



## RSL NSW Policy: 1/2021

# Managing Conflicts of Interest with Registered and Licenced Clubs

Approved by: RSL NSW Board  
Approval date: 28 May 2021  
Effective from: 31 May 2022

### Recital

This Policy is issued by the RSL NSW Board in accordance with Clauses 9.27-9.29 of the RSL NSW Constitution.

### Policy Statement

From 31 May 2022, subject to the Transition Arrangements described below, any RSL NSW member holding the office of a sub-Branch executive or trustee,<sup>1</sup> a District Council executive, or an RSL NSW director may not concurrently be a director of a licenced or registered club that has a connection to the RSL sub-Branch or RSL NSW<sup>2</sup>.

This includes where a registered club is not an RSL or services club but where the sub-Branch uses a club premises for meetings or has any arrangement with a club where either party derive a benefit (for example in relation to provision of catering, memorial or memorabilia display, vehicle, or infrastructure loan etc).

### Responsibilities

The RSL NSW Board is the Policy Owner.

RSL NSW District and sub-Branch executive office holders must, pursuant to clauses 13.33, 13.36, 14.6, 15.8 of the RSL NSW Constitution, apply and monitor for policy compliance.

RSL NSW District and sub-Branch executive office holders must comply with this policy pursuant to clause 21.2 of the RSL NSW Constitution.

---

<sup>1</sup> As defined in the RSL NSW Constitution, 2021 but excludes Committee Members

<sup>2</sup> Connection means a club with an historical or current relationship to a sub-Branch or a related entity that has a constitution referring to the RSL or an ex-service community, or function that relates to supporting veterans.

## Background

The Returned & Services League was originally established as a grouping of sub-Branches, to support and advocate for returning servicemen and women from World War I, and through dedication and community support raised funds to provide for those in need.

The RSL also encouraged and developed social clubs based upon the RSL sub-Branch to provide opportunities for connection and camaraderie. Many of these sub-Branch 'clubs' grew significantly and obtained licences to enable legal gaming and selling of liquor. NSW Government reforms in the 1970s led to the legal separation of the sub-Branch and its associated club. The sub-Branch remained a charitable organisation, the club a commercial, albeit not for profit, enterprise.

Over the successive decades, laws protecting interests of businesses and individuals have led to significant implications for those holding office, and particularly their obligations to discharge their fiduciary responsibilities, including their individual responsibility to manage conflicts of interest.

In 2019 RSL NSW members agreed to remain a member-based charity, underpinned by a new Constitution that perpetuates the founding charitable purpose, supporting veterans and their families. This charitable purpose is not consistent with the commercial imperatives of RSL or services clubs, nor the broad purpose of licenced clubs.

There is significant evidence that some sub-Branch executives concurrently holding director positions on club boards have not been able to adequately discharge their conflict-of-interest responsibilities. This has led to significant disadvantages to the sub-Branch, the wider membership, and the charitable purpose.

Scenarios providing examples of what may constitute a conflict of interest is set out below in Appendix A. The application of this policy is not limited to those scenarios alone.

## Rationale and Corrective Training Requirement

The policy is necessary as the Board does not have confidence that conflicts of interest are being appropriately managed within some sub-Branches. The Board has become aware of wide-ranging and widespread examples of this and has a responsibility to ensure that the associated risks are appropriately mitigated.

The Board also recognises its responsibility to ensure all executives, trustees or committee members are appropriately and adequately educated and trained in their fiduciary responsibilities to the RSL sub-Branch (Charity). The Board will consider if it will be feasible to change the blanket policy in the future after a full accredited education and training regime can be instituted, in accordance with the RSL NSW Strategic Plan 2021-2026. The Strategic Plan also addresses the significant program required to educate the community and business about the difference between a licenced club and a sub-Branch, which will also assist with this consideration.

## Transition Arrangements

All sub-Branch executives (including Trustees), District Council Executives and RSL NSW Directors who concurrently hold director positions on RSL or any services club boards with a connection to the RSL sub-Branch (charity) must decide to either retain their sub-Branch, District, or RSL NSW position or their club directorship. If they decide to retain their club directorship, the sub-Branch or District must conduct the appropriate process to fill

vacancies on the sub-Branch or District executive, and subject to the below, appoint new Trustees (as appropriate) in accordance with the RSL NSW Constitution.<sup>3</sup> These rules will also apply to Directors serving on the RSL NSW Board.

If a sub-Branch is unable to fill any vacated executive roles, the members should consider the sub-Branch becoming a Chapter (See SOP 11). In accordance with the Strategic Plan, the intention is to retain an RSL (charity) presence in every community in NSW and the Chapter enables this to occur, undertaking all traditional RSL sub-Branch roles but without the administrative overhead.

The Board in making this direction acknowledges the critical need to increase membership, and to renew and reinvigorate the League. The success of the initiatives contained in the Strategic Plan will assist succession planning for executive office holders in many sub-Branches who have relied on 'dual' office holders in the past (i.e., officers concurrently holding club and sub-Branch roles).

## **Review**

The Board of RSL NSW will decide when the appropriate time to review and to oversee the review of this policy. The Board intends to review this policy once RSL NSW has delivered and maintains an effective governance accredited (including managing conflicts of interest) training and education regime for all executive office holders.

---

<sup>3</sup> RSL Custodian Ltd can be appointed sole trustee.

## Appendix A

Illustrations of common conflict of interest scenarios within the sub-Branch network are set out below. The list is not exhaustive.

These scenarios illustrate behaviours that are generally detrimental to the RSL's core objective – delivery of the charitable purpose – even in circumstances when a sub-Branch and a club do not share executive/directors. Where an executive is shared between entities and conflicts of interest have not been appropriately managed, the consequences for the charity and the individuals concerned become even more serious.

1. The Executive of a sub-Branch agree to provide sub-Branch funds to support a licenced club trading while insolvent, while members of the sub-Branch Executive are also members of the licenced club board.
2. A landlord sub-Branch, where the sub-Branch Executive are also members of the club board, agrees to forgive rent although the operating club can afford to pay rent (charitable funds).
3. Clubs (with sub-Branch executives on the club board) do not support sub-Branches applying for community grants because, in their view, the sub-Branch has sufficient resources meaning that the sub-Branch will miss opportunities to benefit from grants and the monies are diverted to other recipients in the community.
4. Sub-Branches and their Executives use club email addresses and branding on their RSL sub-Branch-related correspondence. This makes it unclear whether they are acting in their role as an Executive of the sub-Branch or Director of the club when sending correspondence to stakeholders.
5. A decision is made by a sub-Branch (with sub-Branch officeholders holding positions on the club board) to sell real property to a club entity without appropriate due diligence or a market opportunity assessment being conducted, nor an assessment of alternative uses being assessed. The club may then benefit from the opportunity to on sell the property for a significantly higher price or develop the property to the financial detriment of the sub-Branch and the charitable purpose of RSL NSW.
6. Executives of a sub-Branch subsidise a club when members sit on both the sub-Branch Executive and the club board by way of gift or loan at below market rates with no contract or security.
7. A sub-Branch with executives on the club board agrees to fund/subsidise capital and other works in clubs beyond the landlord obligations specified in the terms of any lease.