

PLANNING FOR THE FUTURE

Clubs must evolve or suffer the consequences.



LEFT: Mounties Harbord Diggers
RIGHT: Revesby Village Centre

CREDIT for the first modern-day shopping mall is given to Victor Gruen, an Austrian who was responsible for designing Southdale Shopping Mall in Edina, Minnesota in 1956. This was an enclosed, fully-integrated, weather protected structure which was designed to bring the community feeling of European arcades to the American suburbs.

The success was evident when these configurations started to proliferate across Northern America, then Europe, then Australia, in the same format that Gruen brought to reality in 1956. The success bred an unintended consequence that ultimately made Gruen disillusioned with his creation – peripheral development and concentration around the complexes that created a high-octane retail experience, rather than the European community experience Gruen was looking to replicate.

While a key intention was to reduce the need for cars, it ended up having the opposite effect as additional infrastructure, like car parks and roads, were developed to funnel people into these centres and maximise the opportunity for retailers. Subsequent developments saw high-rise offices and residential blocks developed as an adjunct to these developments. Shopping malls became the central point of suburban development and the economies of scale it provided was yet another example of “size matters”.

In 2018, shopping malls and centres are now standard fare across the world and have evolved over time to adapt to changes. Locally, Westfields have morphed into a hospitality offering, with all manner of food and beverage, combined with an extensive retail and entertainment experience. Scale has been one of the keys to this success – one needs only to look at the growth of hotel groups in the NSW pub market to see the effect that a large-scale approach can have on trading.

Based on 2018 ClubsNSW numbers, pubs have seen an average monthly growth on the corresponding month in 2017 of 8.02 per cent, while clubs have seen a growth of 0.81 per cent. In stark contrast, 178 clubs in NSW permanently closed their doors (according to NSW L&G Ranking reports) from February 2010 to February 2018, which represented 14 per cent of venues in that eight-year period. While this was a mixture of RSL, bowling, sports and other clubs, the common thread was that all of them had less than 100 gaming machines. While there are many successful clubs with less than 100 machines, this identifies that larger venues are better equipped to deal with changing conditions and look to modify their model should the market change.

It's not just about getting bigger, it's how to benefit from that scale. In the last few years, the larger clubs identified the

need to diversify and use their scale to augment their existing club business. Mounties recently completed the Harbord Diggers development, an iconic project with several unique business approaches, while Revesby Workers completed the Revesby Village Centre shopping complex and medical centre precinct. Both developments have their foundations in work and planning undertaken by Russell Corporate Advisory 10 years prior to completion.

The value of planning and preparation cannot be understated, as well as having an independent person to question, review and challenge decisions.

Mounties Harbord recently won the Development of the Year - Mixed Use Award at the Urban Developer Awards. Greg Pickering, Mounties Group CEO commented: “Venues such as the Diggers which cater to a wide audience, play an important role in reducing the risk of social isolation within a community and by providing a facility designed for multiple generations, we are quickly seeing evidence of this.”

Revesby Village Centre's Medical Facility recently won an award in the Health Improvements category in the Bankstown Local Business Awards, which is deserved recognition for its contribution to the greater community.

“Greg (Russell) brought a process formed around research



and planning in 2004 and had an ongoing review role through to the end,” Revesby CEO Ed Camilleri said.

Further to the Harbord Diggers project, Greg Pickering commented: “The Russell Corporate Advisory team have overviewed the project to ensure a successful outcome.”

Gaming is still an integral part of most club's business and average growth across 2018 has been 3.34 per cent for the first eight months. Players aren't disappearing, they are just changing their allegiance, and pubs are benefitting. So how do clubs ensure a future for themselves and their members? We believe clubs need to get big or get with another venue that is – size does matter, and it should be amalgamation before administration.

Joining resources to achieve scale unlocks the assets of a club to address the changing market place through development and investment. This is not saying that smaller clubs will not survive, many will, and they will have focus, agility in decision making and be responsive to their changing markets. Significant projects are not the sole domain of only large clubs. Revenue diversification can take many forms, and Russell Corporate Advisory has extensive experience to help clubs make informed decisions. ■

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