

HOBSONS BAY YACHT CLUB OF VICTORIA INCORPORATED

GUIDANCE MANUAL FOR EXECUTION OF THE GENERAL COMMITTEE FUNCTION

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1. Background

1.1 Hobson's Bay Yacht Club Inc. ("the Club") is an incorporated association under the *Associations Incorporation Reform Act 2012* .

1.2 In compliance with the Act, the Club is governed according to the General Rules ("the Rules") of the Club's Constitution. The Rules ostensibly require the establishment and operation of a General Committee ("the Committee") including various Flag Officers as described herein.

1.3 Further to the compliance with the Act, it is recognized that proper execution of the Committee function is essential to the effective operation of the Club.

1.4 As the composition of the Committee is to change from time to time, there is a recognized need to ensure that a new General Committee member, and a future General Committee, is given appropriate guidance as to the operation of both the Club, and the Committee, thereby enabling effective handover to new General Committee members and proper execution of the Committee function.

2. Purpose of this manual

2.1 This manual (“the manual”) is provided in recognition of the above need and has its sole purpose to give guidance to a General Committee as to the operation of the Club, and of the Committee in supporting the operation of the Club.

2.2 Critically, that guidance arises from the knowledge gathered from the operational experience of previous Committees and Committee members. Given this, it will be understood that:

2.2.1 the extent to which the guidance provided in the manual should be followed by a General Committee will depend on the general circumstances in which the Club operates at the relevant time;

2.2.2 the manual does not bind a General Committee, or its members, as to the operation of the Committee in relation to the execution of the Committee function;

2.2.3 future circumstances may necessitate a General Committee, in the execution of its function, to depart from the guidance;

2.2.4 the manual may be amended as required from time to time;

2.2.5 Annual review is conducted to assess the Committee’s performance when measured against the key actions described in manual;

2.2.6 a Committee member may propose amendments to the manual,

2.2.7 a majority of the Committee in support of a motion will generally be required for acceptance of an amendment to the manual.

2.3 Further, and for the avoidance of doubt:

2.3.1 to the extent that there is conflict between the manual and the Rules, the Rules must always prevail;

2.3.2 to the extent that there is conflict between the manual and an employment agreement with the Club Manager or any other employee of the club, the agreement must always prevail;

2.3.3 the manual does not seek to, and cannot, create or cancel a right of any member of a General Committee or the Club; and

2.3.4 in spite of the guidance in the manual, members of the General Committee must act in accordance with the relevant legislative requirements generally pertaining to director’s duties described herein.

3. Summary guidance of General Committee function

3.1 The following gives summary guidance as to the key General Committee (the Committee) function and relationship with the Club Manager:

3.2 The Committee is the sole entity in the Club having the duty to exercise the member representative role. This duty cannot be delegated.

3.3 The member representative role includes:

3.3.1 articulating the strategic direction being pursued by the Club consistent with the strategic plan and the objectives of the Club;

3.3.2 establishing policies for the operation of the Club;

3.3.3 approving operating and capital expenditure budgets;

3.3.4 monitoring performance against plans and budgets;

3.3.5 monitoring compliance with regulatory obligations;

3.3.6 monitoring the implementation of an appropriate risk management plan;

3.3.7 reporting to members on the performance of the Club; and,

3.3.8 facilitating informal consultation with and feedback from a broad cross-section of members as input to strategic and operational reviews.

3.4 The member representative role should not be confused with operational management.

3.5 Operational management is the responsibility of the Club Manager and includes:

3.5.1 day to day management of all Club operations consistent with the strategic direction articulated by the Committee and the policies established by the Committee;

3.5.2 managing compliance with regulatory and contractual obligations;

3.5.3 achieving operating plans and budgets;

3.5.4 employing appropriate staff to achieve operating plans and budgets;

3.5.5 managing the performance of staff including dealing with the hiring and termination of staff when necessary;

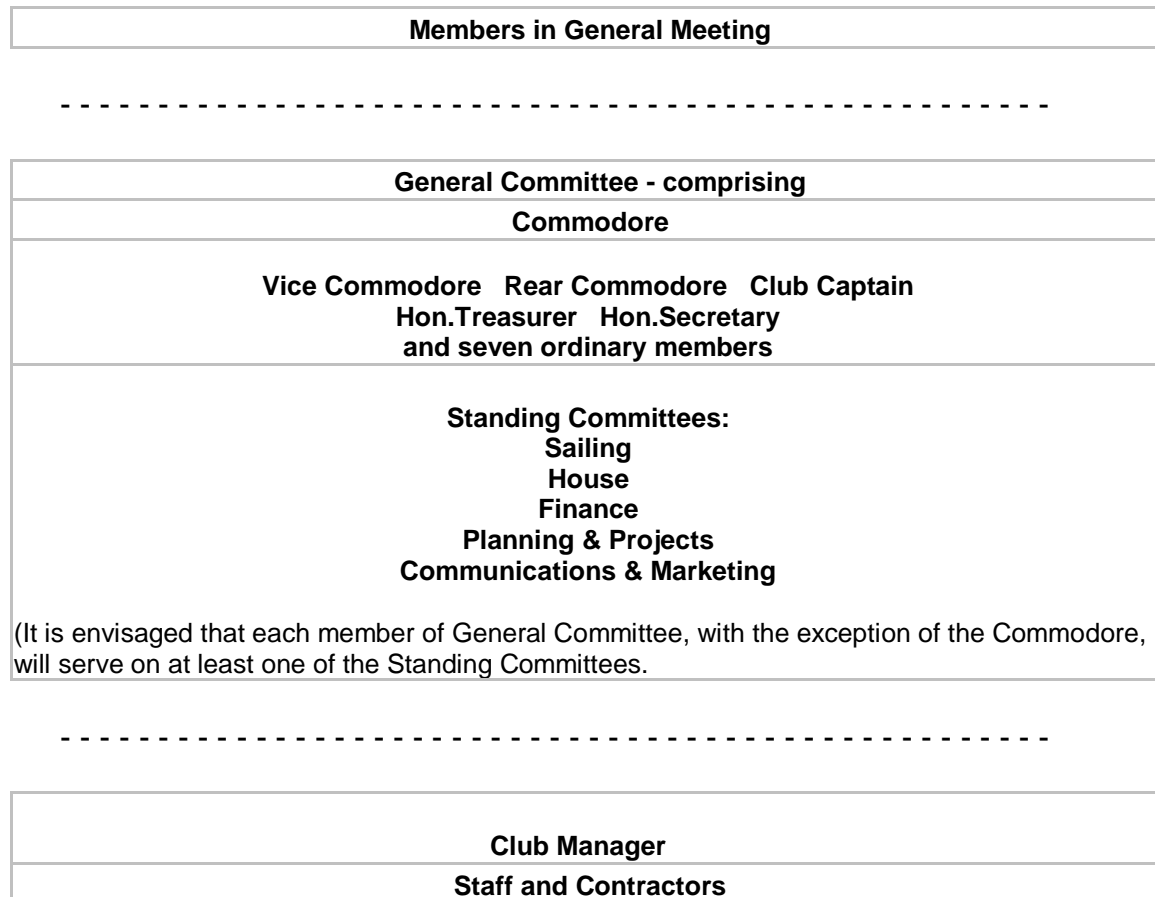
3.5.6 managing the Club's relationship with suppliers, contractors, lessors and regulatory authorities; and,

3.5.7 in conjunction with the Committee, develop an appropriate risk management plan and managing that plan's implementation.

3.6 The Club operates a mature business that is unlikely to undergo any significant sudden change. Changes may occur in the operations of the Club over time but such changes are likely to be incremental in nature.

4. Description of the Club's governance structure

4.1 A broad overview of the organizational structure of the Club may be depicted diagrammatically as follows:



4.2 The above structure implies various authorities of members, General Committee (the Committee) members and Flag Officers. As guidance:

- 4.2.1 the authority of members in general meeting to elect the office bearers and members of the Committee;
- 4.2.2 the authority delegated by members in general meeting to the Committee in undertaking the member representative role including as described in sub-paragraphs 3.3.1 to 3.3.8 above; and,
- 4.2.3 the delineation of authority as between the role of the Committee and its officers in undertaking the member representative role and the authority of the Club Manager in the operational management role including as described in sub-paragraphs 3.5.1 to 3.5.7 above.

4.3 It is critical to the operation of the Committee and the Club, that the delegation of authority as between members, the Committee and General Manager is both understood and respected, including:

4.3.1 the Committee members must understand that members in general meeting may not interfere with the Committee undertaking the member representative role.

4.3.2 The Committee shall not interfere in operational management matters that are the responsibility of the Club Manager.

5. Roles and responsibilities

5.1 The General Committee

The General Committee (the Committee) is established under Rule 30 of the Rules. According to Rule 50, the business and affairs of the Club shall be under the management of the Committee. It is on this basis that the Committee has a duty to execute the membership representative role. Guidance as to the responsibilities of the Committee as provided in Rule 50 and elsewhere in the Rules is provided below:

5.1.1 The Committee is the sole entity in the Club to exercise the member representative role. This role should not be delegated to either Flag Officers or sub-committees of the Committee or staff.

5.1.2 Sub-committees of the Committee may assist the Committee in the exercising of its member representative role by undertaking analysis and formulating recommendations for the Committee to consider and, where appropriate, adopt.

5.1.3 The Committee may refer issues that fall within the portfolio of a Standing Committee to the relevant Standing Committee to analyse and develop recommendations for the Committee to consider.

5.1.4 The Committee shall refer issues of concern relating to operational management to the Club Manager to review and address as the Club Manager determines is appropriate consistent with the policies established by the Committee.

5.1.5 In undertaking the member representative role, the Committee:

- (i) will generally perform duties as specified at 3.3.1 to 3.3.8; and additionally;
- (ii) in its sole discretion and in confidence, approves or rejects membership to the Club being granted to nominated persons;
- (iii) creates clearly defined Ends Policies and Management Limitations Policies (as described below) to guide the Club Manager and hold the Club Manager accountable;
- (iv) monitors compliance with the Rules and By-Laws;
- (v) reports to members on the performance of the Club in accordance with regulatory obligations and requirements of the Club's General Rules and By-Laws.

5.2 The Standing Committees

The Standing Committees of the Club comprise:

- The Sailing Committee – traditionally chaired by the Vice Commodore

- The House Committee; - traditionally chaired by the Club Captain
- The Finance Committee; - traditionally chaired by the Hon Treasurer
- Planning & Projects Committee; This committee is a sub-committee of the House Committee
- Communications and marketing Committee.- Suggest this committee could be chaired by the Club Manager?

The portfolio of ***Sailing Committee*** covers:

- all on water activities and events;
- the marina;
- the hardstand;
- Cruising group;
- Juniors; and
- the Club's boats;

The portfolio of ***House Committee*** covers:

- all land based activities.
- the Club House buildings;
- Storage facilities,
- Yard and cranes,
- the car park;
- Marina maintenance, and,
- Workshop.

The portfolio of ***Finance Committee*** covers:

- Financial reporting;
- The Club's relationship with its auditor;
- Budgets; and,

- Financial management and financing.
- Prepare financial reports to General Members at the AGM, November and March General meetings of Members.

The portfolio of ***Planning and Projects Committee*** covers:

- Major works development, planning and coordination, (note: This could be a sub-committee of the house committee)

The portfolio of ***Communications and Marketing Committee*** covers:

- Information and Communications,
- Club newsletter,
- Sponsorship;
- Events; and
- Publicity

The Standing Committees are responsible for reviewing all issues that fall within their portfolio and:

5.2.1 monitoring and reporting to General Committee on management's execution of plans and strategies in accordance with the policies approved by General Committee;

5.2.2 monitoring and reporting to General Committee on compliance with statutory and contractual obligations;

5.2.3 generating recommendations to General Committee for approval in relation to those matters that fall within the General Committee's responsibilities described in sub-paragraph 5.1 above; and,

5.2.4 referring operational management issues to the Club Manager for his/her attention.

5.2.5 recommendations to the General Committee are to be brought to the General Committee either in or as an appendix to the minutes of the meetings of the relevant Standing Committee. Each recommendation shall be supported by a summary detailing:

- (i) the recommendation;
- (ii) why the recommendation should be adopted including how it fits with the strategic direction and objectives of the Club; and,

- (iii) a cost-benefit analysis including commentary on any implications for financial performance and achievement of the budget.

5.3 The Commodore

The position of Commodore is provided under Rule 29 of the General Rules. Rule 41 expressly states certain minimal duties of the Commodore. Guidance as to these duties and other operational roles of the Commodore is provided below:

- 5.3.1 acting as chair of general meetings of members and meetings of the General Committee with all the commonly accepted powers of that position (e.g. ruling on issues arising during the course of the meeting; recognising members of General Committee wishing to bring business to the meeting and be heard at the meeting; etc);
- 5.3.2 working with the Hon. Secretary and Club Manager to develop agendas for meetings of the General Committee;
- 5.3.3 maintaining the integrity of processes of the General Committee; and,
- 5.3.4 representing the Club and the General Committee to outside parties including the media.

The Commodore has no authority other than that granted to him/her by:

The Constitution and the By-Laws of the Club; and,

As granted to the position of Commodore by the General Committee acting in a manner consistent with the Constitution and By-Laws of the Club.

5.4 The Secretary

The position of Honorary Secretary has specific duties as defined under Rule 44 of the General Rules. This includes the important roles of being the Club's nominee under the Liqueur Control Act 1987, the Public Officer of the club and the Returning Officer when required.

5.5 The Club Manager

The role and responsibilities of the Club Manager include:

- 5.5.1 managing the operations of the Club to achieve the required goals as detailed in Ends Policies established by the General Committee working within the Management Limitations Policies established by the General Committee;
- 5.5.2 reporting to the General Committee, both directly at General Committee meetings and through the relevant Standing Committees, on the operating performance of the Club;

5.5.3 reporting to General Committee on any breakdowns in compliance with contractual and regulatory obligations;

5.5.4 reporting to General Committee on the development and implementation of risk management plans;

5.5.5 advising General Committee on compliance with regulatory obligations provisions of the Club's Constitution and By-Laws; and,

5.5.6 working with the Commodore and Hon. Secretary in developing agendas for General Committee meetings.

5.5.7 where approved by the Commodore or General Committee, the Club Manager is authorised to speak externally on behalf of the Club on matters of public interest, subject to any comments being consistent with the Club's strategic direction, objectives and operational policies.

6. General Committee Accountability

6.1 Members of the General Committee including Flag Officers and the Club Manager have certain legal duties based upon, and are broadly equivalent to, the duties of a director, as set out in the *Corporations Act 2001* (Cth). These legal requirements are such that a General Committee member:

- carry out their duties with care and diligence;
- carry out their duties in good faith in the best interests of the Club, and for a proper purpose (not, for example, their own profit);
- not use information acquired through their position for personal advantage, the advantage of others, or to the detriment of the Club.

Beyond these legal requirements, the guidance for accountability of the General Committee is as follows:

6.2 The General Committee should seek to be accountable for its performance to members.

6.3 The General Committee should ensure that the Club operates in a manner that is consistent with the objectives of the Club achieving outcomes desired by members.

6.4 Notwithstanding that the General Committee is primarily accountable to the members of the Club; the General Committee shall also recognise that the Club has ethical and legal obligations to the community.

6.5 The General Committee should ensure that appropriate processes have been established to identify and manage risk to an acceptable level.

6.6 At least once a year, the General Committee should report to members on:

6.6.1 the strategic objectives being pursued by the General Committee and progress towards achieving those strategic objectives;

6.6.2 the operations of the Club and the delivery of outcomes desired by members;

6.6.3 the financial performance and the financial position of the Club ensuring that the financial reports distributed to members are audited; and,

6.6.4 the Club's approach to identifying and managing risk.

7. General Committee operating plan

This area of the manual gives guidance as to the key parameters for the operating dynamics of the General Committee. It outlines the minimum set of activities expected from the General Committee in carrying out its accountabilities.

7.1 Meetings of General Committee:

7.1.2 The General Committee shall meet monthly as determined under Rule 38 of the Rules

7.1.3 In the meeting immediately following the Annual General Meeting, the Commodore (after consulting with Flag Officers prior to the meeting) may make a recommendation to the General Committee as to the composition of Standing Committees. General Committee will then determine the composition of the Standing Committees.

7.1.4 Generally, the Annual Operating Budget and the Annual Routine Capital Expenditure Budget are to be considered by the General Committee before the end of April in the year preceding the budget year. The budgets will be brought to the General Committee meeting as a recommendation from the Finance Committee. The Annual Operating Budget and Routine Capital Expenditure Budget approved by General Committee establish the financial goals that the Club Manager will seek to achieve.

7.1.5 In the meeting following the meeting at which the Annual Operating Budget and the Annual Routine Capital Expenditure Budget are approved, the General Committee may agree End Policies and Management Limitation Policies to apply for the following year. These policies may be reviewed during the year.

7.1.6 General Committee meetings will consider recommendations from:

- The Standing Committees on matters that fall within the accountabilities of each Standing Committee;
- The Club Manager on operational issues that either fall outside of the Management Limitations Policies established for executive management or are matters that need to be considered by General Committee; and,
- Members of General Committee who may raise issues for consideration by General Committee in that part of the meeting set aside for "Other Business".

7.1.7 It is recommend that recommendations to General Committee be supported by a briefing paper setting out:

- What is proposed;

- Why the recommendation should be adopted including how it fits with the strategic direction and objectives of the Club;
- Any risks associated with the proposal, how the risks will be managed, and the assessed residual risk after application of appropriate controls; and,
- If expenditure is involved, a cost-benefit analysis including commentary on any implications for financial performance and achievement of the budget.

7.1.8 A formal agenda is critical for meetings of the General Committee because it establishes the requisite discipline in preparation for and discussion at the meetings. An agenda should be prepared by the Hon. Secretary in conjunction with the Commodore and Club Manager and circulated, together with any reports, minutes and papers to be considered at the meeting, at least five days before the meeting. The agenda for General Committee meetings should generally follow the format below:

- Attendance and apologies
- Minutes of the previous meeting
- Matters arising from the previous minutes
- Agree agenda timing and declaration of any conflicts
- Membership information
- Correspondence
- Flag officer's reports
- Club Manager's report including any recommendations for consideration by General Committee
- Finance Committee's report including any recommendations for consideration by General Committee.
- Sailing Committee's report including any recommendations for consideration by General Committee
- House Committee's report including any recommendations for consideration by General Committee
- Planning and Projects Committee's report including any recommendations for consideration by General Committee

- Communications Committee's report including any recommendations for consideration by General Committee
- Any other business including any recommendations for consideration by General Committee
- Preview of any issues of significance to be considered at the next meeting of General Committee

7.1.9 Papers requiring a decision at the meeting should be circulated at least five days before the meeting. If a paper requiring a decision is circulated less than five days before the meeting, it may not be considered at the meeting except with the unanimous approval of the General Committee members present at the meeting. Members of General Committee are encouraged to circulate any comments on the proposal in writing prior to the meeting at which the required decision is expected to be made rather than making oral comments at the meeting.

8. Standing Committees Accountability and Authority

8.1 Each Standing Committee is accountable for its performance to General Committee and through General Committee to members.

8.2 Each Standing Committee should, within its portfolio responsibility (refer to paragraph 3.2):

- monitor the performance of the Club;
- consider emerging issues; and,
- develop strategies,

in order to report to and make recommendations to General Committee so that the General Committee can ensure that the Club operates in a manner that is consistent with the objectives of the Club achieving outcomes desired by members.

8.3 In relation to operational issues that may be addressed by the Club Manager within the Management Limitations Policy established for executive management by General Committee, each Standing Committee may, within its portfolio responsibility (refer to paragraph 3.2), make recommendations to the Club Manager on operational matters which may or may not be adopted by the Club Manager. This will not require a recommendation to General Committee unless the Club Manager wishes to bring the matter to General Committee rather than acting on his own. (hopefully all committees have a budget to work to)

8.4 Should a Standing Committee wish to make a recommendation on an operational issue that cannot be addressed by the Club Manager within the Management Limitations Policy established for executive management by General Committee, then that recommendation must be brought to General Committee.

8.5 Standing Committees and individual members of General Committee have no capacity to commit the Club to contractual obligations, whether incurring liabilities or disposing of assets, other than through recommendations to either the Club Manager or General Committee which may or may not be adopted.

9. Standing Committee operating plan

9.1 This area of the manual gives guidance as to the key parameters for the operating dynamics of the Standing Committees. It outlines recommended minimum set of activities expected from the Standing Committees in carrying out their accountabilities.

9.2 Each Standing Committee should meet at least nine times per year.

9.3 Standing Committees will only deal with issues that fall within the relevant Standing Committee's portfolio responsibilities (refer to paragraph 5.2).

9.4 The agenda for the meetings of each Standing Committee should be developed by the Chair of the Standing Committee.

9.5 Minutes should be prepared of all meetings of Standing Committees and should be made available to General Committee. In addition to summarising the issues considered at each meeting, those minutes should detail:

9.5.1 Recommendations to the Club Manager on operational issues and whether those recommendations are being actioned by the Club Manager; and,

9.5.2 Recommendations for the General Committee to consider and, if appropriate, approve. The recommendations to General Committee should be supported by a briefing paper as described in paragraph 5.2.6 above.

10. Club Manager Accountability

10.1 Having been given the required goals of the Club as established by the General Committee, the Club Manager is responsible for managing the operations and resources of the Club to achieve those goals. For this reason, the sole interface between the General Committee and the staff of the club on operational and management issues is through the Club Manager.

10.2 The Club Manager is the key management position in the Club and care must be taken by General Committee in defining the skills and capabilities required for this role and in selecting a Club Manager should the position become vacant.

10.3 The General Committee and individual members of General Committee should not give instructions to persons who report directly or indirectly to the Club Manager.

10.4 The General Committee will not evaluate, either formally or informally, the job performance of any management position in the Club other than that of Club Manager. It is the responsibility of the Club Manager to hire staff, evaluate their performance on at least an annual basis, and when necessary, deal with the termination of staff.

10.5 All Management Limitations Policies imposed on the Club Manager are

limitations imposed on all management and staff of the Club so that violation by any staff member is a violation by the Club Manager.

11. Delegation to the Club Manager

11.1 The General Committee will, from time to time, develop policies instructing that the management of the Club, under the leadership of the Club Manager, achieve certain benefits for members. These policies may range from being broad and general to more defined depending upon the discretion that the General Committee wishes to grant to management of the Club. These policies are called Ends Policies.

11.2 The General Committee will develop policies that limit the latitude the Club Manager may exercise in pursuing the goals of the Club. These policies may range from being broad and general to more defined depending upon the discretion that the General Committee wishes to grant to management of the Club. These policies are called Management Limitation Policies.

11.3 Included in Ends Policies will be the achievement of the annual operating budget and the annual routine capital expenditure budget.

11.4 Included in Management Limitations Policies will be the authority to incur liabilities up to a limited amount and the authority to deal with the disposition of assets up to a limited value.

11.5 As long as the Club Manager uses a reasonable interpretation of the General Committee's Ends Policies and Management Limitations Policies, the Club Manager is authorised to establish all further policies, make all decisions, take all actions, create all capabilities, establish all practices, and develop the entire management culture of the Club necessary to achieve the goals of the Club established by General Committee.

11.6 The General Committee may vary and update its Ends Policies and its Management Limitations Policies thereby changing the latitude given to the Club Manager and therefore management. However, so long as any particular delegation is in place, the General Committee will respect and support the choices taken by the Club Manager. Any concerns are to be raised and addressed through the appropriate Standing Committee or through General Committee.

12. Monitoring the Club Manager's performance and compensation

12.1 Monitoring the performance of the Club Manager will be undertaken against the responsibilities, accountabilities and Key Performance Indicators (KPIs) articulated in the Club Managers employment contract. The monitoring of the Club Manager's performance is inextricably linked to the Club's performance in these areas and any other agreed specific deliverables.

12.2 The purpose of monitoring is simply to determine the degree to which the Ends Policies and Management Limitations Policies established by the General Committee are being fulfilled.

12.3 The performance of the Club Manager will be evaluated during June of each year by the Commodore, Honorary Treasurer and Honorary Secretary.

12.4 A formal review of remuneration, will be undertaken every twelve months during June.

12.5 Compensation is to be competitive with similar positions within the marketplace while placing a portion of compensation at risk by tying it to achievement of the KPIs, Ends Policies and compliance with Management Limitations Policies.

13. General Committee's Code of Conduct

13.1 The General Committee:

13.1.1 commits itself to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as a General Committee;

13.1.2 recognizes that its primary duty is to represent the entire membership of the Club whilst recognizing that occasions may arise when it is appropriate to advocate the particular needs of members in a specific area;

13.1.3 recognizes that the strength and effectiveness of the General Committee is in acting as a General Committee and not as a group of individuals. Members of General Committee will publicly support:

- (i) the strategic direction of the Club;
- (ii) all decisions of General Committee; and,
- (iii) those implementing decisions and policies of General Committee;

13.1.4 shall ensure that there is an atmosphere in which controversial or confronting issues can be presented fairly and in a manner in which the dignity of each individual is maintained; and,

13.1.5 shall delegate administrative authority to the Club Manager and confine General Committee action to planning, policy development, and other legal responsibilities;

13.1.6 The General Committee must avoid any conflict of interest relating to financial or operational issues connected with the Club. Apart from purchases from the Club that are open to all members to make, there must be no direct or indirect dealing or any conduct of private business or personal services between any member of General Committee and the Club except as procedurally controlled to assure openness, competitive opportunity and equal access to information. A member of General Committee shall withdraw from resolution on any matter in which they have a direct or indirect interest, whether financial or non-financial.

13.1.7 Members of General Committee must recognise that from time to time they may be exposed to or find themselves in a position of discussing confidential information. Confidential information is privileged and may not be discussed in any context outside the parameters of General Committee.

13.1.8 The Club seeks superior performance but never through unethical or illegal business practices. Members of General Committee shall endeavour to ensure that the Club deals fairly with members, suppliers, employees, competitors and the community at large.

13.1.9 All members of General Committee commit to giving their best endeavours to attending the General Committee meetings per calendar year plus one Annual General Meeting and one General Meeting of members. If a member of General Committee is to be absent from a meeting, the preferred communication is to be by an application for leave of absence given at least one meeting prior to the intended absence. In the case of a late, urgent and unavoidable need to be absent, members of General Committee are to tender their apologies by direct communication with the Commodore and/or Hon. Secretary.