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## **CLIENT ALERT**

### **CAPALABA SPORTS CLUB – SOCIAL MEDIA FIASCO**

**SEPTEMBER 2015**

**To All of My Valued Clients,**

This Client Alert reports on the social media fiasco recently played out at a Brisbane Club – Capalaba Sports Club and demonstrates how the truth cannot stand in the way of a “good story”.

This story demonstrates and highlights how a social media campaign on Facebook, regardless of the facts, can do untold damage to a business’ reputation.

If you need further information in relation to this issue please do not hesitate to contact me.

**Greg Arnold**  
**Principal Consultant**

**The Social Media War Waged by the Unions and Politicians against Capalaba Sports Club**

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**Penalty rates in the spotlight**

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# CAPALABA SPORTS CLUB – TRIAL BY SOCIAL MEDIA



A couple of months ago a story appeared on my private Facebook newsfeed. It told a story of a young female employee of Capalaba Sports Club who was *given “72 hours to sign an Agreement that cut all penalty rates or be sacked”*. I was somewhat curious and continued reading. The employee involved was Samarah Wilson, and it is claimed that Samarah was a 19 year old Law student who had worked at the Club for 18 months. Apparently Samarah refused to sign the Agreement and was sacked. It was further claimed that Samarah would have lost \$200.00 per week. The Facebook post urged people to sign an on-line petition to support week-end penalties and to fight for Samarah’s job.

I immediately smelled a rat because there is something seriously wrong with this story, or if this was indeed the case, then Capalaba Sports had it seriously wrong. You simply can’t have some sort of legally legitimate “Agreement” that reduces your Award penalty rates without some other provision that allows the agreement to pass the better of overall test (BOOT); and you don’t get 72 hours to sign an agreement whether it’s an Individual Flexibility Agreement (IFA), or an Enterprise Agreement (EA). In the case of an EA, there is no need for an individual employee to sign anything. Surely, if this was the case then the whole issue would have been with the FWC or the Fair Work Ombudsman for all sorts of breaches of the Fair Work Act, but it didn’t seem to be. I was somewhat perplexed by this whole scenario.

The Facebook story then morphed into this larger vitriolic tirade against the Club and another Facebook page opened called the “Capalaba Sports Club Boycott” page, with local Labor State MP Don Brown weighing in on the “discussion” particularly in respect to the penalty rates issue. It should be noted that Don Brown is a former United Voice Union Official.

A week or so later, I was asked to speak at the Queensland RSL and Services Association meeting about this issue, so I had to do some research into this matter. I should say that Capalaba Sports Club is not a client of mine, but I was able to find out a fair bit of material from the press and also a lot of propaganda material from the Unions and the local MP Don Brown.

A couple of articles from the press shed some more light on the issue. The Club had decided to enlist a labour hire firm known as *Hospitality X* and have some of their current staff transferred over to be employed by *Hospitality X* and then contracted to the Club. This is not an unusual practice in many industries, and certainly not unknown in the hospitality sector. However, it was claimed that in transferring the staff to the labour hire company, the staff were to lose their penalty rates. I still found this part of the story hard to swallow.

A little more research, and you find that *Hospitality X* (part of the larger AWX labour hire group) has an Enterprise Agreement in place, and all staff that are employed by *Hospitality X* and are “on-hire” to their clients are covered by this EA. A close look at this EA shows that these employees are paid the same hourly rate as the Award, and the week-end penalty rates and shift penalties are exactly the same as the Award. So I continued to be very perplexed as to why these staff, and their so-called supporters are able to claim that they would be losing \$200-\$300 per week, when their conditions of employment and rates of pay are, from what I can see, identical to the Award. In any case the *Hospitality X* EA would not have passed the BOOT test with the Fair Work Commission, if there was such a loss in wages, particularly when it was approved by Deputy President Sams late last year.

However, the story and the propaganda campaign grew even larger with continued vitriolic comments from all quarters and a rally against the Club staged a few weeks ago; reminiscent of the construction industry and the waterfront from the 70’s and 80’s but this time the role of social media was able to play a far more pivotal role. Local Liberal Federal Member Andrew Laming also weighed in on Facebook in support of the Club, but was soon “howled down” by the radical Facebook masses. No matter how much fact was placed on the Facebook page (now pages), the ignorant still managed to let this story overrun the facts.

A week or so later I gave my address to the RSL and Services Association based upon what I could find out without actually being able to contact the Club; I indicated that I continued to be confused and perplexed by this whole episode. As luck would have it, Club industry Community Engagement consultant Rebecca Grisman was also a guest speaker at this meeting and she had been engaged by Capalaba Sports Club. Rebecca was able to shed much more light on this story, and it has become absolutely patently clear that the truth really cannot stand in the way of a good story.

Rebecca confirmed that the employees did not have 72 hours to sign an Agreement, it was more like 4 weeks notice to consider the move to *Hospitality X*. The employee at the centre of the story resigned and was not sacked. No employee was going to lose anything in terms of pay and conditions, apart from some minor changes in rosters which always occurs with casual rosters, and certainly nowhere near \$200-\$300 per week as claimed. Most staff had no problem with the move to *Hospitality X*, however these staff were then subjected to abuse and name calling when they attended for work whilst the public rally was being conducted at the Club.

### **Lessons for Employers**

At the outset let me say that what Capalaba Sports Club did was entirely legitimate. Engaging staff through a labour-hire firm is legitimate and as I said earlier is not unusual in many industries, including

the hospitality sector. Unfortunately, whether through ignorance or more sinister motives, one employee decided that she has been disadvantaged by this decision and process. She along with her army of supporters, including Union officials and Labor politicians decided to wage war on the Club.

For the Unions and Labor politicians, this became a timely opportunity to campaign on the issue of penalty rates, because only weeks before, the Productivity Commission had released its draft Report calling for a review of week-end penalties.

But the key for businesses in engaging labour-hire firms to provide staff or transfer staff, or indeed any other significant change in the workplace is consultation, communication and engagement of staff in the process. Apart from an Award and legislative requirement to consult with impacted staff, it is vital that staff are made aware of the changes and the reasons for the changes. It is crucial for businesses to seek professional advice prior to undertaking significant changes to the workplace, including organisational change, redundancies and significant changes to rosters.

This is not to suggest that Capalaba Sports Club did not properly consult with their staff about these changes and I was not privy to that process; but the social media fiasco that erupted about this issue highlights that as far as communication and consultation is concerned, someone wasn't listening, or chose to ignore the message. I'm no expert in public relations, but it appears that once this Facebook campaign started, it appeared difficult to stop the momentum and the tirade of abuse that followed. From what I can glean the Club's position and the truth struggled to gain traction in the broader community.

The advent of social media means that staff who are disaffected by workplace changes now have a largely unfettered avenue to express their concerns and agitations. It means that not only do employers have to undertake prudent consultation and communication with staff about workplace changes, they should now consider public relations strategies as well.

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