



Justice  
Liquor &  
Gaming NSW

# Evaluation of the Club Industry Training Framework

## Discussion Paper

## About this paper

This discussion paper contains information relating to the evaluation of the club industry training framework. It has been prepared by Liquor & Gaming NSW (L&GNSW) to inform interested stakeholders about the objectives of the framework, scope of the evaluation process, and how they can provide feedback to the evaluation.

## About our evaluation

The purpose of the evaluation is to:

- ▲ examine the extent to which club directors and managers have completed the required training courses, and the extent to which the specified completion timeframes have been met
- ▲ examine perceptions of the effectiveness of the club industry training framework in improving the club industry's governance standards
- ▲ consider whether approved club director and manager training courses adequately cover the obligations on club directors and managers that relate to good governance, accountability and the potential consequences of improper behaviour
- ▲ consider whether approved club director and manager training courses are structured and delivered appropriately to ensure training is meeting the needs of club directors and managers regarding good governance and accountability
- ▲ consider what improvements may be required to the training to ensure that good governance and accountability obligations are clearly and thoroughly understood by club directors and managers
- ▲ consider whether any action is needed to strengthen compliance with the framework
- ▲ examine whether the club industry training framework is having any unanticipated impacts on clubs, particularly in relation to access to and the cost of training, and its impact on the industry.

### **Next steps**

L&GNSW will assess the stakeholder feedback provided and use it to make recommendations on areas of potential improvement to the club industry training framework.

### **More information**

Information about this evaluation, including this discussion paper and ways to provide feedback, are available on the [L&GNSW website](#).

## Your feedback

You may be interested in sharing your views about this evaluation if you are a:

- ▲ manager or director of a registered club
- ▲ member or representative of the club industry, such as a peak body with registered clubs, club managers or directors as members
- ▲ registered training provider, currently providing training services under the framework to club managers and/or directors
- ▲ a person/organisation who is involved, or has an interest, in the club industry.

**L&GNSW is seeking your feedback on the club industry training framework until Sunday 9 April 2017.**

## Ways to submit feedback

### Preparing a written submission

You can email a written submission to [clubindustrytraining.evaluation@justice.nsw.gov.au](mailto:clubindustrytraining.evaluation@justice.nsw.gov.au). Submissions will be published on the L&GNSW website after the closing date unless you request otherwise.

Targeted questions on pages 6-7 have been developed to help you prepare your response.

### Online survey for club directors and managers

Club directors and managers can complete a [short online survey](#) to provide feedback on the effectiveness of this framework.

L&GNSW will consult stakeholder groups, including peak industry bodies, registered training organisations and government sector stakeholders to collect their feedback and views. This will be considered in the final report.

## Background

The club industry is a not-for-profit industry which delivers a wide range of benefits to club members and the wider community. There are 1,317 registered clubs in NSW (as at 12 February 2017), over half of which are in regional areas. The 2015 club census<sup>1</sup> reports that clubs have a membership base of nearly 7 million people and provide employment for over 60,000 people in NSW. In 2015, the total revenue for the NSW registered clubs industry was \$5.8 billion. Cash and in-kind donations totalled \$146.4 million, of which the largest contributions went to sports (46%), health and hospitals (8%), schools and education programs (7%), and youth services (4%).

The club industry training framework was introduced on 1 July 2013. It was developed to respond to issues previously raised in the Independent Pricing & Regulatory Tribunal's (IPART's) [review of the registered clubs industry in NSW](#). IPART made recommendations for improvements to the corporate governance practices of clubs, including the introduction of training requirements for club directors.<sup>2</sup>

The Framework applies to club directors and club managers. A club director is a member of a registered club's governing body and is elected by the club's membership. Directors are responsible for the club's governance and strategic direction. A club manager or secretary is appointed by the governing body of a registered club to undertake general management duties and supervise the club's activities. A club manager or secretary is responsible for ensuring the club complies with relevant laws and regulations.

A key objective of the club industry training framework is to ensure club directors and managers develop the appropriate governance skills to make significant business decisions, understand their responsibilities in managing community-owned assets, and understand their obligations relating to transparency and accountability under the *Registered Clubs Act 1976*. Improving industry competency and capability contributes to the ongoing viability of the registered clubs industry, and the protection of clubs members' interests.

The framework provides for the staged introduction of mandatory training requirements for club directors and managers as detailed in Part 6 (clauses 26 to 28) of the Registered Clubs Regulation 2015. These requirements are outlined in this discussion paper and are summarised in Figure 1.

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<sup>1</sup> 2015 NSW Club Census: <http://www.clubsnsw.com.au/news/publications/nsw-club-census>

<sup>2</sup> IPART. (2008). *Evaluation of the Registered Clubs Industry in NSW: Final Report*, p.145.

In June 2013, the then Minister for Tourism, Major Events, Hospitality and Racing agreed that an evaluation of the club industry training framework would be undertaken after the first major implementation stage in 2016.

The purpose of this evaluation is to examine the initial outcomes of the framework and to consider whether the operation of the framework could be improved to support the ongoing viability of the registered clubs industry.

### **Mandatory training for club directors**

[Club directors](#) are required to complete two courses conducted by, or on behalf of, ClubsNSW. These are Director Foundation and Management Collaboration and Finance for Club Boards. Alternatively, directors can undertake training aligned to the national units of competency 'Implement Board Member responsibilities', 'Work within organisational structure' and 'Analyse finance reports and budgets'. These units of competency are delivered by some registered training organisations.

There are differences in training requirements and timeframes for directors of small clubs<sup>3</sup> and directors of large clubs<sup>4</sup>. For small clubs, two directors must have completed the training by 30 June 2016. From 1 July 2016, small clubs must have had at least two trained directors. If there are less than two directors who have completed the training, another director must complete the training within 12 months.

For large clubs, at least 50% of club directors that were appointed before 1 July 2013 must have completed the training by 30 June 2016 and all other directors appointed before 1 July 2013 must complete the training by 30 June 2018. Directors of large clubs appointed after 1 July 2013 must complete the mandatory training within 12 months of their appointment.

Club directors with specified skills, qualifications and experience are exempt from the training requirements, as outlined in the [Club Director and Manager Training Exemption Guidelines](#).

### **Mandatory training for club managers**

[Club managers](#) are required to complete the course entitled 'Board Governance, the Company Secretary and the General Manager' conducted by, or on behalf of, the Club Managers' Association of Australia. This is currently the only approved mandatory training course for club managers.

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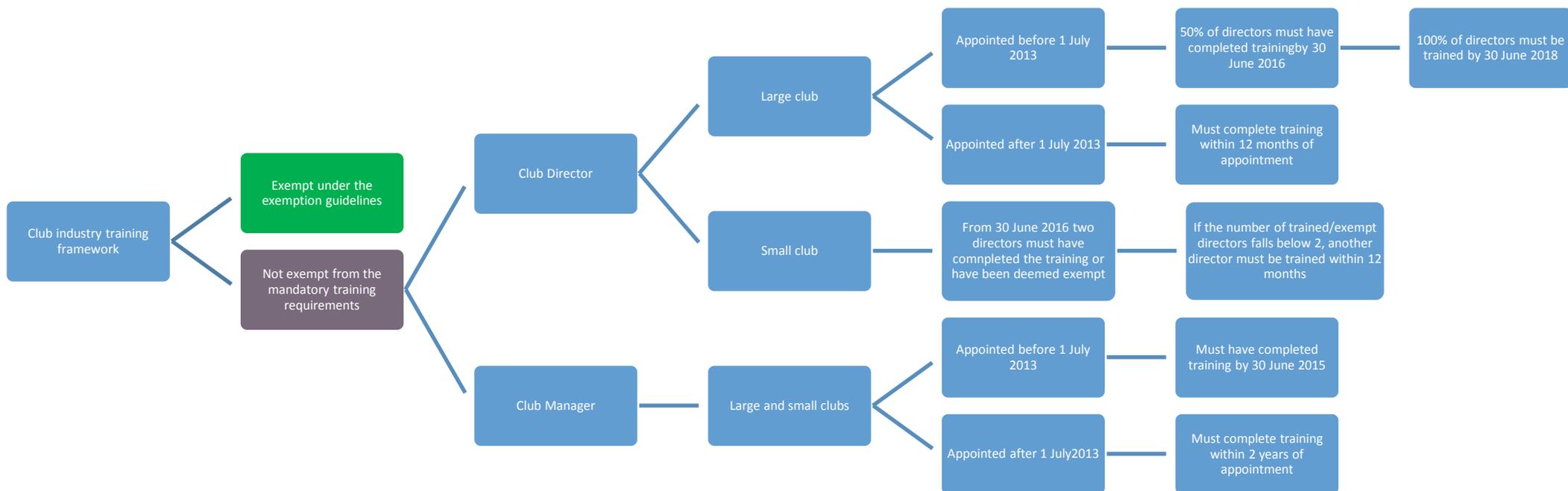
<sup>3</sup> Small clubs are those with annual gaming machine profits of \$1 million or less.

<sup>4</sup> Large clubs are those with annual gaming machine profits of more than \$1 million.

Club managers appointed before 1 July 2013 must have completed the mandatory training by 30 June 2015. Club managers appointed after 1 July 2013 must complete the mandatory training within two years of their appointment.

Club managers with specified skills, qualifications and experience are exempt from the training requirements, as outlined in the [Club Director and Manager Training Exemption Guidelines](#).

**Figure 1: Mandatory training requirements for club directors and managers**



# Key issues for comment

The topics and targeted questions below can help you provide useful feedback and assist the evaluation process:

## 1: Effectiveness of the Framework in improving governance standards

- ▲ What improvements in club industry governance standards, if any, have been observed as a result of the club industry training framework?
- ▲ Are there particular aspects of club governance that have shown no or little improvement since the introduction of the club industry training framework? If so, why?

## 2: Content of the training courses

- ▲ What are the obligations on club directors and managers that relate to good governance and accountability and what are the potential consequences of improper behaviour? How are these addressed in the approved club director and manager training courses?
- ▲ Are there any improvements that can be made to how approved club director and manager training courses cover the obligations on club directors and managers that relate to good governance, accountability and the potential consequences of improper behaviour?

## 3: Structure and delivery of the training courses

- ▲ Does the structure of the approved club director and manager training courses ensure that training is meeting the needs of club directors and managers regarding good governance and accountability?
- ▲ Does the method of delivery of the approved club director and manager training courses ensure that training is meeting the needs of club directors and managers regarding good governance and accountability?
- ▲ Is there a significant difference in participant feedback on the quality, usefulness and/or accessibility of face-to-face training courses and online delivery modules?
- ▲ What differences, if any, exist between the club director training provided by ClubsNSW and registered training organisations in relation to structure and delivery?
- ▲ Have the framework and training courses been adequately promoted?

## 4: Potential improvements to training

- ▲ What improvements, if any, could be made to ensure thorough coverage of all obligations on club directors and managers that relate to good governance, accountability and the potential consequences of improper behaviour?
- ▲ What improvements, if any, could be made to the structure and delivery of the training courses to ensure training is meeting the needs of club directors and managers regarding good governance and accountability?

## **5: Actions to strengthen compliance with the framework**

- ▲ Is any action needed to strengthen compliance with the framework? If so, what action would be most appropriate?

## **6: Access to training and other impacts of the club industry training framework**

- ▲ What challenges, if any, have club directors and managers experienced in accessing the approved training courses to satisfy the requirements of the club industry training framework?
- ▲ Has the cost of training affected the ability of clubs to satisfy the requirements of the club industry training framework?
- ▲ Are there any other unanticipated impacts of the club industry training framework?