

# VIEWPOINT

## - Compliance-

All Hospitality, Gaming and Tourism (**HGT**) venues are classified as “Small Business” operations, even allowing for the fact that some large stakeholders encompass large multi-venue businesses.

The voice of this Small Business sector has constantly pursued Governments over the ever-increasing levels of bureaucratic control and its expensive administrative procedures. In doing so they have lost sight of the fact that some of these compliance controls are part of an evolving industry.

The evolution of the **HGT** sector will always demand a changing operational focus brought about by market driven competitive trends and compounded by an increasing expectation from the community regarding preservation of its local amenity.

Compliance is a result of society interaction and consumer expectations. It is a fact of life for business operations.

Legislation constantly enacted by the Victorian State Government is focused on some of the many social issues facing the **HGT** Industry. It is imperative that all stakeholders within the industry develop strategies to encompass these socially focused compliance trends into their future planning regimes.

### **Duty of Care**

Recent events of violence surrounding nightclubs and other drinking venues, increasing prevalence of spiked drinks, eateries serving contaminated food and gaming operators being blamed for encouraging problem gamblers, all signify part of the moving culture of community behaviour and expectation.

The venue operators who do not have a duty of care program within their training strategy are not considering that a lack of such a procedure can inflict terminal damage upon their investment.

We have recently seen liquor licences suspended and applications for cancellation because of inappropriate violence. We have also seen businesses close their doors after suffering the indignation of serving contaminated food and patronage decline in others caused by sponsoring an unsafe environment.

Venue operators have a duty of care:

- Towards customer safety from the products they offer and from the environment they create;
- To their personnel through developed safe work practices and intolerance of harassment; and
- To their company as responsible licensees and directors to ensure the company's obligations to all stakeholders are met in a timely and compliant manner.

Disgruntled consumers will continually litigate, persuaded by a community focus on consumer rights. In the assessment of these risks venue operators have an undeniable obligation to all their stakeholders to confirm they have a functioning training and assessment process that certifies the currency of relevant “Duty of Care” programs.

## **Workplace Management**

The successful venues of the future will have all these issues covered through a competent training program and personnel appraisal and assessment procedures. Such a process will provide a pathway to maximising profits through loyal and contented staff, which attract satisfied customers happy with the venue’s environment and their personal safety.

Landlords and financial providers need to temper their initial offer with an examination of their Tenant’s or Mortgagee’s workplace management strategies and attention to ongoing training programs. Only then can they be confident of a client’s ability to manage risk and minimise any adverse effect on the investment.

## **General Market Summary**

**HGT** operations must ensure their operational environments are in harmony with the local community amenity and understand that the existence of their investment within the community relies upon their compliance with regulations protecting its amenity.

Labour management issues will become increasingly an administrative problem for operators. Compliance with Local, State and Federal Government requirements will continue to be a burden, whilst staff expectations will demand the existence of a safe and prosperous workplace.

## **Recommendations**

- Amend loan or tenancy agreements to incorporate an extended compliance clause covering duty of care obligations to provide for the ability to terminate should breaches be proven.
- Operators should review their workforce obligations and expenditure, and then implement a “labour management solution” strategy to ensure compliance in the workplace.

This paper has been written and published by:  
**Jim McKenzie**  
Principal of Management Audit Consultants