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BULLETIN



RSL & SERVICES CLUBS

IR Reform changes rules of play By Brett Boon



The introduction of the Federal Government's industrial relations (IR) reform is set to radically change the rules of play for employment in clubs across Australia.

From the 27th March clubs will be required to follow a new rulebook governing a range of employment issues such as wage setting, dismissals and dispute resolution.

However, the changes don't seem to be receiving the attention they deserve in the industry and many club managers would be surprised to learn of the wide-reaching consequences of IR reform.

Clubs are currently covered by state industry awards, such as the Club Employees (State) Award and the Club Managers (State) Award in New South Wales, and their equivalents in other states.

What may not be fully understood in the industry is that these state awards will become "transitional agreements" under the new Federal system. To the extent that they contain "prohibited content", terms of awards will be void on commencement of the relevant parts of the Act.

When the new legislation is passed, any club that is a constitutional corporation will be taken into the Federal system.

This will have wide-reaching consequences for Australia's clubs, requiring them to adapt to a completely new industrial relations system that will change the way they deal with their staff.

Unfair dismissal claims restricted

All unfair dismissal claims made under the new system will be heard in the Australian Industrial Relations Commission.

However, the ability to make this type of claim will be restricted and clubs with a workforce of less than 100 will be exempt from unfair dismissal claims by employees.

Further the qualifying period before an employee can bring an unfair dismissal claim has been extended to six months. It's important to note that this applies to management as well as other staff members. The impact of this will be particularly significant for golf clubs, of which very few employ more than 100 people.

Elimination of unfair contract claims

One of the big ticket issues of IR reform is the removal of the right of employees who earn less than \$200,000 to make an unfair contract claim.

Unfair contract claims are currently possible under Section 106 of the Industrial Relations Act in New South Wales, and its equivalent in Queensland.

In the past, this type of claim has been made predominantly by managers wanting to challenge the termination of their employment and seek compensation, often as an alternative to an unfair dismissal claim.

Termination of employment

Under the new legislation, club employees will no longer be able to challenge termination of their employment made on the grounds of redundancy or retrenchment.

Companies are only required to give one reason for redundancy – that the position is no longer required – and employees will not be able to challenge a decision based on these grounds.

This applies equally to all clubs, regardless of the size of their workforce.

Automatic award increases in pay "unlikely"

At present, the wages of club employees, including managers, increase each year in accordance with the relevant state award. Under IR reform, this annual increase is unlikely to occur.

Neither the Australian Industrial

Relations Commission nor the New South Wales Industrial Relations Commission will have responsibility for setting award increases in pay each year.

Rather, the Fair Pay Commission will set a Federal minimum wage across all industries, and it will be up to employers and employees to negotiate their own pay increases with each other.

No-penalty rates for public holiday pay

Under the new Federal system, clubs will be able to negotiate with staff to eliminate penalty rates of pay during public holidays.

Taking action in the lead-up to IR reform

So, what should clubs be doing in the lead-up to Industrial Relations reform?

There will be a maximum three-year transition period into the Federal system, however clubs need to take action now in order to complete the significant preparation work required of the new legislation. Preparation and attention to detail will be vital. This includes undertaking a comprehensive audit of all employment contracts to identify areas that require review.

Importantly, clubs should consult with their legal advisers to ensure that employment contracts can be amended and remain relevant under the new regulatory system.

While the introduction of IR reform will bring significant change, planning ahead will be key to ensuring minimum disruptions to club operations when the legislation takes effect.

• Brett Boon is a partner at commercial law firm Thomson Playford specialising in workplace relations, hospitality and gaming law. He can be contacted on 02-8248 5800 or at bboon@thomsonplayford.com.au

New look clubs prove winners

The recent redevelopments of Wollongong City Diggers and Echuca-Moama RSL Clubs have transformed the venues and are proving a hit with members.

For Wollongong City Diggers it was a matter of also changing the name of the club from Wollongong Ex-Servicemens' to reflect the new club.

Members of the club are amazed at the \$5 million transformation made over the past year. From the exterior and front entry the Club has been virtually totally demolished and rebuilt on both levels. What was 12 months ago an ageing traditional RSL type Club has been completely transformed into a vibrant café.bistro atmosphere loved by all ages.

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The new main bar at the Echuca-Moama RSL Club

From the CEO's Desk Graeme Carroll

A date for your diaries. The National Conference of RSL & Services Clubs hosted annually by the Twin Towns Services Club will be held on 17th/18th July 2006.

Keynote speakers already engaged include international current affairs commentator and political analyst, Dr Keith Suter and former television journalist and now author on Australia's military history, Patrick Lindsay. Topics covered will include management and succession planning; the new Workchoice legislation and its impact on clubs; corporate governance; the effects of smoking bans; and the future of mutuality.

The program and registration form will be mailed to clubs in the first week in May, but in the meantime put the dates in your diaries.

The Association's premiere annual conference in Canberra will be staged from the 29th October to 1st November at the Hyatt Hotel.

Fraternal link

The Association is progressing towards the launch of a fraternal link for member clubs.

Leveraging off the Association's alliance of RSL and services clubs the link aims to:

- Deliver a unique link jackpot system offering a 'point of difference' to competitors
- Take advantage of the Association's buying strength to provide a product at highly discounted rates, which more than outweighs the cost of membership
- Provide club patrons with the benefit of large, high frequency jackpot wins and celebrations
- Offer a product with both 'upfront purchase' and 'no upfront capital' options
- Strengthen relationships between participating clubs

Benchmarked against the performance of Bullionaire, Maxgaming is predicting machines connecting to the Lucky Country link to experience an increase in linked machine turnover of around 30%.

To ensure the ongoing success and relevance of the Lucky Country link a committee which includes several Association representatives has been formed to manage link development and upgrades.

Maxgaming account managers can provide clubs with more details.

Kokoda Trek leaves next month

The latest in the ongoing Kokoda Youth Leadership treks leaves on 24 April with another nine young people sponsored by Association member clubs.

Clubs sponsoring young people on this trek include Albury SS & A, Fairfield RSL, Seven Hills RSL, Wagga RSL, Nambucca Heads RSL, Wollongong City Diggers and Toukley RSL. The Association is also sponsoring a

participant in the trek using profits raised at last year's annual golf day.

Prior to commencing the trek the contingent will attend the Anzac Day Dawn Service at Bomana War Cemetery in Port Moresby. The trekkers are scheduled to return on 5th May.

New members and Corporate Partners

The Association has another three new member clubs, Parramatta RSL, Mudgee Soldiers and Narrandera Ex-Servicemens.

Independent Gaming has also joined the Association as a corporate partner. Independent Gaming is a leading consultant to the gaming industry and provide sales, service and maintenance to all sized venues.

Best accounting firm award

Association Corporate Partner, Lawler Partners, has been awarded the 2006 Best Accounting Firm and Best Professional Services Firm in NSW (turnover under 20 million) at this year's BRW-St George Client Choice Awards.

Director and founding Partner, Terry Lawler, said that the awards recognised the culture developed in the firm of understanding a client's business. "It sounds simple enough but it takes considerable commitment and energy to understand another business well enough to bring further success to them. We are very proud of our team of professionals and their focus on service delivery."

Gaming Machine Shutdown – Anzac Day

The Association is seeking the Government's reconsideration to grant an exemption for RSL and services clubs from the mandatory gaming machine shutdown on Anzac Day.

Since this issue was first considered there has been the release of extensive research conducted for the Department of Gaming & Racing by ACNielsen to Evaluate the Impact of the Three Hour Shutdown of Gaming Machines. The research concluded that the three-hour shutdown is perceived as the least effective of the poker machine harm minimization strategies implemented by the Government.

The Association believes RSL and services clubs should not be forced to close down their gaming machines on the morning of Anzac Day when club patrons, including many ex-service men and women who have been participating in dawn services, may wish to return to their clubs and access its full facilities.

Gaming machines were played widely in clubs following the Dawn Service on Anzac Day prior to the introduction of the gaming harm minimisation legislation in 2002 with seemingly no adverse comment. The anomaly is that Two-up can be played at any time on Anzac Day, including during the shutdown period.

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The increased seating capacity created through the extensions has led to a sharp membership growth in the short period since the launch of new club with more than 700 members in the first two months.

Chairman of Directors, Mr Kevin Highland says that "the best aspect of our refurbishments has been the across the board appeal to all age groups of the new facilities-it is pleasing to see our older members are just as impressed with City Diggers as our younger members".

What was formerly an aged bistro and bbq area on the first floor has been transformed into modern, stylish lounge areas, complemented by an outdoor verandah area overlooking Church Street.

At Echuca Moama RSL the transformation has been just as dramatic and there are further stages to be completed.

The growth in club membership over the past five years of 4,000 members to more than 11,000 had placed stress on the former building and a major re-development of Club facilities was required.

The Club's vision is to undertake a four staged Master Plan with a total projected cost of \$16 million dollars, to be completed by the year 2015.

Stage 1 - a new gaming lounge, sports bar, coffee shop, bistro/brassiere area with seating for 500 guests, together with improved car parking and member services – is now completed at a cost of \$8 million.

Club Manager, Ron Stockdale says that Stages 2, 3 & 4 of the Master Plan will take place as soon as the Club is in a position to move forward.

On-site accommodation in the form of holiday units and apartments have also been considered in the Master Plan, which is planned to secure the Club's future.

FRANCHISING – Is it for you?

by Philip Ciniglio Director, Franchise Council of Australia



Football Clubs, Leagues Clubs, RSLs and the like have long been an Australian institution and even an icon for local community social and charitable activities. For many years these clubs have run themselves under the guidance of Boards and Committee's successfully managing all of the facilities including the food and beverage on offer to their members.

Like technology and business marketing, change happens at a fast pace these days and whilst we all want to maintain the integrity and core values of our community centres there still needs to be an open mind on how things operate and some clubs are starting to consider the incorporation of franchised food and beverage offers.

Franchising in Australia

Franchising in Australia has taken the lead role across the world with a high success rate. We are also considered leaders in franchise education.

Statistics published by the University of Southern Queensland "Franchising Australia 2004" shows that there are over 850 franchise systems in Australia with 64,000 franchised outlets, approximately 5000 new outlets open every year. Franchising employs over 600,000 people and is responsible for over \$80 billion per annum representing about 10% of our country's GDP. Significantly, less than 1% of all franchisees are in any serious dispute with their franchisor.

Small business failure in Australia is no different to the rest of the world, approximately 80% of stand alone small businesses will fail within the first five years, compared to the opposite effect when you purchase a franchised business, approximately 80% will be successful.

What is Franchising?

Franchising is the granting of a license by a franchisor to a franchisee to operate a business

using the franchisor's trade mark and business system.

Franchising is a method of distribution for products and services in a disciplined, uniform, consistent and compliant manner as described by the franchisor based upon a tried and tested successful business model.

Typically there are two types of franchise system formats:

- A product or trade name franchise - such as, the service station groups or cola brands
- The most common type of franchise is that known as 'business format' franchise. This is where the franchisor provides the entire business concept i.e. training, support, branding and operational manuals.

Benefits/Restrictions of Franchisees

There are a number of benefits to owning a business franchise rather than being independent. These benefits create a safety net and lower risk of failure. Some of these benefits would include the brand name and its reputation; established business methods; a proven product or service; site selection and location; startup and on-going training; opening and launch assistance; group purchasing benefits; reduced cost of national and regional advertising; ongoing product research and development.

On the flipside of the coin, if you choose to buy a franchise business then you would be expected to adhere to some of the following rules: the franchisor has ultimate control; you must comply with the franchise agreement and operations manual; you need to be a team player in a network; you can only on-sell your franchise business to a franchisor approved buyer; a commitment to pay ongoing royalties; maintain relationships with the franchisor and their staff.

How could Franchising benefit clubs?

There are many reasons for clubs to break with tradition and deliver franchised offers rather

than doing it yourself. For instance, having a well known brand name can assist in enticing new membership and existing members to make more frequent visits to the club. The reason being that a franchised offer is more likely to deliver a consistent quality offer with both product and service.

Why should this be? Well there is nothing to take the place of people performing well when there is a substantial incentive to do so. What bigger incentive is there than putting your life savings on the line as an owner operator of a franchised business? Of course not all franchise owners have their whole wealth on the line but still, there is this large investment in building a restaurant or café which can be quite significant.

Most franchised concepts insist on high quality fit-outs and can cost anywhere from \$200k to \$700k. This is quite a significant investment and not one that you would want to see fail – this is commonly known as "Hurt Money".

Your members would see your club as progressive by using brand names that they feel will be reliable with popular product offers.

If these offers do attract your members to use the facilities more often then you will see an overall increase on the club revenue and with smart use of the right type of concept you could improve club usage in your traditional down times.

Should the club own the franchise?

If a club does pursue the avenue of franchised food and beverage offers then you have a choice of being the franchisee or simply being the landlord.

If you choose for the club to be the franchisee then you will receive the benefits of a franchised concept offer, that is, you are buying the brand name

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and all of the components that accompany this. You will however, still need to employ a manager to run the business and that manager will probably not have a vested interest except for keeping their job – no “Hurt Money”.

The benefit of the club owning the franchise means that you can earn more money from the profits, as long as it does make profit!

The alternative is to be the

landlord and allow the franchised concept to recruit an owner operator to run the business on your premises. By utilising an owner operator to manage the franchised business, you are more likely to deliver a consistent quality product and service to your club members. The owner operator will be protecting their investment.

It is important to select the right type of franchised concept for your members. One that will

satisfy the needs of your club members and this will vary from area to area dependent upon many factors including demographics and socio economics.

Franchising could be a great step for you and your club but seek advice so that you can ensure a successful outcome.

Philip Ciniglio can be contacted on 0407 627 243 or Philip@marketminds.com.au

For the Love of Beer



This year, New South Wales' leading beer brand, Tooheys New, celebrates its 75th birthday.

To mark the occasion, the guys at Tooheys have launched a new tagline 'For the Love of Beer', new packaging and a new

advertising campaign, whilst stepping up the brand's association with rugby at all levels and planning for some great on-premise activity throughout the year.

The new packaging allows Tooheys New to own the colour blue more than ever before. In line with industry trends – namely, the premiumisation of mainstream and the need for credibility of brands – the new packaging adds quality and brewing credential cues and brings forward one of New's greatest assets – the Tooheys stag.

The brand's new television commercial is screening on free-to-air TV, Pay TV and in cinemas nationally and is supported by a far-reaching outdoor advertising campaign, ensuring the brand achieves good exposure across the country.

In addition to its marketing campaign, there is a high-profile launch of the expanded Tooheys New Super 14s tournament, together with the inaugural

Tooheys New Live and Kicking tour and special rugby-driven packaging and POS, ensures punters will be asking for a refreshing Tooheys New when watching the games this season.

Good as GOLD

One in five XXXX GOLD's is now bought outside Queensland and the brand is experiencing phenomenal growth in NSW where it has increased 43% in value terms on an MAT basis to January this year.

The brand's growth is being driven out of an innovative marketing approach built around what the brand stands for – time out with your mates.

Together with the brand's highly successful television commercial series, which hit screens across NSW in 2005, the brand's latest marketing initiative was a 12-page travel guide inserted in the Sunday Telegraph.

The travel guide was entitled Great Mates' Getaways and featured five holiday destinations across the country. The travel guide built on the brand's summer campaign – win a mates' trip away each year for 20 years – by bringing the brand to life in a way that blokes would appreciate.



The Association acknowledges the following sponsors and encourages your support:



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Suite 21A, Level 4, 33 MacMahon Street, Hurstville NSW 2220. T: 02 9579 4555 F: 02 9579 4666 ACN 097 083 308 ABN 37 097 083 308