



CLUBS AUSTRALIA SUBMISSION

2023–2030 Australian Cyber Security Strategy: Legislative Reforms Consultation Paper

Clubs Australia welcomes the opportunity to comment on the Cyber Security Strategy and proposed changes to the *Security of Critical Infrastructure Act 2018*.

Clubs Australia supports a robust cyber security framework that protects individuals' privacy while ensuring that regulatory requirements on business are proportionate and well-understood.

THE CLUB INDUSTRY

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.

Licensed clubs across Australia have a number of duties and functions under which it is necessary to collect data. These include:

- Complying with sign-in requirements imposed by state and territory legislation, where clubs must collect and retain certain personal information of all members and visitors
- Evidencing that the club checked the age of a patron, to ensure the club is complying with requirements to turn away minors
- Holding a register of members, which is a requirement, per se, in most jurisdictions, and also enables clubs to notify members about general meetings like AGMs
- Undertaking customer due diligence under the *Anti-Money Laundering and Counter-Terrorism Act 2006*
- Administering gambling self-exclusion schemes, as required by state and territory laws.

Clubs operating gaming machines in some jurisdictions will be required to implement cashless gaming technology. Trials of this technology have already experienced attempted data breaches.

Clubs Australia wishes to draw attention to areas of interest to our industry which have been raised in the Discussion Paper. Clubs Australia has participated in recent consultations relating to the Privacy Act Review and Digital ID and acknowledges the overlapping interests in these policy areas. We note that it will be important that any

new legislation and policies on cyber security align with these pieces of work to ensure a consistent, whole-of-government approach.

CLUBS NEED SUPPORT TO RESPOND TO CRITICAL CYBERSECURITY EVENTS

Recent reports from clubs that have been impacted by cyber events indicate there can be better clarity about the immediate steps that businesses are expected to take in response to cyber incidents, including relevant authorities to contact, and how a business can secure their own networks.

Businesses of all sizes, whether they are subject to proposed ransomware reporting obligations or looking to make a voluntary report, would benefit from immediate assistance or guidance to ensure that continued exposure to cyber risks is minimised quickly and effectively.

Clubs Australia would welcome the opportunity to work with the Government on matters relating to cybersecurity, including to develop guidance materials for businesses. We support non-legislative commitments raised in the Discussion paper, including:

- Cyber health check scheme for small businesses
- Providing clear cyber guidance for businesses

CYBER SECURITY OBLIGATIONS

The Discussion Paper proposes that businesses with an annual turnover of \$10 million or greater would be required to report ransomware incidents within a set period, of 72 hours. In NSW, a threshold of \$10 million would capture approximately 10-15% of clubs.

In balancing the need for accurate and timely information relating to ransomware attacks and the burdens such obligations would place on businesses, it is important that the Government consider the capacity of captured businesses to be able to provide relevant information.

Clubs operate in a heavily regulated environment to comply with laws relating to liquor, gambling, anti-money laundering and counterterrorism funding risks and corporation law. As not-for-profit, member-owned organisations, clubs are sensitive to increases in operating costs. For this reason, Clubs Australia supports reporting obligations being placed on businesses with an annual turnover of \$10 million or greater, and believes that the no-fault and no-liability principles would lead to greater compliance with this measure. Reporting processes should be designed to be as streamlined as possible, such as a simple webform.



The introduction of any obligations would need to be accompanied by a significant lead time, as well as an awareness campaign for affected businesses. Clubs Australia would appreciate the opportunity to participate in further consultation about how the reporting obligations will be implemented, as well as the opportunity to provide members with information and resources relating to these obligations.

CONCLUDING REMARKS

Clubs Australia appreciates the opportunity to provide a submission. For further information, please contact Simon Sawday, Executive Manager of Policy and Government, on 0451661475 or ssawday@clubsaustralia.com.au .