



CLUBS AUSTRALIA SUBMISSION

COMMONWEALTH TREASURY STATUTORY REVIEW OF THE MEETINGS AND DOCUMENTS AMENDMENTS

A. INTRODUCTION

Clubs Australia welcomes the opportunity to comment on the Statutory Review of the Meetings and Documents Amendments Consultation Paper.

Clubs Australia represents over 5,000 not-for-profit licensed and registered clubs, of which over 1,000 are public companies limited by guarantee (PCLG clubs) and governed by the provisions on meetings in the Corporations Act 2001 (Cth).

Clubs, employing over 140,000 people, are member-owned organisations providing hospitality, entertainment, social, and recreational activities to their local communities.

In addition to the requirements outlined in Section 231 of the Corporations Act, the process of becoming a member of a club is also governed by specific state and territory legislation, as well as a club's constitution.

Clubs Australia supports the meeting and document amendments permanently introduced in 2022, which promote efficiency, accessibility, and good governance. However, we believe there are additional opportunities to address clubs' existing challenges.

Since the commencement of the suite of reforms, clubs have leveraged these changes to their advantage, including by:

- Circulating meeting notices electronically, such as via email or phone, unless a member has opted to receive such correspondence by mail.
- Holding general meetings of members, including AGMs, both in person and through video conference (hybrid).
- Maintaining meeting minutes in an electronic format, streamlining clubs' record-keeping practices.
- Enabling clubs, including board members, to sign documents electronically.

These reforms have helped clubs redirect costs, enabling them to retain employees and contribute to the broader community by upgrading facilities or providing assistance for charitable purposes.

Before these changes, clubs could not host virtual or hybrid meetings, which limited attendance for many members based on their location.

Clubs allocated significant funds to mail meeting notices to their members. For example, a club in NSW spent around \$70,000 annually on postage for notices sent to its 41,000 members.

There was a substantial environmental impact, with another venue required to print and distribute AGM notices for 145,000 members each year.



B. SUMMARY OF RECOMMENDATIONS

In summary, Clubs Australia:

1. Supports the continuation of measures that provide clubs with the flexibility to conduct business through virtual or hybrid methods.
2. Recommends amending the Act so that clubs are not required to update their Constitution to permit virtual-only member meetings.
3. Recommends clarifying that clubs aren't required to resend meeting notices to an alternate location upon receiving an undelivered mail notification.
4. Recommends the Australian Government consider opportunities to address clubs' challenges when hosting hybrid member meetings.

C. CONTINUE TO SUPPORT CLUBS CONDUCTING BUSINESS THROUGH VIRTUAL OR HYBRID METHODS

The measures introduced in 2022 were necessary to align with evolving contemporary standards.

Enabling members to participate in virtual or hybrid methods has enhanced transparency and accountability regarding clubs' affairs.

Clubs have faced difficulties encouraging in-person participation at general meetings, especially after the COVID-19 pandemic. However, offering remote dial-in options has increased participation.

Specifically, online attendance has supported members who cannot attend due to health or accessibility issues.

Since 2022, most clubs have distributed electronic meeting notices to their members, except when a member has opted for postal correspondence.

This has significantly decreased red tape costs by limiting postage, stationary, and printing expenses. It has also reduced the environmental impact, as clubs no longer need to print excessive paper for meeting notices.

Previously, employees spent excessive time arranging the physical distribution of such notices. Now, they can redirect their efforts to other areas of the business, which enhances support for local communities.

Clubs Australia supports continuing the measures introduced in 2022, which promote flexibility, good governance, and adaptability in an advancing technological environment.

Clubs Australia:

- 1. Supports the continuation of measures that facilitate clubs conducting business through virtual or hybrid methods.**



D. SUPPORT CLUBS IN HOSTING VIRTUAL-ONLY MEMBER MEETINGS

As technology continues to advance, an increasing number of people are seeking online solutions.

Clubs must amend their constitutions to enable the hosting of virtual-only member meetings. Revisions to constitutions can be time-consuming and costly, especially for smaller venues.

Clubs Australia proposes that amendments be made to the Act to provide an option for clubs to host exclusively virtual members' meetings as an option.

This will provide clubs greater flexibility to host member meetings that cater specifically to their members' needs and operational requirements.

Clubs Australia:

- 2. Recommends amending the Act so that clubs are not required to update their Constitution to permit virtual-only member meetings.**

E. CLUB OBLIGATIONS WHEN RECEIVING AN UNDELIVERED EMAIL NOTIFICATION

Clubs typically collect a person's email address and mobile number during membership application. This information is used for marketing and communication, including electronic meeting notices.

Some clubs allow members to apply for membership for several years, during which their details, such as email addresses, may change. Some members update their information, while others don't, creating issues when sending electronic meeting notices.

The Corporations Act suggests an addressee's email is invalid if there are reasonable grounds to believe it is incorrect. When sending an annual general meeting (AGM) notice via email, a club may not be aware that an address is not accurate until the correspondence is sent.

If a club receives an undelivered email notification, they may send a subsequent meeting notification to the member's postal address. Given that a notice of meeting is deemed effective three days after it is posted, the club may inadvertently fail to meet the required notification timeframes (if the email was sent close to the 21-day timeframe).

Clubs Australia considers it the member's responsibility to update their contact details, including their email address. As such, clubs should not be required to send the meeting notice to an alternate location if they have received an undelivered mail notification.

Clubs Australia:

- 3. Recommends clarifying that clubs aren't required to resend meeting notices to an alternate location upon receiving an undelivered mail notification.**

F. ADDRESS CHALLENGES WHEN HOSTING HYBRID MEMBER MEETINGS

Facilitating hybrid meetings has encouraged participation, discussion, and debate at clubs' general meetings.

While this has enhanced transparency and accountability in clubs' affairs, venues have expressed practical concerns about its implementation. For example:



- Clubs have advised that tallying votes in-person and remotely can be challenging.
- There is a shortage of providers who can facilitate hybrid meetings. As a result, the fees charged by those available can be excessive. This discourages clubs from providing in-person and remote options, decreasing participation. This is particularly significant for clubs with small membership bases in regional and remote locations.

Clubs Australia recommends exploring opportunities to address these challenges and collaborating with the industry to find solutions.

This will ensure that good governance, transparency, and accountability are maintained in the future.

Clubs Australia:

- 4. Recommends the Australian Government consider opportunities to address clubs' challenges when hosting hybrid member meetings.**

G. CONTACT INFORMATION

Clubs Australia appreciates the opportunity to provide a submission. For further information, please contact Alison Tehan, Deputy Executive Director, Clubs Australia, at atehan@clubsaustralia.com.au or 0455 284 411.