



What makes a successful committee

Club Governance Webinar

2020



Overview



1. Purpose of a committee



2. Understanding the legal responsibilities



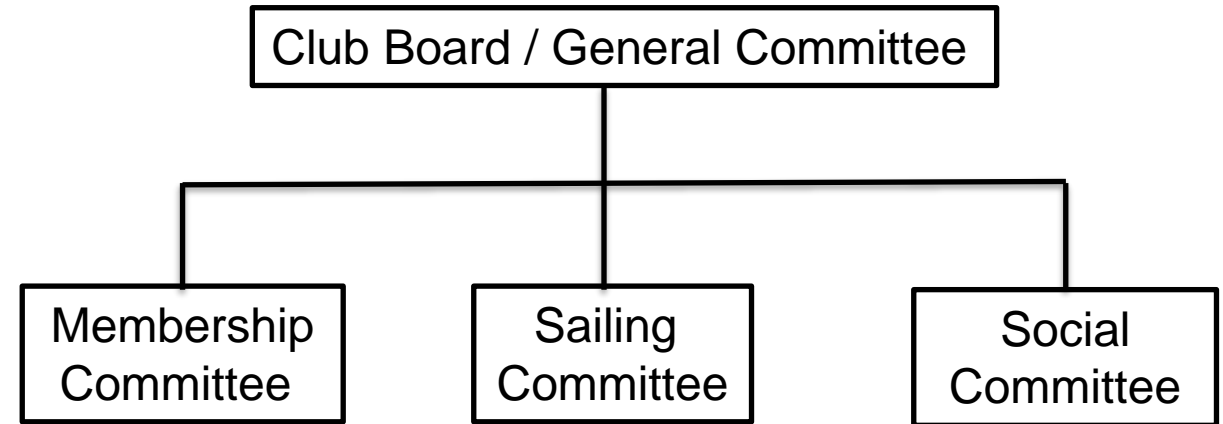
3. Make up of a successful committee



4. Policies and procedures to support a successful committee

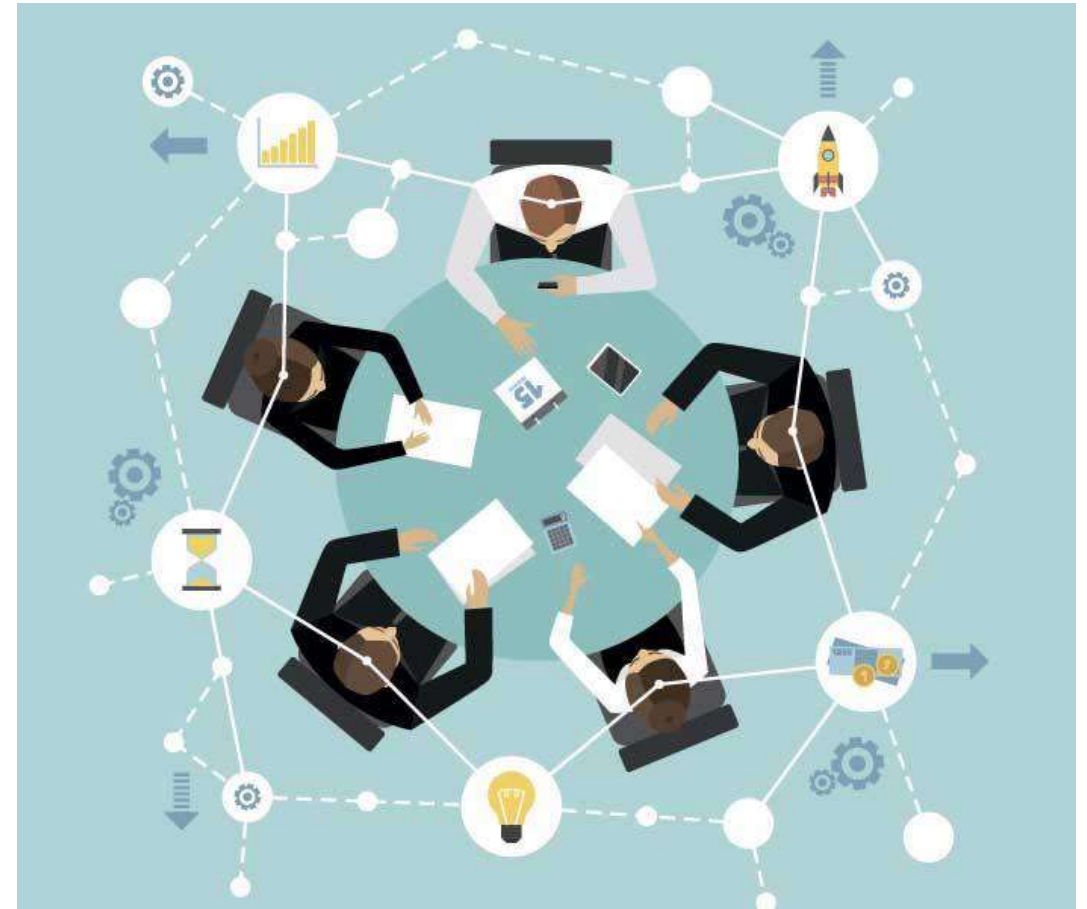
Difference between a Board and a Committee

- A **Board** is the term associated with the management group of a Company Limited by Guarantee. Whereas in most cases clubs are an Incorporated Association and therefore the management group are referred to as a Management or General Committee.
- The **board or Management Committee** retains ultimate responsibility for any actions made by the **committee**.
- **Committees** have limited authority, power, and responsibilities, and each **committee** should operate under its own charter or terms of reference.



What gives a successful committee purpose?

- Constitution
- Strategic Plan
- Role Descriptions
- Codes of conduct
- Induction process
- Budget



The Constitution



A constitution sets out the function, reporting lines, membership, Chair, quorum and frequency of meetings."



Effective committees need to know precisely what they are expected, and authorised, to do. Their constitutions clarify and precisely delineate their roles.



The constitution of a committee is/are the foundation for its activities.

Constitution

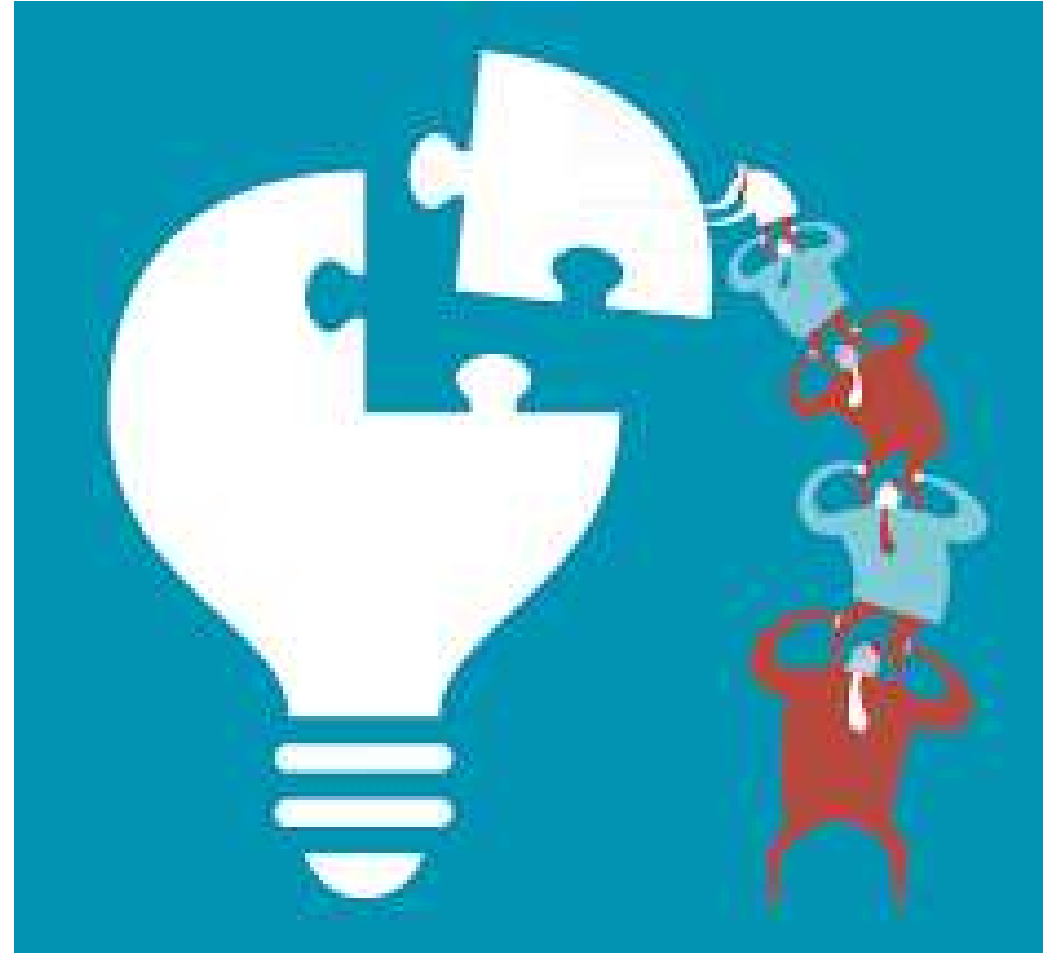
A constitution, should contain the following key sections:

- Interpretation — objects and powers
 - Members — membership and meetings of members (general meetings)
 - The board — powers (including delegations), election and appointment of directors, other roles (chief executive officer and secretary) and meetings of the board
 - Reporting, recording and execution of company documents
 - Accounts
 - Auditors
 - Indemnity and insurance of directors
 - Winding up
-
- Provides a clear purpose for the organisation



Strategic Plan

- Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It is here that priorities are set. It may also extend to control mechanisms for guiding the implementation of the strategy.
- An organisations Strategic Plan should link to the objectives of the Organisations Constitution.
- What are you hoping to achieve / milestones to reach?



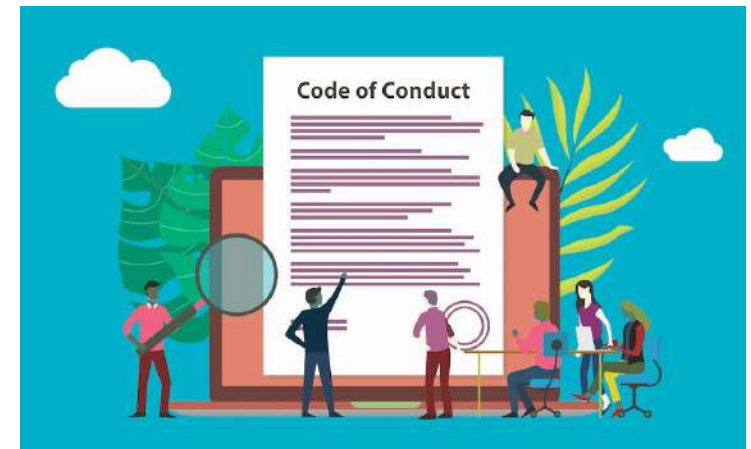
Committee Position Descriptions

- ***A Committee should operate as a team, draw on the skills and talents of each member, and work toward common goals to ensure club success. Effective Committee members should have:***
 - A commitment to the club
 - Sufficient time to devote to the Committee
 - An understanding of the role of the Committee and their role within it
 - Leadership skills and willingness to accept responsibility
 - Listening skills
 - The ability to use the technology the club uses to communicate to its members
 - The specific tasks required of Committee members vary from club to club according to the club's plan and the attributes of the volunteers. It is important that the Committee is made up of people with a range of skills and expertise to support the good governance and development needs of the club.



Committee Codes of Conduct

- A code of conduct has value as both an internal guideline and an external statement of corporate values and commitments.
- A code of conduct **clarifies an organisation's mission, values and principles**, linking them with standards of professional conduct. The code articulates the values the organisation wishes to foster in club committee members and, in doing so, defines desired behaviour. As a result, written codes of conduct can become **benchmarks** against which individual and organisational performance can be measured.
- A code is a **central guide and reference for committee members** to support day-to-day decision making. A code encourages discussions of ethics and compliance, empowering committee members to handle ethical dilemmas they encounter in running the club.
- Externally, a code serves several important purposes:
 - **Compliance:** Legislation requires individuals serving on boards and organizational leaders of public companies to implement codes.
 - **Marketing:** A code serves as a public statement of what the club stands for and its commitment to high standards and proper conduct.
 - **Risk Mitigation:** A code of conduct, if followed, can assist in mitigation of certain risk, particularly reputational risk.
 - **Disciplinary action:** A code of conduct can form the basis of any disciplinary action for those who fail to meet their obligations.



Board Induction

- Board induction, the process by which a new board member, whether elected or appointed, is informed about the who's who and the what's what of the organisation.
- Information includes:
 - the constitution
 - the bylaws
 - the policies
 - the organisation structure
 - job descriptions
 - bios for the office bearers
 - financial information and budgets
 - copies of previous meeting minutes
 - Strategic Plan
 - Code of conduct
 - Meet and greet with other committee members and key staff
 - Sharing of contact details for members of the committee



Budget

- The budget is a vital tool in effective club management and it is essential that it be drawn up to meet the club's needs over the coming period, usually 12 months. This enables the club to more effectively fulfil its aims and objectives within the framework of its plan and financial means.
- A budget offers a club a better means of planning, provides for greater control over its activities and its future, makes the club more accountable to its members, and may even be viewed as a motivational tool encouraging continued financial growth through results.
- A successful clubs' budget will link to the club's strategic plan.



Suggestions and action Items

- A successful committee should **annually review** the clubs:
 - Constitution
 - Strategic Plan
 - Role Descriptions
 - Codes of conduct
 - Induction process
 - Budget

And improve year on year to ensure the club continues to meet the requirements of current good governance and the needs of your community.

Review the Sport Australia Good Governance Principles and apply them to your club.

Ask your Australian Sailing Club Services Officer to review your club's documents.

Resources

- Sport Australia - <https://www.sportaus.gov.au/governance>
- Sports Community - <https://sportscommunity.com.au/>

The legal responsibility of a successful committee.

- As an organisation:
 - ASIC
 - Companies
 - Office of fair Trading
 - Incorporated Associations and Unincorporated Associations.
 - Constitutionally
 - Financial reporting
 - Insurances
 - Duty of Care
 - Legislation



The legal responsibility of a successful committee.

- As individuals:
 - Conflict of interest
 - Confidentiality



ASIC and Office of Fair Trading

Companies

- Corporations Act.
- Usually slightly more onerous requirements than an Incorporated Association but provides better protection to the Directors and limiting the liability of members.
- Outlines the legal obligations and requirements for your club to remain a valid entity.
- Financial reporting
- Members rights
- Committee members obligations
- Records to be kept
- Reporting requirements
- Conduct of meetings

Incorporated and Unincorporated Associations

- Associations Incorporation Act
- Australian Sailing recommends that clubs are at a minimum an Incorporated Association.
- State Office of Fair Trading
- Outlines the legal obligations and requirements for your club to remain a valid entity.
- Financial reporting
- Members rights
- Committee members obligations
- Records to be kept
- Reporting requirements
- Conduct of meetings

Constitutionally

Committee must comply with the requirements of the organisations constitution.

This often includes:

Membership categories and setting of fees

Membership suspension and appeals

Meeting notices

Number of general meetings required to be held

Financial reporting

Powers of the committee members

Committee members eligibility and length of terms

Financial Reporting

- Financial reporting obligations are set out in the organisations Constitution; however clubs need to ensure they also meet the required legislation. Either the Corporations Act or the Associations Incorporation Act.
- If your organisations Constitution has not been updated recently, it would be worth checking to ensure your club is complying with your legislated requirements.



Insurances

- Typical Insurance Policies a club may have in place include:
 - [Sailing Club Liability Insurance](#)
 - [Sailing Club Property Insurance](#)
 - [Sailing Club Management Liability Insurance](#)
 - [Personal Injury Insurance – Members of Australian Sailing Affiliated clubs](#)
 - [Marine Hull Insurance](#)
- It's important to check these annually to ensure their relevance to your operations.
- Not all insurances are required but some are mandatory, and these will depend on your club's activities and operations.



Duty of Care

- When you agree to be a committee member of an incorporated association such as a sporting club, you will have a duty of care. Under common law, this means you have the same duties as directors and share responsibility for the effective management of the club on behalf of its members. You also owe fiduciary and statutory duties to the club.
- As a rule, an office bearer must:
 - Take all reasonable steps to monitor the management of the club
 - Acquire a working knowledge of the business of the club
 - Keep informed of the club's activities and manage the risks of club practices
 - Be familiar with the financial status of the club by regularly reviewing financial statements
 - Make enquiry into matters revealed by financial statements where necessary or prudent.
- Breach of these duties can personally result in serious repercussions for the office bearer.

Legislation

- Your Committee is responsible for seeing that the law is observed.
- One of the basic principles of Australian law is that ignorance of the law is no excuse.
- The law doesn't require the Committee to look over the shoulder of every employee/volunteer all the time; all it asks is that
 - (a) the committee establish proper procedures that, if everybody followed them, would be effective in preventing legal breaches
 - (b) the Committee have a monitoring system that would tell it if its procedures were being defied or disregarded.



Legislation

Occupational health and safety legislation

You're obliged to provide a safe working environment for your workers (and your volunteers)

Anti-discrimination legislation

In general, and with a few exceptions, you're obliged to avoid any bias -- in recruitment, or employment, or service delivery, or in your public statements - against the groups specified in Federal and State laws.

Tax legislation

Whatever your legal form, you need to find out what taxes you're liable for and pay them. Think particularly of GST and FBT.

Financial probity

You need to ensure that your organisation's assets are protected, that its liabilities can be met, and that your dealings with it are at arm's length. You must have provisions in your rules to cover potential and actual conflicts of interest.

Privacy legislation

You must have a system for ensuring the privacy of personal information held by your organisation.

Conflict of Interest

- A conflict of interest is where someone in a position of trust is serving or attempting to serve two or more interests and it would be difficult for that person to fulfil their duties impartially.
- Conflicts of interest for committees refer to conflicts between their club duties and private interests or other association's Interests. Having a conflict of interest is not always avoidable and it is the way conflicts are managed that is important. A conflict exists whether it is actual, potential or perceived.
- An **actual** conflict of interest is one where there is a real conflict between a committee members club duties, and their other public duties or their private interests.
- A **potential** conflict of interest arises where a director has other public duties or private interests that could conflict with their club committee duties.
- A **perceived** conflict of interest can exist where a third party could form the view that a committee members public duty or private interest could improperly influence the performance of their duties, now or in the future. A perceived conflict of interest can arise from avoiding personal losses, as well as gaining personal advantage - whether financial or otherwise.



Conflict of Interest

- A Committee member should avoid any conflict arising between their personal interests (or the interests of any other related person or body) and their duties to the organisation.
- A Committee member must not take advantage of their position on the Committee to gain, directly or indirectly, a personal benefit, or a benefit for any associated person (their wife, say, or a commercial organisation).
- A Committee member shall not make use of inside information.
- The personal interests of a Committee member, and those of associated persons, must not be allowed to take precedence over those of the organisation generally.
- A Committee member should seek to avoid conflicts of interest wherever possible. Full and prior disclosure of any conflict, or potential conflict, or the appearance of potential conflict, must be made to the Committee. Once the conflict has been declared to the Committee, the Committee must decide whether the Committee member should
 - Refrain from voting (this is a minimum)
 - Refrain from participating in the debate
 - Withdraw from the meeting during the debate and the voting
 - Suggest that the Committee member consider resigning from the Committee
- Where possible, the Committee should develop guidelines on what kinds of appearance of conflict call for what level of care.

Confidentiality

- Committee members must maintain the confidence of any information deemed “confidential” with which they become acquainted or have access to during their service as a Committee Member and agree to prevent its unauthorized disclosure to, or use by, any other person, firm or company. They do not use any confidential information for any purpose other than for the benefit of the club and return any and all confidential information on the request of the Committee.
- Committee Members maintain the confidentiality of proceedings and matters relating to the strategic governance and management of the club.

Confidentiality extends to information, documents and decisions:

- the disclosure of which would or could be prejudicial to the interest of the club;
 - which from time to time the Committee deem to be confidential; and
 - information and documents received by the club in confidence.



Suggestions and action Items

- It is recommended that your club develop and implement the following:
 - A list of annual legislation requirements – Compliance Register
 - Conduct finance training for your committee members
 - A list of Insurance policies, where to find the information and there annual review/expiry date
 - A Duty of Care Statement / Policy
 - A Conflict of Interest Policy and a Conflict of Interest Register
- The club committee should review these often.

Resources

- Sports Community

<https://sportscommunity.com.au/club-member-category/legal-information/>

- Insurance

<https://www.sailingresources.org.au/clubresources/insurance/&quicklink=true/>

- NSW Sport

<https://sport.nsw.gov.au/clubs/ryc/legal/dutyofcare>

Make up of a successful committee

- A committee needs to have a diverse make up of individuals & thoughts.
- Diversity has become one of the hottest topics in sport over recent years, with Federal and some State Governments requiring National & State Sporting Organisations to fulfil diversity quotas.
- Committee diversity has tangible and direct benefits.
- Organisations who have greater diversity in their committees achieve greater outcomes at all levels.



Top 10 Benefits of having a diverse committee

1. Variety of different perspectives

2. Increased creativity

3. Higher innovation

4. Faster problem-solving

5. Better decision making

6. Increased profits

7. Higher volunteer engagement

8. Reduced volunteer turnover

9. Better reputation

10. Improved attraction of volunteers

Diversity benefit #1: Variety of different perspectives



A diverse Committee ensures a variety of different perspectives.



Since diversity means that committee members will have different characteristics and backgrounds, they are also more likely to have a variety of different skills and experiences.



Consequently, committees with higher diversity will have access to a variety of different perspectives, which is highly beneficial when it comes to planning and executing a organisations strategy and problem solving.

Diversity benefit #2: Increased creativity



Diverse Committees leads to increased creativity.



People with different backgrounds tend to have different experiences and thus different perspectives. Exposure to a variety of different perspectives and views leads to higher creativity.



When you put together people who see the same thing in different ways, you are more likely to get a melting pot of fresh, new ideas, thus improving the creativity of your committee and the decisions it makes.

Diversity benefit #3: Higher innovation



In a diverse committee, committee members are exposed to multiple perspectives and worldviews.



When these various perspectives combine, they often come together in novel ways, opening doors to innovation and better ways of getting things done.

Diversity benefit #4: Faster problem-solving



Committees with higher diversity solve problems faster.



Diverse teams are able to solve problems faster than cognitively similar people.



Committee members from diverse backgrounds have different experiences and views, which is why they are able to bring diverse solutions to the table. Thus, the best solution can be chosen sooner, which leads to faster problem-solving.

Diversity benefit #5: Better decision making



There is a direct link between committee diversity and decision-making.



Researchers have found that when diverse teams made a business decision, they outperformed individual decision-makers up to 87% of the time.



When committee members with different backgrounds and perspectives come together, they come up with more solutions, which leads to the more informed and improved decision-making processes and results.

Diversity benefit #6: Increased profits



Organisations with greater leadership diversity, achieve greater profits.



McKinsey & Company, a global management consulting firm, conducted research that included 180 companies in France, Germany, the United Kingdom, and the United States. They found that companies with more diverse top teams were also top financial performers.



Organisations with a diverse leadership make better decisions faster, which gives them a serious advantage over their competitors. As a result, organisations with diversity in the leadership teams achieve better results and reap more profit.

Diversity benefit #7: Higher volunteer engagement



Committee diversity leads to higher volunteer engagement.



A mix of skills, experiences and backgrounds on a committee makes existing volunteers feel engaged, valued and respected, as everyone on the committee has a voice in decision making, and no one is left unheard



The link between committee diversity and volunteer engagement is straightforward - when volunteers feel included at all levels of an organisation, they are more engaged, and more likely to stay involved.

Diversity benefit #8: Reduced volunteer turnover



Diversity is beneficial for volunteer retention.



Organisations with a diverse leadership team are generally more inclusive of different individual characteristics and perspectives.



Diversity and inclusion in an organisation causes all volunteers to feel accepted and valued.



When volunteers feel accepted and valued, they are happier in their volunteering and stay longer with a organisation. As a result, organisations with greater diversity have lower volunteer turnover rates.

Diversity benefit #9: Better reputation



Diversity boosts an organisations reputation and brand.



Organisations that are dedicated to building and promoting diversity are seen as good, more human and socially responsible organisations.



Diversity makes your organisation “look more interesting”, and thus you will make it easier for many different people to relate to you, and your brand, opening doors to new members, customers, business partners, sponsors and Participants.

Diversity benefit #10: Improved attraction of volunteers



Diversity leads to attracting better committee members.



Diversity boosts an organisations brand and presents an organisation as a more desirable place to be involved with.



Diversity is an especially beneficial asset for attracting top talent from diverse talent pools.

Suggestions and action Items



Decide what skills and knowledge are missing from your current committee



Create a simple skills matrix, and actively seek people who can complement the committee to fill the missing skill sets.



Be proactive; do not wait for people to come to you. This leaves you with fewer options.



Survey Club Members to seek information and knowledge that individuals may have, that the committee needs, and then ask them to volunteer on the committee.



When seeking new committee members try to achieve a 50/50 split of Male/Female on the committee, ensuring that the relevant skill sets, and knowledge required are fulfilled.



When seeking new committee members try to achieve a range of ages on the committee including youth.



Re-assess skills and diversity gaps regularly and actively seek to address any shortcomings through the attraction of new committee members.



Have a long term (2-5 year) plan to address any lack of diversity on your current committee and seek to address it overtime.

Resources

- Skills Matrix
- Australian Institute of Company Directors Diversity Resources
<https://aicd.companydirectors.com.au/global/taxonomydetail?tax=Diversity>
- Actively recruiting for diversity
<https://www.clubhelp.org.au/club-people/welcoming-everyone/actively-recruiting-diversity>
- When and Why diversity improves performance (HBR)
<https://hbr.org/2019/03/when-and-why-diversity-improves-your-boards-performance>
- Sport Australia Inclusive sport toolkit
https://www.sportaus.gov.au/integrity_in_sport/inclusive_sport/toolkit

Policies and procedures to support a successful committee

A committee needs to know how things are done.

- Policies – These are the backbone of good governance. Without these the committee is operating on a whim.
- Communication of policies once adopted is critical to ensure the intent of the policy is maintained, policies once adopted should be clearly communicated with .
 - Committee members
 - Club members
 - Staff
 - Other Volunteers within the club



Policy Development: The backbone of good governance.



Without Policies the committee is making decisions on a whim.



People working in your club have a framework for action that helps them get on with the job they need to do.



People in your club don't need to keep discussing the same issues every time they arise. It is much more efficient to document a well thought out decision in a policy or by-law so it can be applied to many similar cases in future.



They help your club meet legal and other requirements more easily.



They are a useful tool to guide quality improvements.



They help your club comply with accreditation standards.

How do I implement a policy?

- As a committee, decide what policies are required for your organisation.
- There are many templates available to assist with the creation of the documents.
- Put the DRAFT policy on the agenda for your next committee meeting.
- Adapt the policy to suit your club's needs and expectations.
- Sign the policy and promote it across your organisations community.



What Policies should we have as a minimum

Member Protection

Child Safe

Risk Management

Work Health & Safety

Privacy

Conflict of interest

Anti-Discrimination

Social Media

Sun Safety Policy
Race Management Policy
Volunteer Policy
Extreme Weather Policy
Marine Animals Policy
Alcohol and Drugs Policy
Gambling Policy
Cancellation Policy

Suggestions and action Items



Review Your Clubs existing Policies and amend where required



List the policies you think are needed for your organisation



View and adopt any relevant whole of sport Australian Sailing Policies



Draft and then adopt any new policies required by your club



Communicate you polices to your members, committee members and staff



Review you polices Annually and amend where needed

Resources

- Australian Sailing Whole of Sport Policies: <https://www.sailingresources.org.au/home/>
- Community Directors Policy Bank: <https://communitydirectors.com.au/tools-resources/policy-bank>
- Sport Aus Policy information: https://www.sportaus.gov.au/club_development/governance#policy_amp_procedure
- Our Community: <https://www.ourcommunity.com.au/>
- Play By The Rules Policy Bank: <https://www.playbytherules.net.au/resources/templates>

Club examples:

- Largs Bay Sailing Club: <https://www.largsbaysailingclub.org.au/about-lbsc/lbsc-policy-documents/>
- Royal Queensland Yacht Squadron: <https://www.rqys.com.au/policiesanddocuments/>
- Perth Dinghy Sailing Club: <https://www.perthsailing.org.au/club-info/policies/>
- Sandringham Yacht Club: <https://syc.com.au/about/governance/>
- Wynyard Yacht Club <https://protect-au.mimecast.com/s/k6yhC1WZ5NF6rKosLdw-h?domain=wynyard.org/>



Questions / Comments

Thank you.

