

Registered Clubs Regulation 2015

[2015-479]



New South Wales

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New South Wales

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Registered Clubs Regulation 2015



New South Wales

Part 1 Preliminary

1 Name of Regulation

This Regulation is the *Registered Clubs Regulation 2015*.

2 Commencement

This Regulation commences on 1 September 2015 and is required to be published on the NSW legislation website.

Note—

This Regulation replaces the *Registered Clubs Regulation 2009*, which is repealed on 1 September 2015 by section 10 (2) of the *Subordinate Legislation Act 1989*.

3 Definitions

(1) In this Regulation:

core property has the same meaning as in section 41E of the Act.

Department means the Department of Industry.

the Act means the *Registered Clubs Act 1976*.

Note—

The Act and the *Interpretation Act 1987* contain definitions and other provisions that affect the interpretation and application of this Regulation.

(2) Notes included in this Regulation do not form part of this Regulation.

Part 2 Amalgamations

4 Calling for expressions of interest

(1) A registered club (**the proponent club**) that is seeking or proposing to amalgamate must, before entering into any agreement or understanding with another registered club about an amalgamation (regardless of where the premises of that other club are situated), call for expressions of interest in amalgamating from each other registered

club that has premises within a radius of 50 kilometres of the premises of the proponent club.

- (2) The Secretary of the Department may give directions to registered clubs with respect to calling for expressions of interest under subclause (1) and a registered club must, in calling for expressions of interest, comply with any such direction given to the club.
- (3) Subclause (1) does not prevent a registered club that is seeking to amalgamate from approaching any other registered club at any time (including by way of an expression of interest) about the possibility of amalgamating.
- (4) A registered club must, at each annual meeting of the club, give notice of each expression of interest in an amalgamation, along with each unsolicited merger offer, the club has received from another club within the previous 12 months.
- (5) Without limiting any requirement under subclause (1), if a registered club that has received an expression of interest in an amalgamation or an unsolicited merger offer decides to proceed with the proposed amalgamation, the club must, before it enters into a memorandum of understanding with the other club under clause 7, notify the ordinary members of the club of any other expressions of interest or merger offers it has received in the previous 12 months.

5 Notification to club members

For the purposes of section 17AE (2) of the Act, the members of a registered club that is a party to a proposed amalgamation must be notified of the proposed amalgamation by means of a notice:

- (a) displayed on a notice board on the club's premises, and
- (b) published on the club's website (if any).

6 Submissions in relation to club amalgamations

- (1) A written submission to the Authority under section 17AEA of the Act in relation to a proposed amalgamation must be made within 30 days of the date on which the application is made under section 60 of the [Liquor Act 2007](#) for the transfer of the licence of the dissolved club.
- (2) Despite subclause (1), the Authority may, in such case as it thinks fit, extend the period in which any such submission may be made.

7 Memorandum of understanding between clubs

- (1) Registered clubs that are proposing to amalgamate must enter into a memorandum of understanding with respect to the proposed amalgamation.
- (2) The memorandum of understanding must state each club's position regarding the

proposed amalgamation and deal with (or include) the following:

- (a) 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,
- (b) a list of the traditions, amenities and community support that will be preserved or continued by the amalgamated club,
- (c) intentions regarding the future direction of the amalgamated club,
- (d) the extent to which the employees of the amalgamated club will be protected,
- (e) intentions regarding the following assets of the dissolved club:
 - (i) any core property of the club,
 - (ii) any cash or investments held by the club,
 - (iii) any gaming machine entitlements held by the club,
- (e1) the risks of not meeting any specified intentions regarding the preservation of the core property of the dissolved club and how those risks are to be addressed if realised,
- (e2) any agreement under section 17AI (1) of the Act relating to the period during which the major assets of the dissolved club must not be disposed of,
- (f) 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,
- (g) an agreed period of time before any action referred to in paragraph (f) can be taken by the amalgamated club.

(3) The memorandum of understanding must:

- (a) be made available to the ordinary members of each registered club that is a party to the proposed amalgamation at least 21 days before any meeting is held by the members of the club for the purposes of voting on whether to approve the proposed amalgamation, and
- (b) be made available for inspection on the premises of each such registered club and on the club's website (if any) for at least 21 days before any such meeting is held.

8 "Major assets" of dissolved club

For the purposes of the definition of *major assets* of a dissolved club in section 17AI (3) of the Act, any core property of the club is a prescribed class of assets.

Note—

Section 17AI of the Act restricts the “parent” club from disposing of the major assets of the dissolved club during the period of 3 years following the amalgamation.

Part 3 De-amalgamations

9 Notification of proposed de-amalgamation to club members

- (1) An amalgamated club that is proposing to de-amalgamate must notify its members of the proposed de-amalgamation at least 21 days before any meeting referred to in section 17AM (d) of the Act is held to decide whether or not to approve of the proposed de-amalgamation in principle.
- (2) If the proposed de-amalgamation is approved in principle by the members of the amalgamated club, the club is to notify the club members:
 - (a) of the date on which an application under section 60 of the *Liquor Act 2007* is to be made for the transfer to the de-amalgamated club of the licence held by the amalgamated club in respect of the relevant premises, and
 - (b) that submissions on the proposed de-amalgamation may be made to the Authority within 30 days of that date.
- (3) Any notification under this clause is to be made by means of a written notice:
 - (a) displayed on a notice board on the premises of the amalgamated club, and
 - (b) published on the club’s website (if any).

10 Submissions in relation to club de-amalgamations

- (1) A written submission to the Authority under section 17AK of the Act in relation to a proposed de-amalgamation must be made within 30 days of the date on which the application is made under section 60 of the *Liquor Act 2007* for the transfer to the de-amalgamated club of the licence held by the amalgamated club in respect of the relevant premises.
- (2) Despite subclause (1), the Authority may, in such case as it thinks fit, extend the period in which any such submission may be made.

11 Statement relating to proposed de-amalgamation

- (1) The following information is required to be included in a statement referred to in section 17AL of the Act:
 - (a) details of the premises that will be the premises of the de-amalgamated club (including the title reference),
 - (b) whether the premises will be transferred or leased to the de-amalgamated club

and the amount of consideration or rent (if any) to be paid in respect of the transfer or lease,

- (c) the number of gaming machine entitlements intended to be transferred to the premises of the de-amalgamated club,
- (d) details and estimated values of other property, plant and equipment that will be transferred to the de-amalgamated club and the consideration (if any) to be paid for the transfer,
- (e) the steps to be taken to protect and preserve the leave and other entitlements of those employees of the amalgamated club who will become employees of the de-amalgamated club,
- (f) where a copy of the constitution of the de-amalgamated club can be inspected,
- (g) details of the composition (including members' names) of the governing body of the de-amalgamated club,
- (h) the anticipated effect of the de-amalgamation on the financial viability of the amalgamated club,
- (i) where a copy of a report on the future financial viability of the de-amalgamated club, as prepared by an independent accountant, can be inspected,
- (j) an outline of the steps to be taken to give effect to the de-amalgamation, including the assignment of contracts of the amalgamated club to the de-amalgamated club.

(2) The statement must:

- (a) be sent to all the members of the amalgamated club, and
- (b) be published on the amalgamated club's website (if any), and be displayed on a notice board on the club's premises, for at least 21 days before any meeting referred to in section 17AM (d) of the Act is held to decide whether or not to approve the de-amalgamation.

Part 4 Applications and authorisations

12 Fees to accompany application for certain authorisations

For the purposes of section 23A (2) (b) of the Act, \$100 is prescribed as the fee that is to accompany an application for any of the following:

- (a) a non-restricted area authorisation under section 22 of the Act,
- (b) a junior members authorisation under section 22A of the Act,

- (c) a club functions authorisation under section 23 of the Act.

13 Notice to be given to local consent authorities and police

- (1) An applicant for an authorisation referred to in clause 12 must provide the local consent authority and the local police with a notice relating to the application.
- (2) The notice may be given before the making of the application but must be given no later than 2 working days after the application is made.
- (3) The notice must be in the form approved by the Authority.

14 Club functions authorisation notice to be fixed to premises

- (1) An applicant for a club functions authorisation under section 23 of the Act must, within 2 working days of making the application, affix a notice relating to the application:
 - (a) to the club premises to which the application relates or, if the club premises have not been erected, to a notice board erected on the land on which it is proposed to erect the premises, and
 - (b) in any other place as may be directed by the Authority.
- (2) The notice must:
 - (a) be in the form approved by the Authority, and
 - (b) be fixed so that it is legible to members of the public passing the relevant club premises, land or other place, and
 - (c) be fixed until such time as the application is determined by the Authority.

15 Submissions in relation to applications

- (1) Any person may make a submission to the Authority in relation to an application referred to in clause 12.
- (2) Any such submission must:
 - (a) specify details of the application to which the submission relates, and
 - (b) be made within 30 days of the date on which the application was made, or such shorter period as the Authority may determine in any particular case.
- (3) Despite subclause (2) (b), the Authority may, in such cases as the Authority thinks fit, extend the period in which persons may make submissions in relation to any particular application or class of applications.

16 Advertising of other applications

- (1) The Authority may require an application (other than an application referred to in clause 12) to be advertised in such manner as the Authority considers appropriate.
- (2) The Authority may refuse to determine any such application unless it has been advertised in accordance with any such requirement.

17 Conditions of junior members authorisations

For the purposes of section 23A (9) (a) (ii) of the Act, a junior members authorisation under section 22A of the Act is subject to the following conditions:

- (a) the club that holds the authorisation must keep a register of the dates on which members under the age of 18 years are given access to the club premises in accordance with the authorisation,
- (b) the club must give written notice to the local police of each date on which members under the age of 18 years are to be given such access at least 7 clear days before that date.

Part 5

18-22 (Repealed)

23 (Renumbered as clause 29B)

24, 25 (Repealed)

Part 6 Training for members of club governing bodies, club secretaries and managers of club premises

26 Training requirements for members of governing bodies of registered clubs

- (1) **General requirements** A person who is a member of the governing body of a registered club (other than a small club) must, within 12 months of becoming a member, complete the required training.
- (2) The following arrangements apply to the persons who, as at 1 July 2013, were members of the governing body of a registered club (other than a small club) (**existing members**):
 - (a) at least 50% of the existing members must complete the required training by 30 June 2016,
 - (b) all existing members must complete the required training by 30 June 2018.
- (3) **Requirements for small clubs** The governing body of a small club must, on and from 1 July 2016, comprise at least 2 members who have completed the required training.

(4) If, at any time, the number of members of the governing body of a small club who have completed the required training falls below 2, another member must, within 12 months, complete the required training.

(5) In this clause:

required training means:

- (a) the courses entitled “Director Foundation and Management Collaboration” and “Finance for Club Boards” conducted by or on behalf of Clubs NSW, or
- (b) the units of competency entitled “Implement Board member responsibilities—BSBGOV401”, “Work within organisational structure—BSBGOV402” and “Analyse financial reports and budgets—BSBGOV403” conducted by an NVR registered training organisation (within the meaning of the [National Vocational Education and Training Regulator Act 2011](#) of the Commonwealth) or any units of competency that supersede and are equivalent to those units.

small club means a registered club in respect of which the annual profits from all gaming machines kept on the premises of the club do not exceed \$1,000,000.

27 Training requirements for secretaries and managers of registered clubs

(1) A person who is the secretary or manager of a registered club must, within 2 years of becoming the secretary or manager, complete:

- (a) the course entitled “Board Governance, the Company Secretary and the General Manager” conducted by or on behalf of the Club Managers’ Association of Australia, or
- (b) any other course relating to club governance approved by the Secretary of the Department.

(2) This clause does not apply to the secretary or manager of a registered club who is a member of the governing body of the club.

(3) In this clause:

manager means a person who is the manager (within the meaning of the [Liquor Act 2007](#)) of any premises of a registered club.

28 Exemption from training requirements

(1) A person is not required to complete training under this Part if the person has relevant qualifications, skills or work experience that are equivalent to the person having completed that training.

(2) The Secretary of the Department may issue guidelines that indicate the kinds of

relevant qualifications, skills or work experience that are equivalent to the training required to be completed under this Part. The guidelines are to be made publicly available.

Part 7 Miscellaneous

29 Exceptions to 5 kilometre rule

- (1) The object of this clause is to enable local residents (that is, persons who ordinarily reside within a radius of 5 kilometres from the premises of a registered club) to be admitted as temporary members of that club in certain circumstances.
- (2) Section 30 (3B) of the Act does not apply in relation to a person who ordinarily resides in an area that is for the time being approved by the Secretary of the Department as an excepted area for the purposes of this clause.

Note—

Under section 30 (3B) of the Act, a person whose ordinary place of residence is within a 5 kilometre radius of the premises of a registered club is not eligible for admission as a temporary member of that club.

- (3) The Secretary of the Department may, on application by a registered club, approve an area that is within a radius of 5 kilometres of the premises of the club as an excepted area.
- (4) Any such application must be in the form and manner approved by the Secretary of the Department and be accompanied by such information as may be required by the Secretary of the Department.
- (5) An area that is within a radius of 5 kilometres of the premises of a registered club may be approved as an excepted area only if the Secretary of the Department is satisfied that persons living in that area are required, because of a geographical or other physical barrier, to travel more than 5 kilometres (using the most direct or practicable route) in order to reach the premises of the club.
- (6) An approval under this clause:
 - (a) is subject to such conditions as may be determined by the Secretary of the Department, and
 - (b) may be varied or revoked at any time by the Secretary of the Department.
- (7) Without limiting the conditions to which an approval may be subject, the Secretary of the Department may impose a condition requiring the registered club to which the approval relates to indicate the excepted area concerned on the map displayed under section 30 (2A) (a) of the Act.

29A Exception to 5 kilometre rule—emergencies

- (1) Section 30 (3B) of the Act does not apply in relation to a person who is admitted as a

temporary member of a registered club if the club is providing shelter, relief or other forms of assistance to that person in an emergency.

- (2) For the purposes of this clause, **emergency** means an emergency due to an actual or imminent occurrence (such as fire, flood, storm, earthquake, heatwave, explosion, terrorist act, accident, epidemic or warlike action) which endangers, or threatens to endanger, the safety or health of persons living within a 5 kilometre radius of the club premises at which any such shelter, relief or other forms of assistance is provided.

29B Exceptions relating to disposal of core property

- (1) Section 41E (1) of the Act does not apply in relation to the disposal of any core property of a registered club in any of the following circumstances:
- (a) the property is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a qualified valuer within the meaning of section 41E of the Act,
 - (b) the property is being disposed of to a wholly owned subsidiary of the club,
 - (c) the property is being leased or licensed to a telecommunications provider for the purposes of a telecommunication tower,
 - (d) the disposal of the 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 at a general meeting of the ordinary members of the club,
 - (e) the property is being sold by private treaty, but only if it failed to sell at public auction or open tender following compliance with the requirements of section 41E (1) of the Act,
 - (f) the terms and nature of the disposal (including details of the parties, property, price and valuation) 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,
 - (g) the property is being disposed of to a government department, statutory body representing the Crown, State owned corporation or local council,
 - (h) the Secretary of the Department has, on application by the registered club, approved of the property being disposed of otherwise than in accordance with section 41E (1) of the Act.
- (2) An application under subclause (1) (h) for the approval of the Secretary of the Department must:
- (a) be in the form and manner approved by the Secretary of the Department, and

(b) be accompanied by such information as may be required by the Secretary of the Department.

(3) Section 41E (1) of the Act does not apply in relation to the leasing or licensing of any core property of a registered club if the lease or licence:

(a) is granted to a person for the purpose of enabling the person to provide goods or services exclusively to members of the club and their guests and to other persons attending the club in accordance with a club functions authorisation held by the club under section 23 of the Act, or

(b) is granted to a person for the purpose of enabling the person to provide goods or services to members of the club and their guests and to other members of the public and the granting of the lease or licence for that purpose has been approved at a general meeting of the ordinary members of the club.

30 Approval of club rules that limit voting members

(1) In this clause, **voting member** of a registered club means a full member who, under the rules of the club, is entitled to vote in an election of the governing body of the club.

Note—

Under section 30 (9) (a) of the Act, at least 25% of the club's full members have to be voting members.

(2) Any rule of a registered club that provides for its voting members to comprise less than 50% of the full members of the club has no effect unless:

(a) the rule has been approved by a majority vote at a general meeting of the ordinary members of the club, and

(b) the club has complied with such directions as may be given by the Secretary of the Department in relation to the rule.

31 Appointments made by governing body

(1) The elected members of the governing body of a registered club may appoint up to 2 persons as members of the governing body.

(2) A person appointed under subclause (1):

(a) may be appointed for a term of no more than 3 years, and

(b) must be an ordinary member of the club at the time of, and for the duration of, his or her appointment, and

(c) is not eligible for re-appointment under subclause (1), including re-appointment after the end of that term.

- (3) Within 21 days of an appointment being made under subclause (1), a notice must be clearly displayed on a notice board on the premises of the registered club and on the club's website (if any) that states:
- (a) the reasons for the person's appointment, and
 - (b) the person's relevant skills and qualifications, and
 - (c) any payments to be made to the person in connection with his or her appointment.

32 (Repealed)

33 Display of notices

- (1) For the purposes of section 50B (2) of the Act, the notice must contain the following words and otherwise comply with this clause:

IT IS AGAINST THE LAW FOR A MEMBER TO ENTER THE NAME OF A PERSON UNDER THE AGE OF 18 YEARS IN THE GUEST REGISTER.

- (2) The notice must be in the form approved by the Authority and be obtained from the NSW Office of Liquor, Gaming and Racing.

34 Denial of allegation as to age

For the purposes of section 63 (2) of the Act, an allegation in relation to any proceedings for an offence under the Act or this Regulation is denied as prescribed if it is 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.

35 Disciplinary action—persons authorised to make complaints

For the purposes of section 57F (1) (c) of the Act, the general manager of a local council is authorised to make a complaint to the Authority under Part 6A of the Act.

36 Limitation on number of members of governing body

For the purposes of section 10 (1) (k1) of the Act, the prescribed date is 1 January 2017.

36A Registered Clubs Accountability Code

For the purposes of section 41C (1) of the Act, the Code set out in Schedule 2 is prescribed.

37 Penalty notice offences

- (1) For the purposes of section 66 of the Act:
- (a) each offence created by a provision of the Act or this Regulation specified in Column 1 of Schedule 1 is stated to be an offence to which that section applies, and
 - (b) the prescribed penalty payable for such an offence if dealt with under that section is the amount specified in Column 2 of Schedule 1.
- (2) If the reference to a provision in Column 1 of Schedule 1 is qualified by words that restrict its operation to specified kinds of offences or to offences committed in specified circumstances, an offence created by the provision is a prescribed offence only if it is an offence of a kind so specified or is committed in the circumstances so specified.

38 Transitional provision—disposal of real property

Section 41J of the Act (inserted as section 41E by the *Registered Clubs Amendment (Accountability and Amalgamations) Act 2018*) does not apply to the disposal of land by a registered club if a lease in relation to the land was entered into before 9 April 2004 (being the date that section commenced) and the lease included an option to renew that would take effect after that date.

39 Savings

Any act, matter or thing that, immediately before the repeal of the *Registered Clubs Regulation 2009*, had effect under that Regulation continues to have effect under this Regulation.

Schedule 1 Penalty notice offences

(Clause 37)

Offences under the Act

Column 1	Column 2
Offence	Penalty
Section 22 (2) in the case of a registered club	\$220
Section 22 (2) in the case of a secretary	\$110
Section 22A (4) in the case of a registered club	\$220
Section 22A (4) in the case of a secretary	\$110
Section 23 (4) in the case of a registered club	\$220
Section 23 (4) in the case of a secretary	\$110

Section 23A (4)	\$220
Section 31 (3)	\$220
Section 32 (1)	\$1,100
Section 33A (1)	\$1,100
Section 34 (1)	\$550
Section 34 (2)	\$1,100
Section 35A (5)	\$220
Section 41C (3)	\$1,100
Section 41F (2)	\$440
Section 43A (1)	\$1,100
Section 43A (2)	\$1,100
Section 43A (3)	\$1,100
Section 45 (1) in the case of a person other than a minor	\$110
Section 45 (1) in the case of a minor	\$55
Section 45A in the case of a person other than a minor	\$110
Section 45A in the case of a minor	\$55
Section 47 (a)	\$110
Section 47 (b)	\$55
Section 49	\$55
Section 50B (2)	\$220
Section 57J (5)	\$110

Schedule 2 Registered Clubs Accountability Code

(Clause 36A)

Note—

The penalty for contravening a provision of this Code identified in this Code as an offence provision is 50 penalty units (see section 41C (3) of the Act).

A contravention of any provision of this Code (whether or not an offence provision) constitutes grounds for the taking of disciplinary action under Part 6A of the Act.

1 Name of Code

This Code is the *Registered Clubs Accountability Code*.

2 Definitions

(1) In this Code:

board, in relation to a registered club, means the governing body of the club.

close relative of a person means:

- (a) a parent, child, brother or sister of the person, or
- (b) a spouse or de facto partner of the person or of a person referred to in paragraph (a).

Note—

“De facto partner” is defined in section 21C of the [Interpretation Act 1987](#).

departmental Secretary means the Secretary of the Department of Industry.

director of a registered club means a member of the board of the club.

manager of a club means any person appointed under section 66 of the [Liquor Act 2007](#) to manage the premises of the club.

the Act means the [Registered Clubs Act 1976](#).

top executive of a registered club means any of the following:

- (a) the secretary of the club,
- (b) a manager of the club,
- (c) any employee of the club who is nominated by the club as a top executive,
- (d) any employee of the club (other than a person referred to in paragraphs (a)–(c)):
 - (i) who is one of the 5 highest paid employees of the club, and
 - (ii) whose remuneration package exceeds the high income threshold set by the Fair Work Commission under the [Fair Work Act 2009](#) of the Commonwealth, and
 - (iii) who is involved in the general administration of the club or with its liquor and gaming operations.

(2) For the purposes of this Code:

- (a) a person has a **controlling interest** in a company or body if the person has the capacity to determine the outcome of decisions about the financial and operating policies of the company or body, and
- (b) a person has a **pecuniary interest** in a company if:

- (i) in the case of a company that supplies liquor or gaming machines to a registered club—the person has any shareholding interest in the company, or
 - (ii) in the case of any other company—the person has a shareholding of more than 5% in the company.
- (3) Terms and expressions used in this Code that are defined in the Act (including in Part 4A of the Act) have the meanings set out in the Act or that Part.
- (4) A reference in this Code to a matter being approved by the board of a registered club is a reference to the matter being approved at a meeting of the board at which a majority of the votes cast supported the approval.

3 Contracts of employment with top executives

- (1) A registered club must ensure that each top executive of the club enters into a contract of employment in writing with the club that deals with the following:
- (a) terms of employment,
 - (b) the role and responsibilities of the top executive,
 - (c) remuneration (including fees for service),
 - (d) termination of employment.
- (2) A contract of employment with a top executive does not have effect unless it is first approved by the board of the club.
- (3) A contract of employment must be reviewed by an independent and qualified adviser before it may be approved by the board.

4 Restrictions on entering into contracts generally

- (1) **Offence provision** A registered club must not enter into:
- (a) a contract with a company in which a director or top executive of the club has a pecuniary interest, or
 - (b) a contract with a director or top executive of the club,
- unless the proposed contract is first approved by the board of the club.
- (2) **Offence provision** Despite subclause (1) (b), a registered club must not enter into a contract with the secretary or a manager of the club.
- (3) **Offence provision** A registered club must not enter into:
- (a) a contract with a close relative of the secretary or a manager of the club, or

- (b) a contract with a company or body in which the secretary or a manager of the club, or a close relative of the secretary or a manager of the club, has a controlling interest.
- (4) A registered club must, before entering into a contract as referred to in this clause, make all reasonable inquiries to ensure that the provisions of this clause are not contravened. Those inquiries may include requiring a party to the proposed contract to provide a statutory declaration verifying the party's status for the purposes of this clause.
- (5) This clause does not apply in relation to contracts of employment.
- (6) Subclauses (2) and (3) do not apply in relation to contracts that result from an open tender process.
- (7) A contract entered into in contravention of this clause is not void or illegal merely because of the contravention.

5 Management contracts

- (1) In this clause:

management contract means a contract under which a person who is not a director of a registered club, the secretary or a manager of a registered club or an employee of a registered club exercises functions in relation to the management of the business or affairs of the club.

- (2) A registered club must not enter into a management contract with a person unless:
 - (a) the members of the club have been given at least 1 month's notice of the proposed contract, and
 - (b) the club has provided a report on the proposed contract to the departmental Secretary at least 1 month before entering into the contract.
- (3) A management contract entered into in contravention of subclause (2) is void and of no effect.
- (4) A registered club must comply with any direction given by the departmental Secretary with respect to any management contract that the club is proposing to enter into.
- (5) Without limiting the directions that may be given under subclause (4), the departmental Secretary may direct the club to amend or not enter into the proposed contract if the Secretary is of the opinion that the proposed contract does not comply with the requirements of the Act or is not in the interests of the club or its members.

6 Loans to directors and employees

- (1) **Offence provision** A registered club must not lend money to a director of the club.

- (2) **Offence provision** A registered club must not lend money to an employee of the club unless:
- (a) the amount of the proposed loan is \$10,000 or less, and
 - (b) the proposed loan has first been approved by the board of the club.
- (3) Subclause (2) (a) does not apply to any amount of money lent to the employee in accordance with the terms and conditions of the employee's contract of employment with the registered club.

7 Restrictions on employment of close relatives of directors or top executives

- (1) A registered club must, before it employs any person, make all reasonable inquiries to ascertain whether the person is a close relative of a director or top executive of the club.
- (2) If a person who is being considered for employment by the club is a close relative of a director of the club, the director must not take part in any decision relating to the person's employment.
- (3) A person who is a close relative of a director or top executive of the club must not be employed by the club unless the employment is approved by the board of the club.

8 Disclosures by directors and employees of clubs

- (1) **Offence provision** A director, top executive or employee of a registered club must disclose any of the following matters to the club to the extent that they relate to the director, top executive or employee:
- (a) any material personal interest that the director has in a matter relating to the affairs of the club,
 - (b) any personal or financial interest of the director or top executive in a contract relating to the procurement of goods or services or any major capital works of the club,
 - (c) any financial interest of the director or top executive in a hotel situated within 40 kilometres of the club's premises,
 - (d) any gift valued at \$1,000 or more, or any remuneration of an amount of \$1,000 or more, received by the director, top executive or employee from an affiliated body of the club or from a person or body that has entered into a contract with the club.
- (2) A registered club must have in place procedures to ensure that:
- (a) each matter referred to in subclause (1) is disclosed to the club within 21 days after the director, top executive or employee becomes aware of the matter, and

(b) the matter is managed in an appropriate manner.

- (3) **Offence provision** A registered club must keep a register, in the form approved by the departmental Secretary, containing details of the disclosures made to the club under this clause.
- (4) A reference in subclause (1) (d) to a gift or remuneration received from an affiliated body of a registered club is a reference to a gift or remuneration received from a related body corporate within the meaning of the *Corporations Act 2001* of the Commonwealth, or any other body, that within the period of 12 months immediately preceding the receipt of the gift or remuneration obtained a grant or subsidy from the club.

(5) In this clause:

gift includes money, hospitality or discounts.

remuneration includes any fee for service.

9 Provision of information to members

(1) **Offence provision** A registered club must:

- (a) make the information referred to in subclause (2) available to the members of the club within 4 months after the end of each reporting period to which the information relates, and
- (b) indicate, by displaying a notice on the club's premises and on the club's website (if any), how the members of the club can access the information.

(2) The information to be made available is as follows:

- (a) disclosures made to the club under clause 8 during the reporting period,
- (b) details of any overseas travel during the reporting period by a director of the club or an employee of the club in the person's capacity as a director or employee, including any costs wholly or partly met by the club in relation to that travel,
- (c) details of any loan over \$1,000 to an employee of the club made during the reporting period, including the amount of the loan and the interest rate (if any),
- (d) details of any contract of employment with a top executive of the club approved during the reporting period,
- (e) details of any consultancy during the reporting period costing more than \$30,000, including the name of the consultant, the consultancy fee and the nature of the services provided by the consultant,
- (f) the total amount paid to consultants during the reporting period (excluding those

amounts required to be included under paragraph (e)),

- (g) details of any legal settlement paid to a director or employee of the club during the reporting period and any associated legal fees paid by the club, unless the disclosure would breach any confidentiality agreement reached by the club,
- (h) details of any legal fees (not referred to in paragraph (g)) paid by the club during the reporting period on behalf of a director or employee of the club,
- (i) the amount allocated by the club during the reporting period to community development and support under the ClubGRANTS scheme,
- (j) the total amount of gaming machine profits from the operation of gaming machines during the gaming machine tax period relating to the reporting period.

(3) In this clause:

gaming machine tax period means the period of 12 months beginning on 1 September in the financial year concerned and ending on 31 August in the following year.

reporting period means the relevant financial year of the registered club in relation to which the information is provided.

10 Financial statements

A registered club must ensure that:

- (a) financial statements that incorporate a balance sheet and the club's profit and loss accounts and trading accounts are provided to the board of the club on a quarterly basis, and
- (b) those financial statements are made available to the members of the club within 7 days of the statements being adopted by the board, and
- (c) a notice is displayed on the club premises and on the club's website (if any) advising the members how the financial statements can be accessed.

11 Referral of complaints

Any complaint arising under this Code must be referred:

- (a) to Clubs NSW if the complaint relates to a registered club that is a member of Clubs NSW, or
- (b) to the departmental Secretary if the complaint relates to a registered club that is not a member of Clubs NSW.