



Department
of Industry

Liquor & Gaming

Evaluation of the Club Industry Training Framework

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About this document

This document outlines the activities that Liquor & Gaming NSW (L&GNSW) undertook to evaluate the Club Industry Training Framework, and provides findings and recommendations for the Government's consideration. The evaluation assessed perceptions of the framework's effectiveness in improving club industry governance standards, issues relating to compliance with training requirements, and the content and delivery of training courses. It also considered unanticipated impacts of the requirements on the club industry and improvements which would help to ensure that governance and accountability obligations are understood by club directors and managers. This report will help to inform the future of the Club Industry Training Framework.

Acknowledgements

L&GNSW would like to thank:

- the stakeholders who participated in the consultation process and provided relevant information and data
- club directors and managers who participated in the online survey.

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1. Executive Summary

The Club Industry Training Framework was introduced on 1 July 2013. The framework included 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. The framework was developed in response to issues previously raised in the Independent Pricing & Regulatory Tribunal's (IPART) 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.

A key objective of the Club Industry Training Framework is to ensure that club directors and managers:

- ▲ develop the appropriate governance skills to make significant business decisions
- ▲ understand their responsibilities in managing community-owned assets
- ▲ understand their obligations relating to transparency and accountability under the *Registered Clubs Act 1976*.

The purpose of this evaluation was to examine the initial outcomes of the framework and consider whether the operation of the framework could be improved to support the ongoing viability of the club industry. It was conducted in response to a Government commitment in June 2013 that an evaluation of the Club Industry Training Framework would be undertaken after the first major implementation stage in 2016.

The evaluation considered:

1. 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
2. perceptions of the effectiveness of the Club Industry Training Framework in improving the club industry's governance standards
3. 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
4. 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
5. 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
6. whether any action is needed to strengthen compliance with the framework
7. whether the 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.

To inform its considerations, the evaluation team held face-to-face or telephone consultations with six stakeholder organisations, invited interested parties to lodge a written submission, and invited club directors and managers to complete an online survey. It also examined training records and materials.

Key findings

The key findings of the evaluation are as follows:

1. Most stakeholders agree that governance standards in the club industry have improved over recent years, though the extent to which the training framework has contributed to these improvements is uncertain.
2. While the industry reports a high level of compliance with the training requirements, the evaluation was unable to verify this claim due to limitations in training records.
3. Training course participants reported a high level of satisfaction with the approved training courses, and most stakeholders believe that the courses are structured and delivered appropriately.
4. While the approved training courses generally cover governance and accountability obligations, they don't cover in detail all accountability provisions contained in Part 4A of the *Registered Clubs Act 1976* and Part 5 of the Registered Clubs Regulation 2015, or requirements under the Gaming Machines Regulation 2010.
5. The training materials for the 'Board Governance, the Company Secretary and the General Manager' course contain some information which is out-of-date.
6. There is some support among stakeholders for mandating the completion of nationally accredited qualifications by all directors and managers.
7. Some stakeholders, particularly smaller clubs in regional areas, expressed concerns about the cost of training and travelling distances required to attend training workshops.
8. Some stakeholders believe that the training framework is weakened by provisions that exempt some directors and managers from completing training, including on the basis of prior industry experience.
9. Stakeholders differed in their support for measures to encourage compliance with the training requirements.

Recommendations

Based on these findings, the evaluation makes the following recommendations:

1. Maintain and enhance the Club Industry Training Framework by implementing improvements recommended by the evaluation.
2. Require clubs to report on their compliance with the training requirements in their annual report.
3. Undertake a detailed review of compliance with the training requirements, and exemptions claimed by club directors and managers, as part of a further evaluation of the training framework.
4. Better promote the club training requirements, available training options, and benefits to the industry and other stakeholders.
5. Ensure that all legislative requirements, including accountability provisions and gaming machine requirements, are adequately covered in either the training materials or supporting documentation for participants.
6. Ask the Clubs Managers' Association of Australia (CMAA) to review the training materials for the 'Board Governance, the Company Secretary and the General Manager' course to ensure all materials are up-to-date.
7. In consultation with industry stakeholders, explore options for the club industry to provide appropriate financial assistance to clubs experiencing financial hardship to undertake the approved training courses.

8. Improve access to training for regional clubs by ensuring that courses are available online for all club directors and managers, and by providing more face-to-face training in regional areas where possible.
9. Further consider the appropriateness of the Club Director and Manager Training Exemption Guidelines once detailed data has been collected as part of a future evaluation of the training framework.
10. Consider the introduction of voluntary refresher training for club directors and managers.

2. Introduction

2.1. Background

2.1.1. Purpose of the Club Industry Training Framework

The club industry is a not-for-profit industry which operates to benefit its members and the community. There are 1,312 registered clubs in NSW (as at 10 July 2017), over half of which are in regional areas. The 2015 NSW club census¹ reports that clubs have nearly 7 million memberships and employ over 60,000 people in NSW. In 2015, the total revenue for the NSW registered clubs industry was \$5.8 billion, and the total written down value of club assets was \$13.2 billion. In 2015, clubs made \$146.4 million in cash and in-kind donations to the community. 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 IPART review of the registered club industry in NSW. IPART made recommendations for improvements to the corporate governance practices of clubs, including the introduction of training requirements for club directors².

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 club activities. A club manager or secretary, in addition to the club's directors, is responsible for ensuring the club complies with relevant laws and regulations.

A key objective of the Club Industry Training Framework is to ensure that 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 club industry, and the protection of club members' interests.

The framework included 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 summarised in Figure 1 in the Discussion Paper (**Appendix B**).

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

² Independent Pricing and Regulatory Tribunal 2008, *Review of the Registered Clubs Industry in NSW: Final Report*, p.145, https://www.ipart.nsw.gov.au/files/sharedassets/website/trimholdingbay/final_report_-_review_of_registered_clubs_industry_in_nsw_-_apd_-_website.pdf

2.1.2. Mandatory training requirements for registered clubs

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 may 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 registered training organisations (RTOs).

There are differences in training requirements and timeframes for directors of small clubs³ and directors of large clubs⁴. For small clubs, two directors must have completed the training by 30 June 2016. From 1 July 2016, 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 directors 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 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.⁵

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 CMAA. This is currently the only approved mandatory training course for club managers.

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.⁶

2.2. Evaluation of the Club Industry Training Framework

The purpose of this evaluation is to assess the initial outcomes of the training framework. It also considers whether, and in what ways, the operation of the framework can be improved

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

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

⁵ NSW Government 2013, *Club Director and Manager Training Exemption Guidelines*, <http://www.liquorandgaming.nsw.gov.au/Documents/clubs/working-at-a-club/Club%20Director%20and%20Manager%20Training%20Exemption%20Guidelines.pdf>

⁶ Ibid.

to support the ongoing viability of the registered club industry. The evaluation was conducted in response to a Government commitment in June 2013 that an evaluation of the Club Industry Training Framework would be undertaken after the first major implementation stage in 2016.

2.2.1. Program logic

The *NSW Government Program Evaluation Guidelines*⁷ define program logic as a 'management tool that presents the logic of a program in a diagram or chart (with related descriptions)' and that 'illustrates the logical linkage between the identified need or issues that a program is seeking to address; its intended activities and processes; their outputs; and the intended program outcomes' (p.21). The Guidelines note that before a program begins it is 'best practice to have a complete program plan that includes a clear program logic, and a supporting evaluation plan that includes a detailed evaluation methodology' (p.11).

A program logic model for the Club Industry Training Framework is at **Appendix A**. It outlines the intended immediate, intermediate, and ultimate outcomes of the mandatory training requirement. The outcomes articulated in the program logic informed the evaluation objectives.

2.2.2. Evaluation objectives

The objectives of the evaluation were to:

1. 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
2. examine perceptions of the effectiveness of the Club Industry Training Framework in improving the club industry's governance standards
3. 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
4. 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
5. 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
6. consider whether any action is needed to strengthen compliance with the framework
7. examine whether the 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.

⁷ NSW Department of Premier & Cabinet 2016, *NSW Government Program Evaluation Guidelines*, http://www.dpc.nsw.gov.au/__data/assets/pdf_file/0009/155844/NSW_Government_Program_Evaluation_Guidelines.pdf

2.2.3. Scope

The scope of the evaluation was focussed on the effectiveness and efficiency of the Club Industry Training Framework in improving club governance standards, including whether the approved training courses are adequately addressing the accountability obligations of club directors and managers.

While the initial outcomes of the training framework have been assessed by this evaluation, it is expected that a further evaluation will be required following the completion of the framework's implementation on 1 July 2018. This will allow L&GNSW to make a more comprehensive determination of the framework's outcomes and impacts.

The scope of the evaluation did not include consideration of other training provisions or requirements that may affect the registered clubs industry.

2.2.4. Evaluation questions

The key evaluation questions related to each objective were:

Objective 1: 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.

- ▲ What proportion of club directors and managers have completed the required training courses in accordance with the specified completion timeframes?
- ▲ Of those club directors who have completed training, what proportion completed training provided by ClubsNSW and what proportion completed training provided by a registered training organisation?
- ▲ If there are managers or directors who have not met the specified completion timeframes, what are the reasons for these timeframes not being met?
- ▲ What proportion of club directors and managers are exempt and on what basis are they exempt?

Objective 2: To examine perceptions of the effectiveness of the Club Industry Training Framework in improving the club industry's 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?

Objective 3: To 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.

- ▲ 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 the 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?

Objective 4: To 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.

- ▲ 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?

Objective 5: To 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.

- ▲ 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?

Objective 6: To consider whether any action is needed to strengthen compliance with the framework.

- ▲ Is any action needed to strengthen compliance with the framework? If so, what action would be most appropriate? If not, why not?

Objective 7: To 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.

- ▲ 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?

3. Methodology

The evaluation utilised a mixed methods approach whereby a range of quantitative and qualitative evidence was collected and analysed. The central premise of the mixed methods approach is that it provides a better understanding of research problems than either a quantitative or qualitative approach alone (Creswell & Plano Clark, 2011⁸).

Qualitative evidence was collected through:

- ▲ face to face and telephone meetings with key stakeholders
- ▲ a survey of club directors and managers
- ▲ examination of training materials.

Quantitative evidence was collected through:

- ▲ a survey of club directors and managers
- ▲ examination of training records.

3.1. Stakeholder consultations

Key stakeholders were consulted via face-to-face interviews, or telephone interviews where face-to-face was impractical, during March-May 2017. Interview questions focused on the evaluation objectives which most impacted individual stakeholder groups, including:

- ▲ the extent to which the specified completion timeframes have been met and, if relevant, reasons for not meeting the specified completion timeframes
- ▲ views on the effectiveness of the Club Industry Training Framework in improving the club industry's governance standards
- ▲ views on the adequacy of approved club director and manager training courses in covering all obligations on club directors and managers that relate to good governance, accountability and the potential consequences of improper behaviour
- ▲ views on training structure and delivery and whether improvements may be required to clearly and thoroughly convey good governance and accountability obligations to club directors and managers
- ▲ views on whether any action is needed to strengthen compliance with the framework
- ▲ any unanticipated consequences of the framework
- ▲ any other positive or negative impacts of the framework on clubs, particularly in relation to access to training and its impact on the industry
- ▲ views on future policy directions regarding the framework.

The stakeholders interviewed for this evaluation were:

- ▲ Canterbury & Hurlstone Park RSL Club (CHP RSL Club)
- ▲ CMAA

⁸ Creswell, JW & Plano Clark, VL 2011, *Designing and conducting mixed methods research*, 2nd edn, Sage Publications, Thousand Oaks, CA.

- ▲ ClubsNSW
- ▲ Leagues Clubs Australia
- ▲ L&GNSW - Compliance Operations and Policy & Legislation units
- ▲ Narrandera Bowling Club
- ▲ RSL & Services Clubs Association

The Narrandera Bowling Club was interviewed to provide the evaluation with a perspective from a small, regional club and because this venue had previously expressed an interest in club training issues through its correspondence to the Minister.

A number of other stakeholders were invited to a meeting but declined to be interviewed.

3.2. Written submissions

Stakeholders were given the opportunity to make a written submission to the evaluation. The submission period opened on 15 March 2017 and closed on 9 April 2017. The submission process was promoted via an email to key stakeholders on 15 March 2017. Information about the evaluation, including a Discussion Paper (**Appendix B**), was published on the L&GNSW website. No submissions were made to the evaluation.

3.3. Survey of club directors and managers

Club directors and managers were invited to complete an online survey (**Appendix C**). The survey was completed by 220 respondents, including 105 directors and 115 managers. Of the respondents, 67.7% (149) were from large clubs and 30.9% (68) were from small clubs (1.4% responded “Don’t know”).

3.4. Training records and materials

Training records and materials were obtained from ClubsNSW, the CMAA, and relevant RTOs. This included records of the training status of individual club directors and managers, and training materials provided to participants during the approved training courses⁹¹⁰¹¹. These training records and materials were examined by the evaluation team to inform findings and recommendations.

⁹ Club Managers' Association of Australia 2013, *Board Governance, the Company Secretary, and the General Manager*, CMAA, Sydney Olympic Park.

¹⁰ ClubsNSW 2017, *Director Foundation and Management Collaboration*, ClubsNSW, Sydney.

¹¹ ClubsNSW 2017, *Finance for Club Boards*, ClubsNSW, Sydney.

4. Discussion and findings

4.1. Summary of stakeholder views

Overall, there was strong support among stakeholders for the Club Industry Training Framework. The industry associations interviewed by the evaluation team were unanimous in their support for its objectives. Furthermore, 73.4% of club directors and managers responding to the survey reported that its introduction had had a positive impact on their club, and 95.3% of survey respondents believed it was 'important' or 'very important' for club directors and managers to comply with the requirement.

Feedback on the training courses was generally positive, with a high proportion of survey respondents reporting a better understanding of their roles and responsibilities after completing training. Notwithstanding this feedback, some stakeholders suggested that the training could be improved by covering the obligations of directors and managers in greater detail. Furthermore, CHP RSL Club and the RSL & Services Clubs Association suggested that the training would be more attractive and useful for many clubs if directors and managers were required to complete nationally accredited courses or units.

A majority of survey respondents (69.8%) agreed that mandatory training had improved governance standards across the club industry. Feedback received from stakeholder organisations interviewed by the evaluation also reflected these views. However a number of these stakeholders cautioned against attributing improvements to governance standards solely to the introduction of the framework, highlighting the numerous industry reforms that have occurred in the industry over recent years.

There is some evidence of industry non-compliance with the training requirement. Some stakeholders reported that the cost and time involved in attending training prevented some small regional clubs from fully complying with the requirement. Some stakeholders also argued that the exemption guidelines are too rigid and fail to take into account challenges faced by regional clubs. By contrast, many survey respondents reported that too many exemptions are being claimed, and that directors and managers should be compelled to comply with the requirement.

There were mixed views with respect to the enforcement of the training requirement. With regard to club directors and managers, 65.1% of survey respondents agreed that penalty or enforcement options were needed to strengthen compliance with the Framework. However, most stakeholder groups interviewed during the evaluation argued against penalties for non-compliance with the requirement. They argued that it would disproportionately affect smaller clubs which were already struggling to cover the cost of training and find suitable candidates for the club board.

4.2. Key findings

1. Most stakeholders agree that governance standards in the club industry have improved over recent years, though the extent to which the training framework has contributed to these improvements is uncertain

Most stakeholders agreed there have been improvements to governance standards in the club industry. However, there was no clear consensus among stakeholders regarding the extent to which such improvements in governance standards were due, either solely or in significant part, to the framework. For example, ClubsNSW and Leagues Clubs Australia both suggested that implementation of the framework, while informing discussion about governance standards, had occurred in the context of a longer-term trend of governance reform and improved professional development in the club industry.

Findings from the club director and manager survey indicated that 69.8% of respondents agreed that governance standards across the industry had improved as a result of mandatory club industry training, while only 9.9% of respondents disagreed. Survey respondents suggested that whilst improvements in governance standards are evident, additional education and training is needed to further improve governance standards in key areas, particularly in relation to financial management. Furthermore, some respondents considered that the mandatory training provided under the framework was too basic and was undermined by too many directors claiming exemption from the requirements.

2. While the industry reports a high level of compliance with the training requirements, the evaluation was unable to verify this claim due to limitations in training records

During the stakeholder consultation process, industry stakeholders reported high rates of compliance with the mandatory training requirements. This feedback was supported by the club director and manager survey in which 87.6% of directors and 64.3% of managers confirmed that they had completed the training requirements. However, the evaluation recognises that feedback received from stakeholders during the consultation process may not necessarily be representative of the broader registered clubs industry. The survey data, for example, may be biased by the possibility that directors and managers that had completed training may have been more likely to participate in the survey. It is also important to note that all feedback gathered is self-reported. Those that are non-compliant may be hesitant to self-report due to fear of action from L&GNSW.

Registered clubs are responsible for determining which directors and managers in their organisation are subject to, and exempt from, the mandatory training requirements. However, clubs are not required to record or report these decisions to L&GNSW, nor are they required to report on their club's compliance with the requirement, the number of exemptions claimed or the basis on which exemption determinations are made. As such, the evaluation was reliant upon records maintained by ClubsNSW, the CMAA and CHP RSL Club.

Training providers involved in the provision of club industry training keep training records for the own administrative purposes. These records were made available to L&GNSW to inform

the evaluation. The records show the clubs, and in most instances the individual directors and managers (with the exception of training records held by the CHP RSL Club), that have completed training and when it was completed. However, these records contain no information about which directors and managers from clubs are subject to the requirement or if and when exemptions have been claimed.

Due to these limitations in the available training data, L&GNSW cannot offer a reliable estimate of the rate of compliance with the training requirements or the reasons for non-compliance. Based on training records, the evaluation understands that 637 clubs have at least one director that completed at least one training module. Since 2013, 367 people have participated in the CMAA training and over 300 people have been exempted under clause 4.2.3 of the Exemption Guidelines. While these figures appear small (suggesting that less than 50% of all clubs in NSW participated in director training and that approximately 50% of clubs participated in manager training), it is not possible to infer an accurate rate of compliance in the absence of data about the number of exemptions claimed.

To make an accurate assessment of compliance levels across the club industry, L&GNSW would need to know when each director and manager was appointed, the current status of their appointment, the year in which each director and manager completed the training, and the total number of directors and managers in each registered club in NSW. L&GNSW would also require information about the exemptions that have been claimed by individual directors and managers, and the reasons for these exemptions being claimed.

3. Training course participants reported a high level of satisfaction with the approved training courses, and most stakeholders believe that the courses are structured and delivered appropriately

The club director and manager survey revealed a high level of satisfaction with the approved training courses among course participants. Of 150 survey respondents who completed the survey questions around course satisfaction, 87.2% reported that the training courses were easy to access, 90.7% reported that the training courses were easy to complete, 95.3% reported that the materials were easy to understand, 88.7% reported having a better understanding of their roles and responsibilities as a result of completing the mandatory training, and 84.0% reported having a better understanding of financial requirements as a result of completing the mandatory training.

With regard to the structure and delivery of the courses, average satisfaction ratings and percentages of respondents who were satisfied are shown in Table 1. Across club directors and managers, 93.3% of survey respondents indicated that they were satisfied or very satisfied with the training overall. Similarly, over 90% of survey respondents indicated that they were satisfied with the duration of the training, delivery of the training, and the quality of information presented. The lowest level of satisfaction was associated with the availability of training options (78.5% satisfied or very satisfied).

Table 1: Average rating and percentage of respondents who were satisfied or very satisfied with particular aspects of the training courses provided.

Aspect of the training courses provided	Average rating (1 = very dissatisfied, 5 = very satisfied)	% of respondents satisfied or very satisfied
Timeframes for completing the training	4.12	86.0
Availability of training options	3.81	78.5
Duration of training course/unit	4.04	91.3
Training provided during the course/unit	4.03	87.9
Delivery of the training course/unit	4.14	94.6
Quality of information presented	4.19	92.7
Assessments during training course/unit	4.07	90.7
Training course/unit overall	4.18	93.3

4. While the approved training courses generally cover governance and accountability obligations, they don't cover in detail all accountability provisions contained in Part 4A of the *Registered Clubs Act 1976* and Part 5 of the *Registered Clubs Regulation 2015*, or requirements under the *Gaming Machines Regulation 2010*

The training materials for the courses delivered by ClubsNSW and the CMAA were reviewed to inform the evaluation. Consideration was given to whether the training materials adequately cover the obligations on club directors and managers that relate to good governance and accountability and the potential consequences of improper behaviour. Overall, the evaluation found that the courses covered the roles and responsibilities of directors and managers in relation to good governance and accountability. Processes for complaints handling or disciplinary hearings, and penalties for breaches of legislation, were also addressed in the materials.

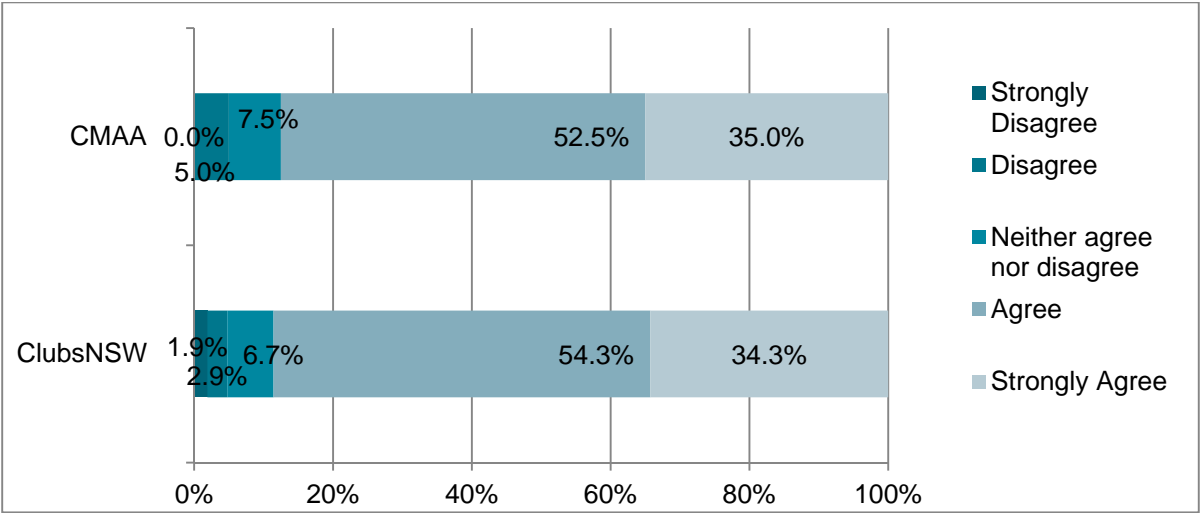
There were similarities in the content covered in the course ‘Director Foundation and Management Collaboration’ delivered by ClubsNSW and the course ‘Board Governance, the Company Secretary and the General Manager’ delivered by the CMAA. Both courses covered areas of good governance, such as the obligations of directors and managers in preparing for and conducting board meetings in accordance with legislative requirements. Information on the roles and responsibilities of directors and managers under the *Registered Clubs Act 1976* and the *Corporations Act 2001* was also included in the training materials. The course ‘Finance for Club Boards’, delivered by ClubsNSW, covered both the reporting requirements of clubs and financial statements in substantial detail.

According to the online survey results, most directors and managers reported an improved understanding of their roles and responsibilities as a result of completing the mandatory training. For example, survey respondents were asked to indicate their level of agreement with the following statement:

“I have a better understanding of my roles and responsibilities as a result of completing the mandatory training.”

Of the survey respondents who completed training with ClubsNSW, the CMAA or a RTO, 88.7% stated that they either agreed or strongly agreed with the above statement. When comparing responses by training providers, the results were similar for ClubsNSW and the CMAA. Figure 1 shows that 88.6% of people who completed the training with ClubsNSW either agreed or strongly agreed with the statement, and 87.5% of people who completed the training with the CMAA either agreed or strongly agreed with the statement.

Figure 1: The percentage of survey respondents, who had completed training through ClubsNSW or the CMAA, that agreed or disagreed with the statement “I have a better understanding of my roles and responsibilities as a result of completing the mandatory training”.



Survey respondents were also asked to indicate their level of agreement with the below statement:

“I have a better understanding of financial requirements as a result of completing the mandatory training.”

Similar results were observed, as 84.0% of respondents who had met the requirements stated that they either agreed or strongly agreed with the above statement. When these results were analysed based on the training provider, 83.8% of respondents who completed the training with ClubsNSW either agreed or strongly agreed with the statement and 82.5% of people who completed the training with the CMAA either agreed or strongly agreed with the statement. These results support the argument that the training materials adequately convey the roles and responsibilities of club directors and managers.

In reviewing the training materials and considering feedback provided by stakeholders, some gaps in the content of the training materials were identified. While the courses broadly cover accountability obligations of club directors and managers, not all of the accountability provisions under Part 4A of the *Registered Clubs Act 1976* and Part 5 of the *Registered Clubs Regulation 2015* are explained in detail. An example from the training materials provided by both ClubsNSW and the CMAA is the requirement for directors and top executives to disclose interests, gifts or remuneration as outlined in Part 4A of the Act and Part 5 of the Regulation. While the course booklet for ‘Director Foundation and Management Collaboration’ provides references to the relevant sections of legislation, it does not include an explanation of the requirement in the course materials. While it is possible that the accountability provisions may have been explained either verbally or in supporting materials distributed during the course, they are not all explained in detail in the standard training materials.

The evaluation’s examination of training materials confirmed that the materials did not include detailed information on club requirements relating to gaming machines legislation. It was suggested by some stakeholders that the mandatory training courses could be improved by including additional information on the requirements of registered clubs in relation to the operation of gaming machines. These stakeholders noted that gaming machines contribute to a large proportion of a club’s revenue and that some clubs could benefit from an improved understanding of gaming machine budgets, reporting and record keeping.

5. The training materials for the ‘Board Governance, the Company Secretary and the General Manager’ course contain some information which is out-of-date

In reviewing the training materials for the course delivered by the CMAA, the evaluation found out-of-date references to former regulatory structures. This included information regarding the “Office of Liquor, Gaming and Racing (OLGR)”, the “Casino, Liquor and Gaming Control Authority” and the “Independent Liquor and Gaming Control Authority” and the roles of different authorities in approving applications or making decisions. These references were found in the introductory section of the training materials. The evaluation found that other content appeared to be up-to-date.

6. There is some support among stakeholders for mandating the completion of nationally accredited qualifications by all directors and managers

Some stakeholders, including the RSL & Services Clubs Association, Leagues Clubs Australia and CHP RSL Club, argued that the training courses should be more rigorous and require accreditation at a national level. These stakeholders argued that a nationally recognised accreditation would enhance the attractiveness and usefulness of the training to club directors and managers, as it would be viewed as a more rigorous professional standard and allow mobility between different jurisdictions.

CHP RSL Club, a registered club and RTO, delivers the three units of competency which provide national accreditation and cover the responsibilities of club directors. The units have been approved by the Australian Skills Quality Authority (ASQA) and the training is tailored to the club industry. While the training delivered by the CMAA and ClubsNSW does not provide attendees with national accreditation, ClubsNSW has partnered with a RTO and can assist directors to attain national accreditation by providing additional units to complete a Certificate IV in Governance.

Consistent with the views of the industry peak bodies, some survey respondents stated that training was too basic and needed to be enhanced to cover the roles and responsibilities of directors and managers more comprehensively. Improvements to courses in relation to financial management were also suggested, including better coverage of managing risk, budgets, balance sheets and interpretation of the Award. Some respondents also suggested alternative formats for the training, such as educational videos or induction booklets for clubs, as a more affordable option.

7. Some stakeholders, particularly smaller clubs in regional areas, expressed concerns about the cost of training and travelling distances required to attend training workshops

Most stakeholders expressed a preference for face-to-face training as it provides an opportunity for networking and increased engagement with course facilitators. It was also suggested by some stakeholders that online training is not a viable alternative for many directors of regional clubs due to poor computer literacy. While face-to-face training is preferred by most stakeholders, Narrandera Bowling Club noted that accessing face-to-face training can be difficult for directors and managers of regional clubs as physically accessing the training creates additional time and cost burdens. It also noted that online training is only available for ClubsNSW members. These views are supported by comments in the survey where respondents suggested improvements to the framework by increasing the availability of face-to-face training in regional areas.

The CMAA and ClubsNSW do not consider the cost of training to be a significant issue for clubs. Members of the CMAA and members of the Club Directors Institute (CDI), a professional association for club directors and managers operated by ClubsNSW, can attend the training at a discounted rate. Assistance with fees is available for members of ClubsNSW. The CMAA also has 'zone committees' to assist clubs in regional NSW with the cost of

training. Despite this assistance, many survey respondents stated that affordability of training is a significant issue for small clubs.

Industry associations, in partnership with the CHP RSL Club, have in the past offered training to small clubs at a lower cost, but take-up of this offer was low. Some stakeholders suggested that take-up may have been low due to the required time commitment by directors, many of whom are acting in a voluntary capacity and have other full-time employment. The CHP RSL Club suggested that low take-up may also be due, in part, to a lack of enforcement of the mandatory training requirements.

8. Some stakeholders believe that the training framework is weakened by provisions that exempt some directors and managers from completing training, including on the basis of prior industry experience

A number of stakeholders suggested that the requirement for two directors of small clubs to be trained makes succession planning difficult for small clubs. In addition, some survey respondents considered that small clubs were in greater need of training and that all directors of these venues should be included under the training requirement.

Some stakeholders argued that the exemption guidelines were too flexible and that exemptions should only be available on the basis of qualifications, not experience. Leagues Clubs Australia commented that directors who were initially exempt under clause 3.2.1 of the exemption guidelines should be required to complete the courses. On the other hand, Narrandera Bowling Club stated that a director's level of experience should qualify them for an exemption. Not doing so would deter people from joining a club board, which can be problematic in regional areas where clubs may have a smaller membership pool.

While some stakeholders suggested the exemption guidelines were too flexible, one manager who completed the online survey commented that completing a Master's Degree in Management did not qualify them for an exemption under the current guidelines. As noted earlier in this report, clubs make a determination on whether a manager or director should be exempt under the guidelines. Therefore, it is difficult to accurately determine how many exemptions have been claimed. Among club directors and managers who completed the online survey, six directors and 29 managers reported that they were exempt.

9. Stakeholders differed in their support for measures to encourage compliance with the training requirements

While many stakeholders expressed a view that additional measures are needed to ensure club managers and directors comply with the training requirements, their views on the measures that should be adopted differed. Most industry associations agreed that, while penalties may not be appropriate, some form of compliance monitoring process is needed. Some stakeholders noted that data collected through improved monitoring of compliance with the framework could also be used to identify struggling clubs. In addition, industry associations suggested that, rather than introducing penalty or enforcement options, more incentives were needed to encourage clubs to meet the training requirements such as improved promotion of the benefits of the training framework to the industry.

Some stakeholders argued that the consequences for not meeting the requirements are significant for managers and small clubs and that enforcement options are therefore not required. The CMAA noted that, unlike directors, managers are employed by the club and their failure to complete the mandatory training could result in termination of their employment. Furthermore, in the case of small clubs, greater enforcement of the requirement may deter members from becoming directors, which would present a challenge for clubs in regional or remote areas where there are often small membership pools.

Survey results show that 65.1% of respondents thought that penalty or enforcement options should be applied to clubs that do not meet the training requirements (noting that this type of outcome is to be expected from a compliant majority when referring to a non-compliant minority). When considering the responses by role type, a slightly higher proportion of directors (67.0%) were in favour of penalty or enforcement options than managers (63.4%). The differences were greater when the results were categorised by club size. A greater proportion of respondents from large clubs (69.5%) thought that penalty or enforcement options were needed compared to small clubs (53.4%).

Survey respondents who supported the introduction of strategies to strengthen compliance with the framework suggested penalties in the form of fines or disqualification of directors who do not meet the requirements. Other respondents suggested a less stringent approach to enforcement such as examining the individual circumstances of a club before applying a penalty, or implementing a 'three strikes' scheme where warnings are issued before any penalties are applied. Others suggested that completion of the training should be monitored or that a 'name and shame' approach could be applied for clubs that do not meet the requirements.

Survey respondents who did not agree with the introduction of any penalty or enforcement options argued that penalties would not be appreciated by volunteer directors serving their communities (some managers of small clubs are also volunteers). Penalties or enforcement options would also have a greater impact on small clubs where there are various barriers to accessing training.

5. Recommendations

1. Maintain and enhance the Club Industry Training Framework by implementing improvements recommended by the evaluation

The evaluation recommends that the framework be retained. It has also identified opportunities to enhance the framework by adopting a number of improvements.

Stakeholders were generally supportive of the objectives and outcomes of the framework. There is broad agreement among stakeholders that mandatory training has played an important part in improving the viability and good governance of the industry. Club directors and managers reported high levels of satisfaction with the training courses, with a majority confirming that they now had a better understanding of their roles, responsibilities and financial management.

The evaluation has also identified areas of potential improvement. For example, there are several key areas in the course materials which should be covered in greater detail. Furthermore, as training records from the training providers suggest that some clubs are likely to be non-compliant with the requirement, the evaluation supports introducing reporting requirements to provide greater transparency with regard to rates of compliance. The evaluation has also identified accessibility and affordability barriers faced by smaller clubs in regional areas in attending courses which it considers should be addressed as a matter of priority.

2. Require clubs to report on their compliance with the training requirements in their annual report

Current practices in the management of training records have made it difficult for the evaluation to measure the proportion of club directors and managers that complied with the requirements, the number of club directors and managers that claimed exemption from the requirements, and the reasons exemptions were claimed. The evaluation believes a reporting requirement for the disclosure of training completion and exemptions would help to gain a more accurate measure of compliance rates in the industry.

However, the evaluation considers any such requirement should minimise the reporting and administrative burden on registered clubs, RTOs and government. Furthermore, any reporting system adopted should enhance transparency for registered club members regarding compliance with the training requirements, given that they are the most likely to be directly affected by governance failures. It is important that club members have confidence that their club is being governed by directors and managers with appropriate capabilities in club governance.

It is therefore recommended that all clubs be required to report on their compliance with the training requirements in their annual report, along with details of any directors or managers claiming exemption and the reasons for these exemptions being claimed. This requirement would provide further encouragement for clubs to comply with the training requirements, transparency to club members and other stakeholders, and a useful source of data for L&GNSW and other key stakeholders. While a formal process of compiling information from

individual club annual reports is not envisaged, it would be useful for compliance officers, when inspecting a club, to be able to easily check the club's annual report to determine the venue's compliance with the training requirements.

ClubsNSW has suggested that the introduction of this proposed reporting requirement may improve compliance with the training requirements. As clubs are already required to report on meetings attended by club directors, extending this requirement to include reporting on completion of mandatory training should impose little additional reporting burden on the club industry.

3. Undertake a detailed review of compliance with the training requirements, and exemptions claimed by club directors and managers, as part of a further evaluation of the training framework

The recommended requirement for clubs to report on their compliance with the training framework in their annual report will provide a useful source of data without imposing a significant reporting or data management burden on clubs and/or L&GNSW. While this requirement will be useful for encouraging compliance with the training framework, it will not provide readily accessible data for the purpose of determining the extent to which clubs across NSW are complying with the requirements.

A detailed review of compliance with the training requirements was not possible within the current evaluation due to limitations in data availability. However, it is recommended that L&GNSW undertake a detailed review of compliance with the training requirements as part of a further evaluation of the training framework. This further evaluation should be undertaken after the completion of the second implementation stage of the framework (i.e. after 30 June 2018). A review of compliance with the requirement could be completed by undertaking a point-in-time survey of all clubs in NSW. Alternatively, a representative sample of NSW clubs could be obtained to seek information on the training completed by individual club directors and managers, and the quantity and nature of any exemptions being claimed. Data collected through such a process would provide L&GNSW with a more accurate assessment of compliance with the training requirements. The proposed review could also take into account any information arising from future L&GNSW compliance activity in relation to the Club Industry Training Framework. This would help to inform any future evaluation of the training framework, including the Club Director and Manager Training Exemption Guidelines.

If the proposed review of compliance is undertaken as part of a further evaluation of the training framework, it is recommended that this not commence before 2020. This would allow time for the impacts of any improvements recommended by the current evaluation to be realised.

4. Better promote the club training requirements, available training options, and benefits to the industry and other stakeholders

While club directors and managers expressed a high degree of satisfaction with the training courses provided, it was suggested by the industry associations that more could be done to promote the training requirements, available training options, and benefits to registered clubs and other stakeholders. Greater promotion of the benefits of the training framework and the

available training options would help to encourage compliance with the training requirements. This would potentially maximise the improvements to club governance standards to which the training framework has contributed. It is therefore recommended that L&GNSW liaise with ClubsNSW, the CMAA, and the CHP RSL Club to develop an appropriate promotional strategy which utilises the communication channels of each organisation. These communication channels could be used to promote the benefits of the training framework and the various training options and assistance that are available to club directors and managers. Communication channels may include industry and L&GNSW newsletters, website material, industry events, and L&GNSW sector engagement and information sessions.

5. Ensure that all legislative requirements, including accountability provisions and gaming machine requirements, are adequately covered in either the training materials or supporting documentation for participants

The courses delivered by ClubsNSW and the CMAA have been appropriately tailored to meet the needs of the club industry. However, there are some topics that could be covered in greater detail during the training courses to ensure that directors and managers are meeting the legislative requirements that apply to clubs.

The accountability provisions of the *Registered Clubs Act 1976* and the Registered Clubs Regulation 2015 promote accountability and transparency in registered clubs by outlining the obligations of directors and 'top executives' in disclosing and reporting certain information. The evaluation recommends that all accountability provisions be adequately covered during the mandatory training courses. The course booklets for 'Director Foundation and Management Collaboration', 'Finance for Club Boards' and 'Board Governance, the Company Secretary and the General Manager' were made available to this evaluation. They did not address all accountability provisions. However, the evaluation did not have access to other materials that may have been distributed during the course. Therefore, it is possible that the accountability provisions, and/or gaming machine reporting, were fully covered either verbally or in any supporting materials. Details on the obligations of directors and top executives in relation to these provisions should be adequately conveyed during the course and course participants should have access to any necessary supporting documents.

It is also recommended that the materials for the mandatory training courses be updated to cover the requirements of clubs under the Gaming Machines Regulation 2010. Clubs have various obligations in relation to gaming machine reporting, record keeping, harm minimisation measures and the operation of gaming machines¹². These should be addressed during the training courses. As an example, clause 17 of the Gaming Machines Regulation 2010 details financial reporting obligations of clubs, including the requirement to produce monthly gaming machine cash flow analysis reports. For many clubs, gaming machines contribute to a large proportion of the club's overall revenue and these requirements are in place to ensure that gaming machines are operated with integrity. The inclusion of information on the operation of gaming machines should be appropriately balanced with

¹² These requirements are set out in clauses 14, 17, 18, 19 and 20, and Division 4 and Part 6 of the Gaming Machines Regulation 2010.

references to Responsible Conduct of Gambling (RCG) training which are already included in the materials provided by ClubsNSW.

6. Ask the CMAA to update the training materials for the ‘Board Governance, the Company Secretary and the General Manager’ course to ensure that all out-of-date information is appropriately amended

In reviewing the training materials for the ‘Board Governance, the Company Secretary and the General Manager’ course delivered by the CMAA, the evaluation detected several instances in which out-of-date information was included in the training materials provided to participants. It is recommended that the CMAA update the training materials for the ‘Board Governance, the Company Secretary and the General Manager’ course to ensure that all legislative and other references are up-to-date. The materials in their current format have the potential to confuse managers new to the industry. Regular reviews of the training materials would ensure that training participants are well informed of changes in the club industry.

7. In consultation with industry stakeholders, explore options for the club industry to provide appropriate financial assistance to clubs experiencing financial hardship to undertake the approved training courses

Some stakeholders suggested that the cost of training for clubs experiencing financial hardship, particularly some smaller regional clubs, may be a barrier for their participation in training and therefore their ability to comply with the training requirements. While some financial assistance is available from ClubsNSW or the CMAA, this is only the case for venues or individuals that are members of these organisations.

It is recommended that L&GNSW consult with industry stakeholders to explore options for the club industry to provide financial assistance to clubs experiencing financial hardship to undertake the approved training courses. The evaluation does not recommend any particular source of funding at this stage, as potential funding sources will need to be properly explored with the club industry to determine the most viable and sustainable source of funding for this purpose.

Access to such assistance could be provided to venues on the basis of demonstrated financial hardship. These venues could be identified by examining which clubs have been granted a fee waiver under the Annual Liquor Licence Fee Scheme due to financial hardship (23 clubs were granted a waiver in 2017). This financial assistance would remove one of the barriers to the participation of these clubs in the training framework and would signal the Government’s commitment to assist the clubs industry to improve governance standards across the industry. This would in turn contribute to strengthening the financial viability of smaller clubs across NSW and facilitate their continued provision of critical community infrastructure in regional and remote areas.

8. Improve access to training for regional clubs by ensuring that courses are available online for all club directors and managers, and by providing more face-to-face training in regional areas where possible

The evaluation notes that while most registered clubs prefer face-to-face training, this is not always a feasible option for smaller, less well-resourced clubs in regional areas due to costs

and travel times associated with attending training in metropolitan locations or other regional locations. Online training offers a potential solution to these challenges. However, club managers do not have the option of completing training online and director training, while available online, is not accessible by clubs that are not members of ClubsNSW. The smaller, less well-resourced clubs are also less likely to be members of ClubsNSW.

The evaluation believes there is an ongoing risk that these accessibility challenges undermine compliance with the training requirements. To address this risk, the evaluation believes that online training should be provided more widely by training providers and that face-to-face training in regional areas should be made more available.

To this end, the evaluation recommends that L&GNSW work with the CMAA to explore options for the online delivery of manager training, and with ClubsNSW to explore the potential for non-affiliated clubs to access ClubsNSW online delivery of training for directors. L&GNSW should also engage RTOs to help identify roadblocks to providing face to face training and to increase the availability for club directors and managers in regional NSW.

9. Further consider the appropriateness of the Club Director and Manager Training Exemption Guidelines once detailed data has been collected as part of a future evaluation of the training framework

As noted under finding 2, current limitations in training records have made it difficult for the evaluation to determine:

- ▲ the extent to which club directors and managers have met the training requirement
- ▲ the extent to which club directors and managers have claimed exemption from the requirement
- ▲ the reasons for these exemptions being claimed.

There was a perception among some stakeholders that the Club Director and Manager Training Exemption Guidelines were too flexible and that too many directors and managers were claiming exemptions rather than undertaking training. A detailed examination of the Club Director and Manager Training Exemption Guidelines will require more reliable data to be available on how many club directors and managers are claiming exemptions and the reasons for them claiming these exemptions. As such, it is recommended that L&GNSW consider the appropriateness of the Guidelines once a system for mandatory reporting of training completion and exemptions has been in place for at least 12 months, and as part of the proposed future evaluation of the training framework (see recommendation 3).

10. Consider the introduction of voluntary refresher training for club directors and managers

The evaluation recommends that the introduction of voluntary refresher training for club directors and managers be considered subject to an assessment of demand for such training.

Ongoing training opportunities have been identified by stakeholders as a means of building on the competencies and capabilities of the club industry. Although some stakeholders suggested that mandating nationally accredited courses would provide incentive for

managers and directors to continue to build on their qualifications, it is possible that this approach will place a greater burden on clubs through additional cost and time commitments. Better promotion of professional development pathways and options to attain national accreditation should result in greater visibility of the available training options for directors and managers.

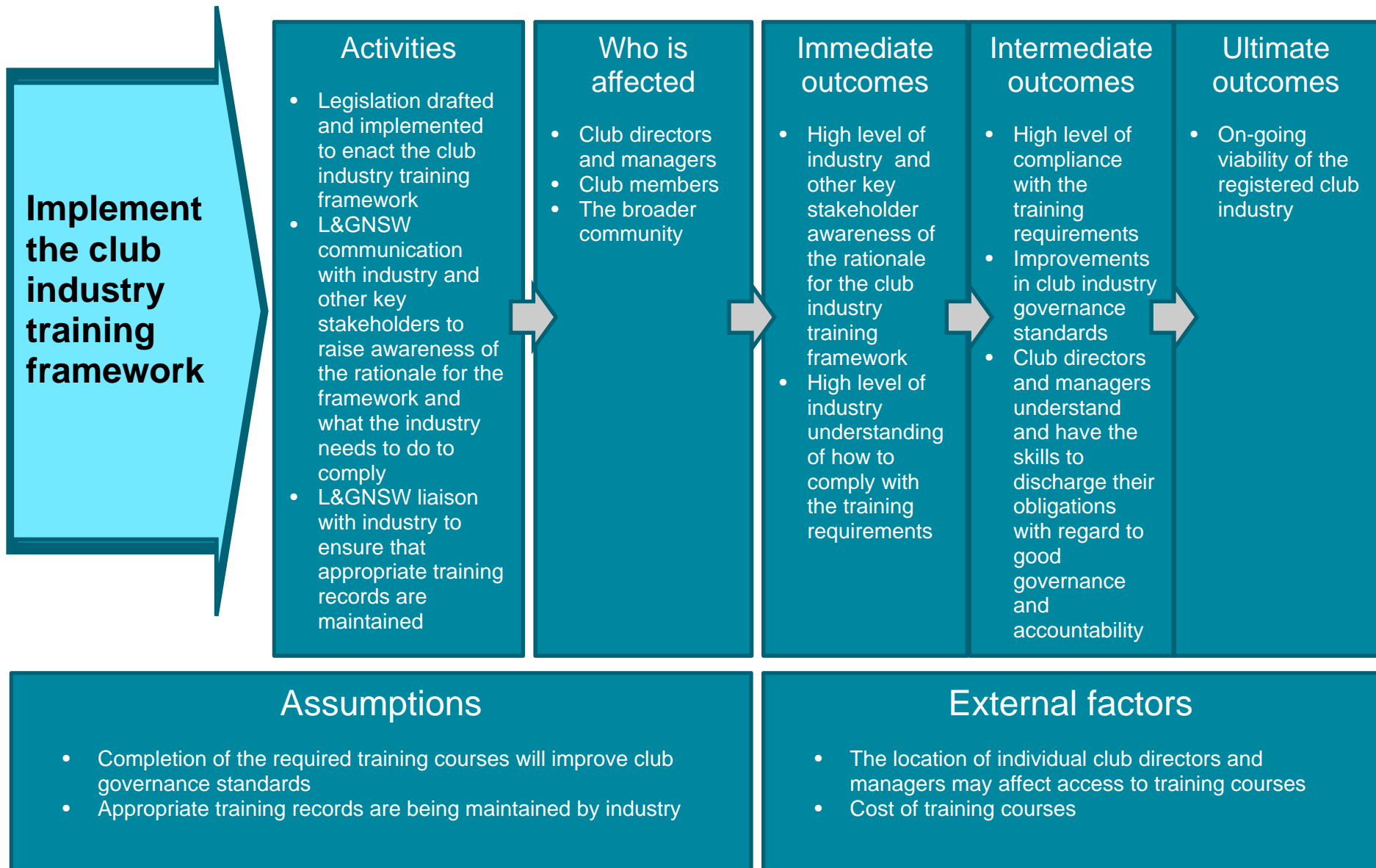
Some survey respondents suggested improvements could be made to the framework by introducing refresher training. Refresher training is already available for the Responsible Service of Alcohol (RSA) and Responsible Conduct of Gambling (RCG) courses, which ensures a minimum level of competency on an ongoing basis.

Refresher training for the club industry would provide directors and managers with an opportunity to receive updated information on changes in the industry and ensure that the obligations of directors and managers are reinforced. This is particularly important for directors and managers who were initially exempt from the mandatory training requirements due to their level of experience. It should be noted, however, that completing the refresher training would not result in exemptions from the mandatory training requirements. It is intended that refresher training would cover the key areas in a shorter time frame. The mandatory training requirements, however, would need to cover the roles and responsibilities of club directors and managers more comprehensively.

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Appendix A: Program logic model



Appendix B: Discussion paper



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. 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 census¹³ 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.¹⁴

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.

¹³ 2015 NSW Club Census: <http://www.clubsnsw.com.au/news/publications/nsw-club-census>

¹⁴ 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 clubs¹⁵ and directors of large clubs¹⁶. 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.

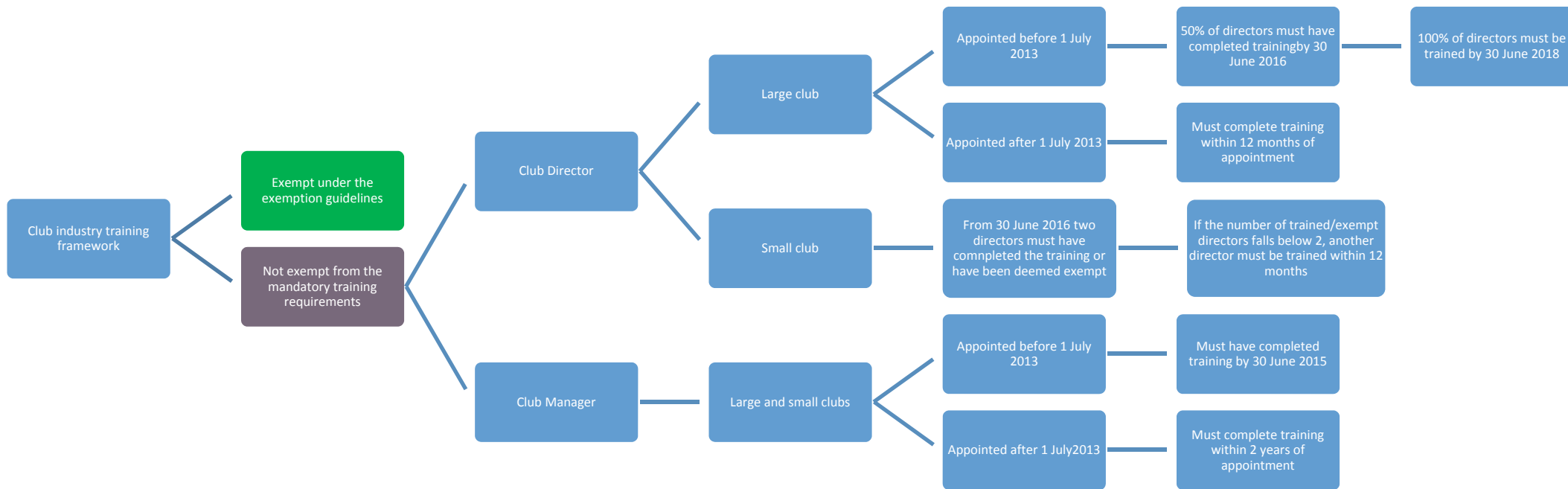
¹⁵ Small clubs are those with annual gaming machine profits of \$1 million or less.

¹⁶ 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?

Appendix C: Survey of club directors and managers

Background

Liquor & Gaming NSW is currently evaluating the Club Industry Training Framework, which was introduced in 2013. The framework introduced mandatory training for club directors and managers, with some limited exceptions.

The purpose of the mandatory training is to ensure club directors and managers develop the appropriate governance skills to make significant business decisions and understand their responsibilities in managing community-owned assets, including obligations relating to transparency and accountability.

The purpose of this survey is to collect information on:

- ▲ the extent to which club directors and managers have completed the training and any barriers to completing the training
- ▲ views of club directors and managers on the purpose, adequacy and effectiveness of the training
- ▲ views of club directors and managers on the importance of the framework and whether enforcement options should be introduced
- ▲ views of club directors and managers on how the framework could be improved.

Survey results will help inform Liquor & Gaming NSW's evaluation of the Club Industry Training Framework. The survey can be completed by currently appointed club directors and managers, regardless of whether they have completed the training.

This survey is voluntary and the data collected will only be used to inform the evaluation. Your responses will be kept confidential. When reporting survey findings, individuals and individual venues will not be named. Survey data will only be presented in aggregate form in the evaluation.

If you wish to provide more detailed comment on the Club Industry Training Framework, please send your submission to Liquor & Gaming NSW (email: clubindustrytraining.evaluation@justice.nsw.gov.au).

Survey Questions

1. When were you appointed as either club director or club manager?

- Before 1 July 2013
- Between 1 July 2013 and 30 June 2014
- Between 1 July 2014 and 30 June 2015
- Between 1 July 2015 and 30 June 2016
- After 1 July 2016

2. The club industry training framework came into effect on 1 July 2013 and provides for the staged introduction of training for club directors and managers. The training is mandatory for all directors and managers, with some exceptions. How were you informed about the requirements of the club industry training framework?

- Communication from the Office of Liquor, Gaming and Racing (OLGR)
- Communication from ClubsNSW
- Communication from the Club Managers Association of Australia
- My club informed me about the requirements
- I was not aware of these requirements
- Other (please specify)

3. In your opinion, is there enough information available about the club industry training framework?

- Yes
- No

4. Small clubs are those with annual gaming machine revenue of \$1 million or less. Large clubs have annual gaming machine revenue of more than \$1 million. Are you a director of a small club or large club?

- Small club
- Large club
- Don't know

5. The following time frames apply for the implementation of the club industry training framework:

- For large clubs, 50% of club directors appointed before 1 July 2013 must be trained by 30 June 2016. All other directors appointed before 1 July 2013 must be trained by 30 June 2018. Directors appointed after 1 July 2016 must be trained within 12 months of their appointment.
- For small clubs, two directors must have been trained by 30 June 2016.
- Exemptions apply to directors with the appropriate skills, qualifications and experience.

Has your club met these time frames?

- Yes
- No
- Not sure

6. Are you currently a club director or club manager?

- Director (Goes to Q7)
- Manager (Skips to Q11)

7. Under the club industry training framework, club directors are required to complete two courses - "Director Foundation and Management Collaboration" and Finance for Club Boards". Alternatively, directors can undertake training aligned to the units of competency "Implement Board member responsibilities", "Work within organisational structure" and "Analyse finance reports and budgets" conducted by a registered training organisation.

Have you fully completed the mandatory training for club directors?

- Yes (Goes to Q8)
- No (Skip to Q10)

8. When did you complete the training?

- Before I was appointed
- Within 12 months of my appointment
- 1-2 years after I was appointed
- 2-3 years after I was appointed
- More than 3 years after I was appointed

9. Which of the following training courses or units have you completed? Please choose all options that apply. (Skips to Q14)

- "Director Foundation and Management Collaboration" training course
- "Finance for Club Boards" training course
- "Implement Board member responsibilities" unit of competency
- "Work within organisational structure" unit of competency
- "Analyse finance reports and budgets" unit of competency

10. The following time frames apply for the implementation of the club industry training framework:

- For large clubs, 50% of directors appointed before 1 July 2013 must be training by 30 June 2016. All other directors appointed before 1 July 2013 must be trained by 30 June 2018. Directors appointed after 1 July 2013 must complete the training with 12 months of their appointment.
- For small clubs, two directors must be trained by 30 June 2016.

Exemptions apply to directors with the appropriate skills, qualifications and experience.

What is the reason for not completing the mandatory training? (Skips to Q19)

- I have recently been appointed and am planning to complete the training within the next 12 months
- I am currently completing the training
- I was exempt from the training requirements due to my skills, qualifications and previous experience
- I am a director of a small club and am not required to complete the training because two other directors have completed the training/ were declared exempt
- As a director of a large club, I am planning to complete the training by 1 July 2018 because 50% of directors on my club's board were appointed before 1 July 2013 and have either completed the mandatory training or were declared exempt
- I have been unable to access training
- I don't have enough time to complete the training
- My club cannot afford to fund the training
- Other (please specify)

11. Under the club industry training framework, club managers are required to complete the course entitled "Board Governance, the Company Secretary and the General Manager".

Have you fully completed the mandatory training course for club managers?

- Yes (Goes to Q12)
- No (Skips to Q13)

12. When did you complete the mandatory training course for club managers? (Skips to Q14)

- Before I was appointed
- Within 2 years of my appointment
- Over two years after I was appointed

13. What is the reason for not completing the training?

- I am currently completing the training (Skips to Q19)
- I was recently appointed and am planning to complete the training over the next two years
- I was exempt from the mandatory training requirements due to my skills, qualifications and experience
- I have been unable to access training
- I don't have enough time to complete the training
- My club cannot afford to fund the training
- Other (please specify)

14. Who was your training provider?

- ClubsNSW
- Clubs Managers Association of Australia
- A Registered Training Organisation (RTO) (please specify in the comments box below)
- Other (please specify in the comments box below)

Name of RTO or other provider

15. What was the format of the training?

- Face-to-face
- Online

16. Do you agree or disagree with the following statements?

	Strong Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
The training courses were easy to access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The training courses were easy to complete	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The materials provided during the training course were easy to understand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have a better understanding of my roles and responsibilities as a result of completing the mandatory training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have a better understanding of financial requirements as a result of completing the mandatory training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. How satisfied or dissatisfied were you with the following?

	Very dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Very satisfied
Time frames for completing the training (e.g. 12 months for directors appointed after 1 July 2013, two years for managers appointed after 1 July 2013)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of training options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Duration of training course/unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training course provided during the course/unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delivery of the training course/unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The quality of information presented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assessments during the training course/unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training course/unit overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. Do you have any suggestions on how the training courses/units can be improved? If yes, please provide details in the comments box below.

Yes

No

Please provide details here:

19. Please rate the following:

Very poor Poor Moderate Good Very good

My understanding
of my roles and
responsibilities as a
club
director/manager



My understanding
of financial
requirements
relating to club
governance



My club's
understanding of
the roles and
responsibilities of
club
directors/managers



My club's
understanding of
financial
requirements
relating to club
governance



20. How important do you think it is for club directors and managers to complete mandatory club industry training?

Not at all important

Not very important

Important

Very important

21. Do you think governance standards across the industry have improved as a result of mandatory club industry training? Why or why not? Please provide details in the comments box below.

Yes

No

Not sure

Please provide details here:

22. Do you think enforcement and penalty options should be applied to clubs that do not comply with the club industry training requirements? If so, what enforcement and penalty options do you think would be appropriate? Please provide details in the comments box below.

Yes

No

Please provide details here:

23. Do you think the club industry training requirements have had a positive or negative impact on your club? Why? Please provide details in the comments box below.

- Positive impact
- Negative impact
- Neither positive nor negative

Please provide details here:

24. Do you have any suggestions on how the club industry training requirements can be improved? If yes, please provide details in the comments box below.

- Yes
- No

Please provide details here:

25. Do you have any other comments about the club industry training requirements?