

Clubs Australia Feedback: draft Batch 1 AML/CTF Guidance

Thank you for the opportunity to provide input on the draft Batch 1 AML/CTF Guidance.

Clubs Australia supports AUSTRAC's objective to provide more practical, web-based guidance and appreciates the opportunity to engage early in its development. The draft guidance is a meaningful step toward supporting risk-based implementation across a diverse regulated population.

Clubs Australia affirms that its members are committed to meeting their AML/CTF obligations. The most significant barrier for many venues—particularly smaller to medium-sized and regionally based clubs—is understanding what is required of them and how to apply that in practice. Our feedback aims to reduce that barrier and support consistent, proportionate implementation across the sector.

Clubs Australia's feedback aims to ensure the AML/CTF guidance is clear, scalable, and practical for clubs of all sizes. Key themes include:

- **Clarity of language:** Clearly distinguishing between legal obligations and recommendations to reduce regulatory burden and misinterpretation.
- **Proportionality:** Tailoring guidance for smaller to medium-sized and lower-risk venues, especially on evaluations, controls, and record-keeping.
- **Governance support:** Providing more examples and visual aids to clarify roles, fit and proper assessments, and AMLCO reporting structures.
- **Improved risk assessment:** Strengthening the link between typologies and risk factors, and helping venues assess and communicate overall ML/TF risk.
- **Practical tools:** Including editable templates, checklists, and sector-specific examples to support consistent, confident implementation.
- **Low-risk relevance:** Offering clearer direction for documenting low exposure to proliferation financing and similar risks.
- **Better navigation:** Enhancing structure and layout to assist time-poor managers and volunteer boards.

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Yours sincerely,



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1. Clarity of Regulatory Language – Distinguishing “You Must” from “AUSTRAC Recommends”

(Related Guidance Reference: Pages 5, 10, 44, and throughout)

Clubs Australia appreciates AUSTRAC’s commitment to producing accessible, web-based guidance to support effective implementation of AML/CTF obligations. We particularly welcome the structured approach and thematic clarity used throughout the guidance.

Industry feedback has identified that some of the language used—particularly terms such as “you must”, “AUSTRAC considers that you must”, and “AUSTRAC recommends”—can occasionally lead to confusion about the nature of certain expectations. In particular, there is concern that these phrases are sometimes used interchangeably in contexts where the underlying obligations differ in enforceability.

This can create challenges for clubs—especially smaller to medium-sized or regional venues with limited compliance capability—who may interpret recommended practices as binding obligations. It also increases the likelihood that external auditors or consultants will treat “recommended” actions as enforceable standards, which may lead to over-compliance or unnecessary resourcing on lower-priority tasks.

We note that AUSTRAC has made efforts to define these terms in the guidance preamble. However, based on feedback from our members, we suggest a few enhancements that may help reinforce this distinction throughout the document and mitigate the risk of misinterpretation.

Examples where this confusion may arise include:

- Page 5 (“You must have an AML/CTF program...”), a clear legal requirement,
- Page 7 (“AUSTRAC considers that your AML/CTF policies must be... Targeted, Proportionate, Ongoing, Effective”), where the distinction is less clear,
- Page 44: “AUSTRAC recommends that your business regularly test the effectiveness of your AML/CTF policies to determine the residual risk” — well-intended guidance that may be read as a compliance expectation without appropriate framing.

Consistent use

In reviewing the draft guidance, Clubs Australia notes that certain terms—such as “you must”, “AUSTRAC considers that you must”, and “AUSTRAC recommends”—are not always applied consistently. While we understand the intent to distinguish between enforceable obligations and suggested good practices, the current application of these terms may inadvertently lead to misinterpretation.

For example, page 14 of the guidance recommends documenting the ML/TF risk assessment in a way that is accessible to the governing body, senior managers, and employees. Given the critical role that these individuals play in overseeing and managing financial crime risk, we believe this may be more appropriately framed as an “AUSTRAC considers that you must” obligation—particularly in light of the broader emphasis on governance and program effectiveness.

Feedback for Consideration

Clubs Australia suggests that AUSTRAC could consider:

- Reserve the phrase “you must” exclusively for statutory obligations under the AML/CTF Act, AML/CTF Rules.
- Where AUSTRAC is providing interpretation or encouraging best practice, consider using clearer non-enforceable phrasing, such as “AUSTRAC suggests”, “AUSTRAC encourages”, or “You may wish to consider...”. **OR** explicitly state that ‘AUSTRAC

recommends' statements are not enforceable and that reporting entities may apply alternate approaches if consistent with their risk profile and obligations.

- Reinforce these distinctions at the start of each major guidance section, and where appropriate, within call-out boxes or practical examples—ensuring readers are consistently reminded of what is required versus what is encouraged
- Include a table or appendix categorising key statements in the guidance by enforceability, clarifying which actions are legally mandated, which are AUSTRAC interpretations, and which are non-binding recommendations.
- AUSTRAC explicitly commit to not pursuing enforcement actions on matters that involve businesses not adopting their recommendations.
- AUSTRAC provides guidance as to what level of detail (if any) a business needs to keep that records their decision not to adopt an AUSTRAC recommendation.
- For transparency, AUSTRAC provide some form of notification (e.g. a register on their website) for businesses to see when they make changes to guidance being recommended or required etc. (i.e. there may be cases where they change their views)
- A review of language consistency across the guidance—particularly around the use of terms like “must” and “recommends”—may help align interpretation. It may also be useful to involve compliance and enforcement teams to ensure consistency with regulatory expectations

2. Independent Evaluations – Clarifying Applicability for Smaller and Medium Entities

(Related Guidance Reference: Pages 9, 41, 53, 56-63)

Clubs Australia supports the intent behind independent evaluations and recognises their value in helping entities assess and improve the effectiveness of their AML/CTF programs. We also appreciate the inclusion of the small business example on page 53, which is a helpful demonstration of how the obligation can be applied proportionately based on the size and complexity of a business.

To further support confidence in implementation—particularly for smaller to medium-sized or regional clubs—it may be helpful to expand the guidance on how independence can be interpreted in practice. Many clubs operate with lean staffing structures, where one individual (often a general manager) holds multiple responsibilities, and formal assurance functions may not be present. In amalgamated groups, AML/CTF oversight is often centralised, but operational separation still exists between head office and venues.

Some members have expressed uncertainty about whether their current structures meet the independence expectation, and whether third-party evaluations are required in all cases. There are also concerns around cost—many estimate that a formal external evaluation could cost between \$10,000 and \$25,000, which may not be feasible for lower-risk venues with limited resources.

We also note a potential fairness issue: clubs with in-house resources may be able to satisfy independence requirements internally, while smaller to medium-sized venues with fewer staff would face higher compliance costs for each evaluation cycle. This disparity could be exacerbated in the years ahead when Tier 1 and Tier 2 entities (potentially 100,000+ businesses) are required to undertake evaluations at a similar time—placing significant demand on a limited pool of independent evaluators.

Feedback for Consideration

Clubs Australia suggests that AUSTRAC could consider:

- Provide additional small and medium entity examples (like on page 53) to illustrate flexible and acceptable evaluation responses for clubs using manual processes.
- Developing a simplified checklist or evaluation template that could assist low- and medium-risk clubs in conducting an internal evaluation where appropriate.
- Clarify that the use of an external evaluator is a discretionary decision based on the nature and level of risk, and that for lower-risk venues, a documented internal process may be appropriate—provided the rationale for that decision is clearly recorded.

3. Governance Roles – Proportional Application for Club Structures

(Related Guidance Reference: Pages 10–11, 41-43, 82-102)

Governance roles- general

Clubs Australia welcomes the structured explanation of governance roles in the draft guidance, particularly the flexibility it provides for venues where one person may fulfil multiple responsibilities. This is an important recognition of the operational diversity across the sector.

At the same time, we note that many clubs operate with governance models that don't align neatly with either the "small" or "large" examples described. These may include amalgamated structures, shared services, or clubs governed by constitutions that shape board composition and decision-making processes. In these settings, it's not always clear how responsibilities such as program approval, compliance oversight, and strategic risk governance should be applied in practice—particularly where general managers or secretary managers carry multiple roles.

We also recognise the flexibility in permitting AML/CTF programs to be approved by senior managers. However, feedback indicates that board endorsement remains a common practice and is viewed as good governance by many clubs. Additional guidance clarifying when board involvement is appropriate—versus when delegation is sufficient—would support confident implementation.

Finally, we appreciate AUSTRAC's openness to further discussion regarding the AML/CTF Compliance Officer (AMLCO) role. Clubs would welcome more guidance on reporting expectations, independence, and how the role fits within governance reporting lines.

Feedback for Consideration

Clubs Australia suggests that AUSTRAC could consider:

- Provide tailored examples for all-sized (large, medium, small) venues, including cases where a Senior Manager performs both compliance and senior management roles, and clarify where board endorsement remains appropriate.
- Clarifying that board oversight—while not always required—is encouraged where it supports accountability and informed decision-making.
- Confirming that the governing body retains ultimate oversight of risk, even where operational approvals are delegated.
- Providing a visual diagram showing governance relationships between the governing body, senior managers, and the AML/CTF Compliance Officer.
- Expanding guidance on the AML/CTF Compliance Officer's role, including independence, reporting obligations, and fit and proper expectations.

Clarifying Fit and Proper Tests

(Related Guidance Reference: Page 90)

Conflict of Interests

Clubs Australia supports the requirement for AMLCO to be fit and proper persons and appreciates the intent to promote capability and integrity. However, members have indicated that further guidance would assist clubs in assessing potential conflicts of interest, particularly in smaller and medium-sized venues where dual roles are common.

In many cases, individuals appointed to the AMLCO role may also hold management responsibilities. Without clear examples or parameters, it can be difficult to determine whether such arrangements present a material conflict and how to document this assessment.

Practical Implementation of Rule 4.18 – Fit and Proper Assessments

Clubs Australia notes the AML/CTF Rules (specifically Rule 4.18) provide a list of considerations when determining whether an AMLCO is fit and proper, including attributes such as character and integrity, criminal history, insolvency status, and potential conflicts of interest. While this list is helpful, it would be beneficial if the guidance included a practical tool to help clubs meet these requirements with confidence.

In particular, members have asked whether a disclosure or attestation form—completed by the AMLCO—could be considered a sufficient way to meet some of these obligations, including Rule 4.18(1)(a) and (c)-(g). A simple, structured form could prompt candidates to self-disclose relevant matters (e.g. bankruptcy status, adverse findings, conflicts of interest) and allow the reporting entity to make a documented, risk-based determination. This would be especially helpful for clubs with limited compliance capacity or no HR/legal teams.

Additionally, further guidance could clarify whether elements such as "good character" or "honesty and integrity" (Rule 4.18(1)(b)) are only expected to be assessed further if there is a triggering event (e.g. misconduct or poor performance), rather than requiring clubs to formally test for these attributes in all cases.

Feedback for Consideration:

Clubs Australia suggests that AUSTRAC could consider:

- Providing examples of what may constitute a conflict of interest when appointing an AMLCO (e.g. where the individual also oversees financial or operational controls they are required to review).
- Offering a simple fit and proper assessment template or checklist or general guidance, with space to document rationale and any mitigation measures.
- Clarifying that the fit and proper test is not a binary pass/fail decision, but rather a reasoned, risk-based assessment supported by documentation.
- Offering a simple fit and proper assessment template or attestation form that clubs can use to document self-disclosure and decision-making in line with Rule 4.18(1)(a), (c)-(g) **and / or** including a worked example showing how a club might reasonably apply Rule 4.18 in practice, to support consistent interpretation and application across venues of varying size and risk.

AMLCO Reporting – Supporting Integrated Governance Structures

(Related Guidance Reference: Page 95)

Clubs Australia supports the principle that the AMLCO must be able to report freely to the governing body. However, members have raised concerns that the current guidance could be interpreted as requiring AMLCOs to submit reports to the board without input or visibility from senior managers. In club governance structures, this can unintentionally isolate compliance functions and undermine coordination.

For example, excluding a Secretary Manager or General Manager—who typically holds significant governance and operational responsibility—may create a fragmented approach to AML/CTF oversight and inhibit strategic alignment.

Feedback for Consideration:

Clubs Australia suggests that AUSTRAC could consider:

- Clarifying that AMLCOs should retain independence over the content of their reports, while allowing consultation with senior managers for context or factual accuracy.
- Recognising that senior managers play a key role in supporting AML/CTF implementation and board reporting, and their involvement does not necessarily compromise the independence of the AMLCO.
- Reinforcing the principle of transparent documentation where input is provided, to maintain the integrity of the reporting process.

Enhancing Risk Assessment Practices – Structure, Clarity, and Communication

(Related Guidance Reference: Pages 13–18, 31)

Clubs Australia welcomes AUSTRAC’s commitment to improving risk-based guidance and acknowledges the central role of ML/TF risk assessments in effective AML/CTF compliance. However, member feedback highlights that risk assessment remains one of the most challenging and least mature areas of practice across the club sector.

Many venues continue to grapple with foundational concepts such as typologies, inherent risk factors, and how to scale assessment frameworks to suit their size and services. This is particularly true for smaller to medium-sized or regional clubs, which often lack in-house compliance capability and rely heavily on external advisors or templates not tailored to the club operating model.

To support confident, consistent, and proportionate implementation, Clubs Australia offers the following suggestions to enhance the clarity, structure, and usability of the risk assessment components within the guidance.

Typologies and Risk Factors – Clarifying the Connection

Clubs have expressed difficulty understanding how to connect money laundering and terrorism financing (ML/TF) typologies to the specific risk factors outlined in AUSTRAC’s risk assessment framework. While the guidance refers to both concepts, there is limited practical explanation of how known typologies (e.g. structuring, smurfing, use of proxies) map to the risk categories reporting entities must consider.

This disconnect creates uncertainty when preparing ML/TF risk assessments, particularly for low-complexity entities without specialist AML/CTF teams. Without illustrative links or examples, venues may either overlook relevant risks or overstate others.

Feedback for Consideration:

Clubs Australia suggests that AUSTRAC could consider:

- Providing practical examples of how common typologies relate to specific ML/TF risk factors (e.g. how “uncarded high-volume gaming activity” maps to customer and delivery channel risks).
- Incorporating these into the section on inherent risk identification (Step 1 – Pages 13–18) or alongside guidance on setting controls (Page 34), to support more accurate risk identification and control mapping.

Assessing Business Complexity – Supporting Tailored Risk Assessments

The guidance notes that a business’s nature, size, and complexity should inform its ML/TF risk assessment. However, members have advised that more practical support is needed to interpret what these characteristics mean in practice.

The absence of a reference list or framing questions makes it challenging for clubs to determine how to factor in attributes like governance structure, staffing model, customer base, or venue activity types. This can lead to risk assessments that are either overly generic or disproportionate in scope.

Feedback for Consideration:

Clubs Australia suggests that AUSTRAC could consider:

- Including a short list of example business characteristics (e.g. number of sites, number of designated services offered, whether services are outsourced, number of customers served) to help clubs assess their complexity and tailor their ML/TF risk approach accordingly.
- Embedding this into existing risk assessment steps (e.g. Pages 13–15), or integrating it into any future ML/TF risk assessment tools or templates.

Communicating Overall ML/TF Risk – Enhancing Risk Summary Practices

In response to AUSTRAC’s prompt on page 31 of the guidance, Clubs Australia agrees that summarising the overall ML/TF risk faced by a business is a useful and practical step—particularly for internal stakeholders such as boards, senior managers, and compliance personnel.

While the guidance provides helpful direction on assessing individual risk factors (e.g. customer, service, channel, jurisdiction), members have indicated that it would also be valuable to provide a structured way to express overall business-level ML/TF risk. This supports clear internal communication, helps with the prioritisation of controls, and gives external reviewers visibility into how risks are being contextualised across the business.

Feedback for Consideration:

Clubs Australia suggests that AUSTRAC could consider:

- Providing a template or visual framework to help reporting entities summarise their overall ML/TF risk level, based on the cumulative assessment of individual risk factors.
- Including worked examples or sample outputs showing how businesses may present this summary, such as a risk matrix, traffic-light rating, or narrative justification, similar to the examples included on Page 31.

4. Controls – Practical Clarification for Clubs

(Related Guidance Reference: Page 34)

Testing of controls

The guidance refers to regularly testing AML/CTF policies and controls to ensure their ongoing effectiveness. Clubs Australia supports this principle and recognises the importance of reviewing whether controls are operating as intended. That said, member feedback indicates that additional guidance would assist venues—particularly those with limited resourcing—in understanding how to implement control testing in a proportionate and sustainable way.

Most clubs do not have the infrastructure to support formal control testing. Few maintain internal audit functions or automated systems, and almost none have dedicated AML/CTF testing resources. For smaller to medium-sized venues, embedding control testing into day-to-day operations is not feasible. A more practical approach may be to integrate control testing into existing assurance mechanisms, such as internal audit scopes, board-level governance reviews, or periodic independent evaluations.

Guidance in setting reasonable controls

Clubs have also highlighted the need for clearer support when designing and setting controls. Many venues rely on third-party systems (e.g. gaming kiosks or loyalty platforms), which limits their ability to directly access backend transaction data. Members have raised questions about what constitutes a reasonable sample or control in these contexts, particularly where vendor-held processes are involved and visibility is constrained.

Unless proportionate and clearly explained, the current guidance risks two poor outcomes:

- Over-compliance: Some clubs may feel compelled to engage external auditors or consultants to perform unnecessary formal reviews, diverting scarce resources from frontline compliance activities.
- Under-compliance: Other venues may ignore testing altogether, assuming they are unable to meet the standard implied in the guidance.

Feedback for Consideration

Clubs Australia suggests that AUSTRAC could consider:

- Clarifying the distinction between performing a control (e.g. transaction monitoring) and testing its effectiveness (e.g. verifying that alerts are generated, investigated, and closed).
- Providing practical examples of proportionate control testing methods suitable for smaller to medium-sized venues—such as spot checks by managers, review of cashier KYC checks, or board-level review of compliance logs—provided outcomes are documented and used to inform updates.
- Offering sampling benchmarks or suggested approaches for lower-risk venues to help determine what a “reasonable” review might look like (e.g. reviewing 10 records per quarter).
- Clarifying expectations where clubs rely on third-party vendors to deliver AML/CTF controls, including how oversight and accountability can be demonstrated when backend access is limited.
- Including a high-level reference list or typology of AML/CTF controls commonly relevant to clubs (e.g. large cash payouts, uncarded gaming activity, manual transaction checks), to support consistent control design, implementation, and review.

Clubs Australia welcomes further dialogue on this topic and appreciates AUSTRAC’s commitment to supporting tailored and practical compliance outcomes across different reporting entity types.

5. Templates and Tools – Supporting Capability and Consistency

(Related Guidance Reference: Various pages throughout guidance)

Clubs Australia appreciates the practical intent behind AUSTRAC’s draft guidance and welcomes the structured approach to clarifying AML/CTF obligations. The section on ML/TF risk identification, in particular, has been well received by members and provides a valuable foundation for strengthening compliance across the sector.

To help operationalise the guidance effectively, especially in lower-risk or resource-constrained settings, members have strongly encouraged the inclusion of editable, club-relevant tools that can be adapted to suit their structure, services, and risk profile. Many clubs—particularly smaller to medium-sized or regional venues—do not have access to in-house legal or compliance teams and rely heavily on external advisers. Practical templates, worked examples, and checklists would reduce this reliance, support more consistent implementation, and improve confidence during audit and assurance activities.

Members have also noted that sector-specific templates and tools have not historically been readily available, and welcome the indication that such support will be extended to Tranche 2

entities. Given that the clubs and pubs cohort represents AUSTRAC's second-largest regulated population, we believe the inclusion of targeted tools would have meaningful and lasting impact across the industry.

We would also welcome opportunities to collaborate with AUSTRAC to support member engagement with these materials—for example, through template walkthroughs or tailored sector education sessions.

Key areas where simple, club-relevant tools would be most beneficial include:

- AML/CTF Program templates: With sections that can be scaled based on venue size and risk level.
- ML/TF Risk Assessment workbooks: Based on the steps outlined on pages 13–34, including example inherent/residual risk matrices and scoring tables.
- Independent evaluation checklists: With prompts for both internal and outsourced evaluation options, tailored to low-risk businesses.
- Implementation checklists or 'starter packs': To help clubs map out what needs to be done before 31 March 2026.
- Board governance tools: Such as a two-page AML/CTF Board Quick Guide and a simplified governance reporting checklist.
- Role-based navigation aids: Including user-specific checklists or a decision path (e.g. "I am a board member" / "I am a compliance officer") to direct users to relevant sections.
- Delivery channel risk aids – Simple decision aids or example questions for assessing third-party platforms (e.g. loyalty systems, member onboarding tools) in line with AUSTRAC expectations on cyber and delivery channel risk.
- Sector-specific case studies or worked examples illustrating how AML/CTF obligations apply in club, hospitality, or venue-based contexts — such as onboarding uncarded patrons, processing gaming-related transactions, or navigating board governance responsibilities.

Feedback for Consideration

Clubs Australia suggests that AUSTRAC could consider:

- Develop and publish editable templates for:
 - ML/TF risk assessments,
 - AML/CTF programs, and
 - Independent evaluations — with structure and content tailored to low-risk, club-style entities.
- Provide a downloadable implementation toolkit, linked directly from the guidance, which includes:
 - A startup checklist for transition readiness by 31 March 2026,
 - A two-page AML/CTF Board Governance Quick Guide,
 - Example governance reporting templates, and
 - Role-specific quick-reference guides (e.g. board member, club manager, compliance officer).
- Develop a "Risk Assessment 101" explainer, with plain-English definitions of terms such as "inherent risk," "residual risk," and "control effectiveness," along with step-by-step walkthroughs and club-relevant risk scenarios.

- Include a library of sample risk examples and scenario prompts, particularly for gaming-related services, delivery channel risks, and low-relevance obligations such as proliferation financing—enabling more accurate, proportionate assessments.

6. Record-Keeping – Clarifying Proportional Requirements

(Related Guidance Reference: Pages 64-77)

Clubs Australia supports the importance of maintaining accurate records to demonstrate compliance with AML/CTF obligations. However, clubs have raised concerns that the current guidance does not sufficiently clarify how record-keeping requirements apply to smaller or low-risk venues, particularly those operating with manual processes, limited IT infrastructure, or third-party systems such as gaming platforms.

Pages 65 outline extensive record types and retention periods; however, clubs have found some challenges in interpreting how these requirements apply in practice. In particular, the guidance does not clearly indicate:

- Which records are universally required versus conditional based on the designated service;
- How obligations apply where data is generated or stored by external vendors; or
- How to practically apply concepts like “business relationship” and “occasional transaction” in the context of uncarded, walk-in gaming activities.

Clubs have also highlighted confusion with the requirement—outlined on page 74—to retain records for seven years following the end of a business relationship or the occurrence of an occasional transaction. Without clear, sector-relevant definitions, it is difficult to determine when those retention timeframes begin in a hospitality setting where patrons are not linked to a formal account or transaction history. This lack of clarity has resulted in over-retention of low-risk documents, reliance on vendor-held data without verification, and inconsistent interpretation of record-keeping triggers across venues.

Greater clarity in this area would also help reduce unintended privacy and data management risks. Where venues retain records for longer than necessary—due to uncertainty around required timeframes—they may inadvertently increase their exposure to data breaches or privacy concerns. Clearer guidance could help reduce record retention durations where appropriate, and in turn, lower the associated risks in these areas.

The guidance would benefit from clearer direction on record-keeping expectations specific to enhanced customer due diligence (ECDD). For example, when collecting source of wealth (SoW) or source of funds (SoF) information, it is not clear whether clubs are required to retain full copies of supporting documents—such as bank statements or payslips—or if it is acceptable to record that the documents were sighted and found satisfactory. This distinction is operationally important, especially for venues that use manual onboarding or paper-based processes, where storing sensitive personal information may introduce logistical and privacy concerns.

Feedback for Consideration

Clubs Australia suggests that AUSTRAC could consider:

- Clarify acceptable formats for record retention, confirming that digital, scanned, or summary records (e.g. board minutes, email approvals) are sufficient unless otherwise specified in the legislation.
- Develop a reference table or flowchart that summarises:
 - Record types,
 - Retention triggers (e.g. start/end of a business relationship or occasional transaction),

- Required timeframes, and
- Whether obligations apply to all reporting entities or only specific designated services.
- Provide specific examples of compliant records for key AML/CTF activities such as program approvals, risk assessments, SMR and staff training logs, and records of customer interactions—including those involving walk-in or uncarded gaming patrons.
- Clarify expectations when data is held by third-party vendors, outlining what records clubs are still responsible for retaining locally in cases where audit logs are limited or unavailable (e.g. uncarded transactions on gaming platforms).
- Explain how record-keeping concepts apply in club settings, including how AUSTRAC interprets “business relationship” and “occasional transaction” in uncarded, in-venue environments such as gaming floors.
- Clarify record-keeping expectations for ECDD, including whether reporting entities must retain full copies of SoW/SoF documents, or if recording the outcome of a sighting and assessment is sufficient.

7. Guidance Usability – Enhancing Structure and Navigation for Clubs

(Related Guidance Reference: General (document structure and digital navigation))

Clubs Australia acknowledges the significant work AUSTRAC has undertaken in developing the draft AML/CTF guidance. The document is comprehensive and mostly well written, with strong thematic framing and a commendable commitment to plain English. We also appreciate the use of implementation-focused sections, which support a risk-based approach and make the guidance more usable for operational staff.

However, the document remains challenging to navigate and apply in practice—particularly for venues with limited internal compliance capability. Most clubs operate with lean staffing, and many rely on part-time or volunteer boards who are time-constrained and lack formal compliance training. For these users, quickly locating and understanding key obligations is critical.

Key usability challenges identified include:

- The 100+ page text-heavy format, which may overwhelm smaller to medium-sized venues and reduce engagement;
- Dense, over-explained paragraphs in core sections such as risk assessments and governance;
- Repetition of key roles and responsibilities across multiple sections, creating narrative drift and potential for oversight;
- Long blocks of unstructured guidance that combine legal obligations, examples, and implementation advice into a single run-on section;
- Limited use of visual structure—there is currently no lifecycle diagram showing how program elements (e.g. risk assessment, governance, review) interact across the year, nor any visual navigation tools linking operational tasks to guidance sections.

Clarity on the “Reasonably Face” Standard

The phrase “ML/TF risks your business may reasonably face” appears frequently throughout the guidance but lacks a clear explanation of what constitutes “reasonable” in this context. For clubs, which are largely lower-risk and non-financial in nature, this phrase can be interpreted in vastly different ways depending on internal knowledge, consultant advice, or audit culture.

Clarifying EGM Exemptions in Entity Determination Tools

The hyperlink on page 1 intended to assist entities in determining whether they are subject to full reporting obligations does not currently state that venues operating 15 or fewer EGMs may be exempt from certain requirements. For clubs using this tool, this omission can lead to confusion, misclassification, or unnecessary concern.

Feedback for Consideration

Clubs Australia suggests that AUSTRAC could consider:

- Include a “Quick Guide” companion specifically for volunteer boards — for example, a two-page AML/CTF Board Governance summary covering roles, approvals, and reporting responsibilities.
- Reinforce the use of thematic structuring with implementation tips at the end of each major section (as already used in places), and consolidate duplicated content (e.g. compliance officer responsibilities).
- AUSTRAC should consider signposting key content types throughout the guidance using a consistent structure such as:
 - “What you must do” (legal obligation),
 - “Examples” (practical application), and
 - “Tips” (implementation guidance for low-risk venues).
- Add a one-page AML/CTF lifecycle diagram, mapping how components (e.g. risk assessment, governance, review) connect across a calendar year — with hyperlinks to each related guidance section.
- Include a role-based navigation matrix or filter, allowing users to jump directly to relevant content (e.g. “I am a compliance officer” / “I am a board member”).
- Improve the Table of Contents, expanding it to include sub-sections for easier digital and offline navigation.
- Reformat the document for visual accessibility, including clearer headings, bullet points, and layout spacing for time-poor readers.
- Add a short “Feedback and Clarification” section at key intervals of the guidance outlining how reporting entities can contact AUSTRAC or raise questions about interpretation or application of the guidance.
- Clarify how entities should determine what constitutes a “reasonable” risk, referencing appropriate benchmarks such as industry trends, historical risk data, published AUSTRAC guidance, or peer examples.
- Revise the linked landing page or tool to explicitly state the EGM exemption threshold, or include a visible note in the guidance text where the hyperlink appears

Proliferation Financing – Providing Sector-Relevant Examples

(Related Guidance Reference: Pages 106-107)

While the guidance outlines the definition and expectations around proliferation financing (PF), clubs have requested further clarification on how this applies to their operations. Most club venues operate entirely within Australia, offer walk-in services, and have limited exposure to customers, goods, or services linked to sanctioned jurisdictions or dual-use technologies.

However, the obligation to assess proliferation financing risk remains. Members have indicated uncertainty about how to document a low-risk or “not applicable” PF assessment, and whether they must develop dedicated controls.

Clubs Australia suggests that AUSTRAC could consider:

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- Providing sector-specific PF examples or indicators that clarify when a club may reasonably assess this risk as low or immaterial.
- Including a short checklist or standard form for recording PF risk assessment rationale (e.g. “no overseas services or goods offered,” “all customers are local residents”).

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