to issue directions regarding the changing of rules can help to ensure that a decision to change club rules properly reflects the wishes of club members and does not undermine the objectives of the club.

Clause 24 – Notification of cessation as secretary

Clause 24 states the information that is to be provided to the Authority by a club when a person ceases to act as club secretary. Specifically, the name and address of the registered club, its registration number, the former secretary's name and the date in which the former secretary ceased to be the secretary and the reason for the cessation.

The option of not prescribing that any information be provided was considered. However, section 32(3) of the Act, which requires notice to be provided no later than seven days after a person ceases to be the secretary of a registered club, would not operate properly, resulting in regulatory information being inaccurate and preventing proper enforcement of the Act.

This clause is carried forward from the existing Regulation.

Prescribing this matter is required by section 32(3) of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on the club. They will result from the club having to provide the prescribed notification to the Authority of the cessation of a secretary.

Benefits associated with this clause will flow to the regulator, clubs and their members. They will result from ensuring regulatory records are accurate for compliance and enforcement purposes. The secretary's role involves, among other things, keeping records that ensure the club is accountable to members, and regulators are able to enforce the Act. It is therefore important that the recording of this information is kept up-to-date.

Specifying information that is to be given to the Authority will ensure essential information is provided by a club. This will help to reduce the regulator's administrative costs in processing the information.

Clause 25 – Display of notices

This clause prescribes the content of the notice which is to be displayed in the vicinity of the place where the club's 'sign in' registers are kept, so that members are reminded that the names of persons who are under the age of 18 years cannot be entered in the guests' register. The notice must be in the form approved by the Authority and obtained from the NSW Office of Liquor, Gaming and Racing.

The clause allows clubs until 31 March 2011 to update their existing notices.

The option not to prescribe the content of the notice or to require that it be obtained from the NSW Office of Liquor, Gaming and Racing was considered. This option is inappropriate given the need for a consistent and clear message to be provided to readers in a consistent format that can be easily understood. An identical requirement applies to other notices under the liquor and gaming laws (including notices required to be displayed by registered clubs) via clauses 31 and 33 of the *Liquor Regulation 2008*.

This clause is carried forward from the existing Regulation, with minor changes referred to in Chapter 5.

Prescribing this matter is provided for in sections 50B(2) and 73(2A) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause impact on the club. They will result from the requirement for a notice required under section 50B(2) of the Act to be in a prescribed form and be obtained from the NSW Office of Liquor, Gaming and Racing. Having the NSW Office of Liquor, Gaming and Racing produce the notice will result in benefits for members as the notice's content will be accurate, consistent and in a form that is legible.

Clause 26 – Denial of allegation as to age

This clause provides for the means to deny an allegation that, at a specified time, a person was under the age of 18 years in relation to any proceedings for an offence under the Act or the regulations. The allegation must be denied:

- (a) at any adjournment prior to the commencement of the proceedings—by informing the court, the informant or a person appearing for the informant in writing of the denial, or
- (b) at any time not later than 14 days before the hearing of the charge—by informing the informant or a person appearing for the informant in writing of the denial.

This clause is carried forward from the existing Regulation. It is identical to clause 75 of the *Liquor Regulation 2008*, which performs a similar role.

Prescribing this matter is required by section 63(2) of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

There are no costs associated with this clause.

Benefits associated with this clause will flow from facilitating the efficient conduct of relevant matters before the court.

Clause 27 – Disciplinary action – persons authorised to make complaints

This clause authorises the general manager of a local council to make a disciplinary complaint in relation to a registered club under Part 6A of the Act.

The option to not prescribe any persons who can make a disciplinary complaint was considered. However, it is appropriate that the manager of a local council be able to make a complaint against a registered club, particularly in relation to section 57F(3) of the Act (referred to below). Prescribing the general manager of a local council is consistent with clause 73 of the *Liquor Regulation 2008*.

This clause is carried forward from the existing Regulation.

Prescribing this matter is provided for in section 57F(1)(c) of the Act.

Economic and Social Costs and Benefits

Costs associated with this clause will impact on the local council in that there will be administrative costs associated with lodging a complaint.

Benefits associated with this clause will flow to councils. They will result from Councils being able to make a disciplinary complaint against a club as part of their planning responsibilities. An example of such a complaint is provided under section 57F(3)(f) of the Act where the Authority may take disciplinary action against a club which has been conducted, or the premises have been habitually used, for an unlawful purpose.

Clause 28 – Penalty notice offences

This clause facilitates the interpretation of Schedule 1 of the Regulation relating to penalty notice offences by providing that offences listed in Column 1, and penalties listed in Column 2, of the Schedule are the offences for which a penalty notice can be issued.

This clause is carried forward from the existing Regulation.

Prescribing this matter is required by section 66 of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

This clause relates to a machinery matter and facilitates the interpretation of Schedule 1 of the Regulation. There are no associated costs.

Clause 29 – Transitional provision – disposal of real property

Section 41J of the Act specifies the conditions in which core property (i.e. real property) of a club can be disposed namely:

- that the property has been valued by a registered valuer;
- the disposal has been approved by a majority of ordinary members at a general meeting; and
- the sale is by way of a public auction or open tender conducted by an independent real estate agent or auctioneer.

Clause 29 relates to transitional provisions where section 41J of the Act does not apply. Specifically, where the disposal of land by a club relates to a lease concerning land which was entered into before the commencement of that section, and the lease included an option to renew that would take effect after that commencement.

This clause is carried forward from the existing Regulation.

Economic and Social Costs and Benefits

There are no costs associated with this clause.

Benefits associated with this clause will flow to clubs in that arrangements entered into before the commencement of section 41J can continue to be honoured by clubs.

Clause 30 – Savings

This clause provides that any act, matter or thing immediately before the repeal of the *Registered Clubs Regulation 1996*, that had effect under that Regulation, continues to have effect under this Regulation.

This clause is carried forward from the existing Regulation, with minor changes referred to in Chapter 5.

Economic and Social Costs and Benefits

This clause relates to a machinery matter with no associated costs. The benefits of this clause are that matters underway at the time the existing Regulation is repealed can continue under the new Regulation.

Schedule 1 Penalty Notice Offences

Schedule 1 lists the provisions of the Act and Regulations for which penalty notice offences may be issued, and the amount of penalty to be paid. Such notices may be issued to a club secretary and a registered club.

This Schedule is carried forward from the existing Regulation, with minor changes as referred to in Chapter 5. A number of offences have been included in Schedule 1 which were not included in the 1996 Regulation.

Prescribing these matters is required by section 66 of the Act. The section cannot operate without the proposed clause being made.

Economic and Social Costs and Benefits

Costs associated with Schedule 1 will impact on the regulator. They will result from the requirement of having to issue a penalty notice and the administrative costs associated with this.

Benefits associated with this clause will flow to the club and persons issued with a penalty notice, and to the regulator. They will result from there being a more cost effective way to remedy minor breaches relating to administrative and procedural matters, rather than requiring these matters to be the subject of potentially costly court proceedings. Defendants always have the option of requesting that the matter be dealt with in the courts if they wish.

7 Consultation

The *Subordinate Legislation Act 1989* requires that consultation on this Regulatory Impact Statement be undertaken with relevant individuals, groups and industry that may be affected.

A key element of regulatory development is consultation with these stakeholders.

This Regulatory Impact Statement is part of the consultative process for the proposed *Registered Clubs Regulation 2009*.

The following bodies will be consulted:

- ClubsNSW
- RSL & Services Clubs Association
- Bowls NSW
- Leagues Club Association of NSW
- NSW Golf Association
- Federation of Community, Sporting and Workers Clubs Ltd
- Clubs Managers' Association of Australia
- Legislation Review Committee
- Casino, Liquor and Gaming Control Authority
- Ministry for Police
- NSW Police Force
- Department of Local Government
- NSW Department of Planning
- Attorney General's Department
- Department of Premier and Cabinet
- NSW Treasury
- Local Government and Shires Association
- Department of Commerce

Copies of this Regulatory Impact Statement are available to any organisation or person who so desires. Details as to how this Statement may be obtained are provided in Chapter 1.

8 Regulation review

It is expected that regulations should be periodically reviewed and, if necessary, reformed to ensure continued efficacy.

This Regulatory Impact Statement itself is prompted by a process of regular review, driven by the *Subordinate Legislation Act 1989*.

This Act requires a complete review of a regulation every five years.

Following the release of the Independent Pricing and Regulatory Tribunal Final Report in June 2008, *Review of the Registered Clubs Industry in NSW*, ClubsNSW, representatives from clubs industry bodies and the NSW Office of Liquor, Gaming and Racing have been working together to progress the implementation of the Report's 69 recommendations. These recommendations seek to ensure the viability of the registered clubs industry in NSW. As part of this process, these groups are also considering other issues not specifically addressed in the Tribunal's recommendations.

It is anticipated that there is likely to be amendments to the Registered Clubs Act and the Registered Clubs Regulation arising out of these deliberations before the next automatic repeal of the Regulation in 2014.

Developments in legislation and government policy in NSW and other Australian jurisdictions will also be monitored during this time for possible improvements to the regulation of the registered clubs industry sector in NSW.

9 **Better Regulation Principles**

1. The need for government action should be established.
2. The objective of government action should be clear.
3. The impact of government action should be properly understood by considering the costs and benefits of a range of options, including non-regulatory options.
4. Government action should be effective and proportional.
5. Consultation with business and the community should inform regulatory development.
6. The simplification, repeal, reform or consolidation of existing regulation should be considered.
7. Regulation should be periodically reviewed and, if necessary, reformed to ensure its continued efficiency and effectiveness.

10 **Copy of Proposed *Registered Clubs Regulation 2009***

The draft proposed Registered Clubs Regulation 2009 forms part of the Regulatory Impact Statement and is available from the NSW Office of Liquor, Gaming and Racing's website www.olgr.nsw.gov.au.