

30 October 2026

Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

By email: [businessreporting@pc.gov.au](mailto:businessreporting@pc.gov.au)

### **Business reporting requirements**

Clubs Australia welcomes the opportunity to contribute to the Productivity Commission's inquiry into improving the efficiency and value of non-financial business reporting.

Clubs Australia is the coalition of state and territory associations representing more than 5,000 licensed clubs and 140,000 employees. Clubs are member-owned, not-for-profit organisations that reinvest their surpluses in facilities, services and local communities. Our interest in the inquiry is to ensure that reporting requirements are properly targeted and proportionate, and do not simply apply expectations designed for for-profit businesses to clubs with a different purpose, ownership model and stakeholder base.

### **Recommendations**

Having regard for the case studies and experience detailed in this submission, Clubs Australia recommends that the Commission advise the Australian Government that:

- Recommendation 1**      **New non-financial reporting requirements should be developed in consultation with affected sectors, take account of existing obligations and be supported by a proportionate assessment of costs and benefits for different entities.**
- Recommendation 2**      **Reporting requirements designed for for-profit businesses should not automatically apply to not-for-profit entities if they do not provide the same benefits. Their purpose, ownership, stakeholders and reporting capacity should be considered first.**

### **Climate-related financial disclosures**

Clubs Australia will respond separately to Treasury's consultation on improving the efficiency of climate-related financial disclosures and can provide that submission to the Commission on request.<sup>1</sup> The framework is relevant to the Commission's inquiry because it shows how reporting designed mainly for for-profit businesses and their investors can also capture member-owned, not-for-profit organisations, even where the information has a different and more limited use.

Clubs are member-owned. They do not have shareholders or raise equity capital. Even so, some clubs must make climate-related financial disclosures because they meet revenue, asset or employee thresholds. These thresholds do not account for an organisation's ownership, purpose or likely users of the information. This can bring a club within the regime even though it has no investor audience for the disclosures.

Affected clubs are likely to face significant costs for data collection, governance, assurance and reporting. That money would otherwise support facilities, sport, community services, local jobs and member services, while the disclosures may provide little extra value to members or other stakeholders.

This is the kind of regulatory problem the Commission should examine. Where reporting is intended for investors, lenders or other market participants, applying the same requirements to member-owned clubs can impose substantial costs without delivering the same benefits.

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<sup>1</sup> The Treasury, [Improving the efficiency of climate-related financial disclosures](#), accessed 29 October 2026.



The framework also shows the limitations of relying on size alone. Before an obligation applies, there should be a clear reason for requiring the information from that type of entity and confidence that the benefit justifies the cost.

In its separate submission to Treasury, Clubs Australia will recommend an exemption for eligible member-owned, not-for-profit entities that do not have shareholders or raise equity capital. If an exemption is not adopted, we will recommend a simpler reporting pathway or an additional materiality threshold, with proportionate assurance requirements.

### **Service performance reporting**

Clubs Australia has taken part in consultation by the Australian Accounting Standards Board (AASB) on possible service performance reporting requirements for not-for-profit entities. The AASB's latest project summary lists the project as discontinued.<sup>2</sup> It remains possible that service performance reporting could be reconsidered through a future work program or consultation process.

The framework considered by the AASB would require not-for-profit entities to report on their services, including objectives, outputs, outcomes, efficiency and effectiveness. If similar requirements are pursued in future, clubs may need new systems to measure a wide range of sporting, recreational and community activities. Some of this information is already provided to members, funders and government agencies in other forms.

The burden would be greatest for smaller clubs with limited administrative resources and clubs operating across jurisdictions with different reporting requirements. Clubs Australia supports the aim of better service performance reporting, but any mandatory requirements would need to deliver enough benefit to justify the cost.

The process offers a useful lesson for this inquiry. As consultation continues, affected sectors should be engaged early, existing reporting should be mapped and simpler options should be considered, both in order to justify and before any new requirement is introduced.

More broadly, reporting designed for for-profit businesses may not be as relevant to member-owned, not-for-profit clubs. Before extending it to clubs, policymakers should ask who will use the information, what decisions it will support and whether the benefit justifies the cost.

### **Conclusion**

Clubs Australia supports transparent reporting where it has a clear purpose. Requirements designed for for-profit businesses should not automatically apply to clubs without considering their member-owned structure, community purpose and the likely users of the information.

The Commission should recommend an approach that is proportionate, avoids duplication and considers simpler alternatives. Clubs Australia will put its specific proposals on climate-related financial disclosures directly to Treasury.

Clubs Australia appreciates the opportunity to contribute to the inquiry and would welcome further discussion with the Commission.

### **James Newton**

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<sup>2</sup> AASB, [Service Performance Reporting \(SPR\)](#), 3 August 2026.