

## CLUBS AUSTRALIA SUBMISSION

### EXPOSURE DRAFT: DISCLOSURE OF CLIMATE-RELATED FINANCIAL INFORMATION

Clubs Australia welcomes the opportunity to comment on the AASB exposure draft relating to climate-related financial disclosure requirements.

Clubs Australia represents 6,000 licensed clubs that employ more than 140,000 people. Clubs are not-for-profit, member-owned organisations that provide sporting and recreation infrastructure and services to their members and the wider community. Clubs range from small businesses to large multi-site operations, offering a range of entertainment, accommodation, and sporting facilities for their members, guests, and visitors.

The club industry takes proactive measures to reduce emissions, accelerate electrification and promote sustainability. Clubs adopt a range of energy-efficient practices, including smart energy management programs, voltage optimisation technology, solar photovoltaic systems, and electric vehicle charging stations. Implementing these practices is a strategic priority for many clubs and is central to future development and capital expenditure plans.

As a highly regulated industry, clubs have embraced a culture of strong compliance, and the industry recognises its obligation to take proactive steps to support issues of public importance.

Generally, Clubs Australia supports risk-based and proportionate compliance measures concerning public benefit and regulatory costs. We support, in principle, enhancing climate compliance requirements for clubs with a more substantial commercial footprint.

#### **EMPLOYEE REPORTING THRESHOLD**

As outlined in our submission to Treasury regarding the exposure draft to introduce the *Treasury Laws Amendment Bill 2024: Climate-related financial disclosure*, Clubs Australia believes there are more appropriate reporting thresholds than the number of employees. As labour-intensive organisations with a substantial workforce, clubs are more likely to meet this reporting threshold when compared to other industries of similar financial and commercial size.

Therefore, Clubs Australia recommends increasing the reporting threshold relating to the number of employees, which better reflects the commercial footprint of businesses and the capacity to generate emissions.

## **NOT-FOR-PROFIT IMPACTS**

Clubs Australia supports, in principle, the streamlined requirements for not-for-profit organisations. For instance, ASRS1 notes that not-for-profit reporting entities would not need to undertake an exhaustive search for information to identify climate-related risks and opportunities but would be required to use all reasonable and supportable information available to the entity without undue cost or effort.

Clubs Australia believes it is unclear how a not-for-profit organisation would substantiate that they have made reasonable efforts to obtain pertinent information, as this may vary for each club based on their capabilities and available resources. To address this issue, Clubs Australia recommends providing further clarification on 'all reasonable and supportable information' under ASRS 1.

## **GUIDANCE MATERIALS**

Clubs Australia considers clubs would benefit from guidance materials, fact sheets, and reporting templates to support them in understanding and fulfilling their obligations under the standards.

## **FURTHER INFORMATION**

For reference, we have enclosed Clubs Australia's submission to Treasury regarding the exposure draft to introduce Treasury Laws Amendment Bill 2024: Climate-related financial disclosure.

Please contact Simon Sawday, Executive Manager of Policy and Government, on 0451661475 or [ssawday@clubsaustralia.com.au](mailto:ssawday@clubsaustralia.com.au) for any further information.



## **CLUBS AUSTRALIA SUBMISSION**

### **EXPOSURE DRAFT: DISCLOSURE OF CLIMATE-RELATED FINANCIAL INFORMATION**

#### **INTRODUCTION**

Clubs Australia welcomes the opportunity to comment on the exposure draft to introduce the Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information.

Clubs Australia represents 6,000 licensed clubs that employ more than 140,000 people. Clubs are not-for-profit, member-owned organisations that provide sporting and recreation infrastructure and services to their members and the wider community. Clubs range from small businesses to large multi-site operations, offering a range of entertainment, accommodation, and sporting facilities for their members, guests, and visitors.

The club industry takes proactive measures to reduce emissions, accelerate electrification and promote sustainability. Clubs adopt a range of energy-efficient practices, including smart energy management programs, voltage optimisation technology, solar photovoltaic systems, and electric vehicle charging stations. Implementing these practices is a strategic priority for many clubs and central to future development and capital expenditure plans.

As a highly regulated industry, clubs have embraced a culture of strong compliance, and the industry recognises its obligation to take proactive steps to support issues of public importance.

#### **RECOMMENDATIONS**

Generally, Clubs Australia considers that compliance measures should be risk-based and proportionate, with respect to public benefit and regulatory costs.

As such, Clubs Australia supports in principle, measures which require clubs with a more substantial commercial footprint being subjected to enhanced climate compliance requirements.

In the context of the proposed disclosure requirements in the exposure draft, Clubs Australia considers there are better opportunities to account for large clubs, as businesses that are employee-intensive and not-for-profit.

Clubs Australia recommends:

- Increasing the reporting threshold with respect to the number of employees.
- Further clarification regarding 'all reasonable and supportable information' in ASRS 1.
- Supporting not-for-profit reporting entities, such as through reporting templates and guidance materials.



#### **CASE STUDIES: EXISTING ENERGY EFFICIENT PROGRAMS IN REGISTERED CLUBS**

Hornsby RSL Club has invested in an energy monitoring system, LED lights, a solar heat management coating system, and 250 solar panels generating over 850Mwh of energy.

Casino Returned Servicemen's Memorial Club has contributed to improving sustainability by installing two electric vehicle charging stations at their premises.

The Murray Downs Group, encompassing the Murray Downs Golf and Country Club and the Swan Hill Club, has adopted environmentally friendly practices, including installing solar panels and energy efficient equipment.

#### **INCREASE THE REPORTING THRESHOLD WITH RESPECT TO THE NUMBER OF EMPLOYEES**

Clubs Australia believes an employee headcount threshold is not a sufficient metric for a businesses' emissions. This issue particularly affects clubs.

Being personal services businesses, clubs are particularly labour-intensive, employing a disproportionately high number of workers relative to their commercial footprint. Clubs are therefore more likely to meet the employee threshold compared to other organisations of similar financial and commercial size. As not-for-profit businesses, clubs are also more likely to contribute surplus funds to employing people, since clubs do not pay dividends to shareholders.

Clubs Australia suggests raising or removing the reporting threshold for the number of employees as this will better reflect clubs' commercial footprint and capacity to generate emissions.

**Clubs Australia recommends increasing the reporting threshold with respect to the number of employees.**

#### **FURTHER CLARIFICATION REGARDING 'ALL REASONABLE AND SUPPORTABLE INFORMATION' IN ASRS 1**

Per the proposed Australian Sustainability Reporting Standard (ASRS) 1, a not-for-profit reporting entity would not need to undertake an exhaustive search for information to identify climate-related risks and opportunities but would be required to use all reasonable and supportable information available to the entity without undue cost or effort.

Clubs Australia suggests any references made to 'all reasonable and supportable' information should be further clarified. This will assist clubs in understanding the necessary data required for reporting purposes.

Additionally, Clubs Australia believes it is unclear how a not-for-profit organisation would substantiate that they have made reasonable efforts to obtain pertinent information, as this may vary for each club based on their capabilities and available resources.

**Clubs Australia recommends further clarification regarding 'all reasonable and supportable information' in ASRS 1.**



Clubs Australia

## **PROVIDE ADDITIONAL GUIDANCE TO NOT-FOR-PROFIT REPORTING ENTITIES**

Clubs Australia acknowledges the Australian Government's efforts in preparing explanatory materials to support organisations in understanding their obligations.

While the document offers comprehensive details about organisations' obligations under the standards, there are opportunities for the information to be clearer and more accessible.

Larger clubs may be able to afford professional assistance to support them in understanding the explanatory materials and preparing reports; however, medium sized clubs, who would be included in the final tier of reporting, have less financial capacity to engage consultants.

Clubs Australia believes the Australian Government should allocate sufficient resources towards supporting not-for-profit organisations in understanding and fulfilling their obligations under the standards. This may include publishing guidance materials and fact sheets, circulating reporting templates, and hosting information sessions tailored to the not-for-profit sector.

**Clubs Australia recommends supporting not-for-profit entities, such as through reporting templates and guidance materials.**

## **CONTACT INFORMATION**

Clubs Australia appreciates the opportunity to provide a submission. For further information, please contact Simon Sawday, Executive Manager of Policy and Government, on 0451 661 475 or [ssawday@clubsaustralia.com.au](mailto:ssawday@clubsaustralia.com.au).