

11 April 2025

Superannuation Access and Compliance Unit
Retirement Income and Superannuation Division
Treasury
Langton Cres
Parkes ACT 2600

Email: paydaysuper@treasury.gov.au

Dear Sirs,

Clubs Australia response to the Payday Super – Exposure Draft

Clubs Australia appreciates the opportunity to provide feedback on the Commonwealth Payday Super Exposure Draft (**the Exposure Draft**).

Clubs Australia is the peak body representing over 5,000 registered clubs that employ more than 140,000 people. Our members support their local communities by providing a range of hospitality, entertainment, social and recreation services and activities. These clubs, owned by their members, come in diverse sizes and are important community assets, particularly in rural and regional areas.

Clubs operate in a complex regulatory environment and consistently demonstrate high levels of compliance with their obligations, including the timely and accurate payment of superannuation.

Whilst we acknowledge the benefits this reform will have for employees; Clubs Australia has some concerns regarding how the new requirements will impact clubs.

Requiring employers to pay superannuation within a shorter timeframe may strain cash flow, especially for smaller clubs with limited financial resources. Many clubs operate with little available cashflow, and the immediate outflow of funds for superannuation payments could impact their ability to manage other expenses.

Further to this, upgrading payroll systems to comply with the proposed requirements will incur additional costs and require time and resources. Smaller clubs in particular, may face difficulties in allocating the necessary funds and expertise to make these upgrades.

To support clubs in meeting the Payday Super obligations, Clubs Australia recommends:

- The proposed payment period for superannuation be changed from 7 calendar days to 5 business days.



- An educative approach to compliance for the first 12 months of operation.
- A staged implementation approach to the commencement of the payday super to provide more time for smaller clubs to upgrade their systems and processes.
- Establishing a government support mechanism that assists clubs during the transition period.

Please find a more detailed description of our response in **Appendix A**.

Should you require any further information from Clubs Australia regarding this submission, please do not hesitate to reach out at.

Yours sincerely,



Alison Tehan
Deputy Executive Director
Clubs Australia



Appendix A: Clubs Australia Response and Recommendations

A: Proposed Payment Period of Super

The Exposure Draft would require employers to make superannuation payments within 7 calendar days from when wages are paid. This timeline will prove particularly challenging for clubs during holidays such as Easter and Christmas, where multiple public holidays coincide with weekends. Clubs Australia has received feedback from clubs noting that it will be impractical to achieve the 7-calendar day deadline in some years.

Clubs Australia recommends amending the Exposure Draft to require employers to pay superannuation within 5 business days instead of 7 calendar days. This will provide a more practical timeframe to process superannuation payments and provide appropriate flexibility to cover public holidays.

Recommendation: Clubs Australia recommends amending the Exposure Draft to allow employers to pay superannuation within 5 business days instead of 7 calendar days.

B: Proposed Penalty Provisions

Clubs Australia is concerned with the proposed penalty provisions. Whilst we acknowledge the intent and importance of these provisions, clubs genuinely attempting to comply with the new requirement may be unfairly penalised for administrative errors or delays beyond their control.

For example, many clubs utilise the clearing house service to streamline superannuation contributions. While this service typically ensures payments are accurate and timely, there may be occasions when delays occur. These delays are beyond the control of clubs, and as such should not be penalised if this occurs.

Clubs Australia has also received feedback from members on potential operational issues, including where an employer is not advised of a merger of a superfund by an employee and the delays that the payment of super can cause.

Clubs Australia recommends that penalty provisions should not apply to clubs that have demonstrated a genuine effort to comply with the legislation. Instead, the Government should adopt an educative approach, providing guidance and assistance to clubs.

Recommendation: Clubs Australia recommends that penalty provisions not apply to clubs that have demonstrated a genuine effort to comply with the legislation.

C: Staged Implementation Approach

Clubs Australia recommends a staged implementation approach to payday super for small and medium sized clubs.

This approach would provide smaller clubs the necessary time to adjust their systems and processes, ensuring a smoother transition to the new requirements.

A phased rollout would allow smaller clubs to implement the necessary changes, reducing the risk of non-compliance and minimising the financial and administrative burdens that may arise as a result of the changes. This approach would also enable the government to offer



training and resources to assist clubs in understanding and meeting their new obligations.

Recommendation: Clubs Australia recommends a staged implementation approach to payday super for clubs.

D: Additional Considerations

We recommend that the Government establish a feedback and assistance channel for clubs to report issues which may arise as of the result the new requirements. This would ensure any issues regarding compliance are promptly addressed, which will assist clubs in fulfilling their legislative requirements.

Recommendation: Clubs Australia recommends establishing a feedback mechanism for clubs to report any issues on the new requirements.

Appendix B: Summary of Clubs Australia Recommendations

Rec. No.	Theme	Recommendation
1	Proposed Payment Period	Clubs Australia recommends amending the Exposure Draft to allow employers to pay superannuation within 5 business days instead of 7 calendar days.
2	Proposed Penalty Provisions	Clubs Australia recommends that penalty provisions not apply to clubs that have demonstrated a genuine effort to comply with the legislation.
3	Staged Implementation Approach	Clubs Australia recommends a staged implementation approach to payday super for clubs.
4	Additional Considerations	Clubs Australia recommends establishing a feedback mechanism for clubs to report any issues on the new requirements.