

# INDEPENDENT REVIEW REPORT

JUNE 2025

*Confidential to the  
State Executive*



**THOUGHTPOST**  
BOARD ADVISORY

## RETURNED & SERVICES LEAGUE OF AUSTRALIA (VICTORIAN BRANCH)

*Confidential to the Board*

This report does not constitute legal advice and legal advice should be sought before relying on any advice in this report that may have legal implications.

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# RSLV INDEPENDENT REVIEW REPORT

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## 1.0 INTRODUCTION

Founded in 1915, Returned & Services League of Australia (Victorian Branch) (RSLV) is Victoria's oldest and largest veteran charity. RSLV has a long and proud history of supporting veterans and their families in Victoria and continues to assist thousands of veterans and families every day. RSLV has a place in the fabric and history of the State and is a trusted brand with communities across Victoria.

The RSL operates via a federated model which has remained largely unchanged for 100 years. RSLV is structured into a State Branch and 261 sub-branches.

In January 2025 the State Executive of RSLV commissioned a comprehensive review to align the outdated governance model, operational model, financial model and legal framework with the evolving needs of a changing veteran community.

Following decades of social, economic and legal change, along with the changing demographic and needs of veterans in Victoria, RSLV recognised the need for a roadmap outlining the changes that needed to be made to allow the organisation to thrive into the future.

## 2.0 REVIEW PROCESS

In conducting this review, we have undertaken a comprehensive consultation process which has informed the case for change and possible ways forward. This included:

- Individual meetings with the State President, CEO and each member of the executive leadership team;
- Several meetings with the Organisational, Governance and Structural Review Advisory Group (comprising representatives of 3 10A, 4 10B and 2 10C sub-branches);
- Individual interviews with each member of the Advisory Group;
- 6 x 2-hour workshops with representatives of 10B and 10C sub-branches;
- 4 x 2-hour workshops with representatives of 10A sub-branches;
- 2 x 2-hour workshops with general managers of 10A sub-branches;
- 2-hour workshop with the State Executive;
- 2 x 2-hour workshops with the executive leadership team of State Branch; and
- 2-hour meeting with 40 representatives of sub-branches at RSL House on Sunday 4 May.

In addition, we have analysed various documentation relevant to this review, including:

- The RSL National Constitution and By-Laws;
- RSLV's Rules and By-Laws;
- RSLV's Annual Reports, Financial Statements and Organisation Structure; and
- RSLV's Strategic Plan 2023-2028.

Our findings and recommendations from this consultation process are set out in this report.

## **3.0 CASE FOR CHANGE**

### **3.1 GOVERNANCE**

The current model State Executive (STEX) of RSLV comprises the 4 branch officers plus 6 members. All must be service or life members of the League and are voted into office by the service membership. In addition, STEX can appoint 2 additional members but if they are not service or life members of the League, they don't have a vote in meetings.

The composition of STEX is therefore comprised of individuals who are willing to put themselves up for election, without any consideration of the mix of skills and experience that is required to oversee the complexity of RSLV.

As the governing body of RSLV, STEX lacks the flexibility to appoint individuals with the skills and experience required to effectively discharge its responsibilities.

Adding to the complexity of its role, STEX is also responsible for discharging its responsibility as trustee of 248 Patriotic Funds, as well as the oversight of the branch's network of 261 sub-branches. Little time or focus is placed on STEX's broader governance responsibilities (establishing culture, strategy, operating plan, oversight of the brand, financial oversight, risk management, assurance and oversight of the State Branch executive team).

STEX has 6 sub-committees that perform a broad range of tasks on behalf of STEX. This structure creates a significant workload for STEX members and representatives of the State Branch executive team.

Currently RSL Victoria is an Incorporated Association established under the Associations Incorporations Reform Act 2012. The State Executive currently operates as a 'Committee of Management'. The Incorporated Association is a structure generally used by community groups, clubs and small charities. The size and complexity of RSLV would be better served by becoming a Company Limited by Guarantee (CLG) established under the Corporations Act 2001.

The Branch Rules and By-Laws are overly complicated and not fit for purpose. The By-Laws are not a coherent body of work and have evolved and been added to in an ad-hoc fashion over many years.

### **3.2 STATE BRANCH STRUCTURE & OPERATIONS**

RSLV in 2025 has the financial profile of a small charity with income of around \$21m and net assets of around \$57m. Lack of visibility of its overall impact as a statewide charity, limits its perceived importance and ability to advocate at a government level, and to raise community awareness of the needs of veterans.

RSLV and its sub-branches operate under a complex and fragmented governance structure, with 498 Patriotic Funds and Agency Accounts that are administered under the auspices of the Victorian Veterans Act 2005. The Victorian Veterans Council advises the Director and Minister of Consumer Affairs Victoria on the use of those Patriotic Funds. RSLV is the trustee of the majority of Patriotic Funds.

The compliance burden resulting from this governance structure is a significant driver of effort and cost at the State Branch level, as well as a source of frustration and confusion amongst sub-branches. State Branch has limited opportunity to provide branch-wide approaches and efficient services.

The funding model for State Branch is flawed, with State Branch overly dependent on 10A sub-branches to provide funding through the League Support Fee. The current funding agreement expires in December

2025 and whilst State Branch has the power to levy the fee, it requires the approval of 75% of the 10A sub-branches to agree on the quantum.

RSLV retains 50% of the funds raised through the two main appeals, whilst underpinning all the direct costs of those appeals. The balance goes to sub-branches in the first instance. When this original model was established, State Branch supported a fraction of the veteran activities that it does today. However, as the needs of veterans have become more complex, State Branch has taken on the primary role of service provider in its own right.

Financially the current state is fragile and not sustainable. However, without a viable State Branch, the Sub-Branch network will cease to exist.

Changes in Victorian gaming legislation in the next few years could result in a significant loss of income for the 10A sub-branches, putting pressure on their ability to provide funding for the State Branch. Following the Victorian State Government's May 2025 budget, this impact could be further in the future than originally anticipated.

Because of the increase in responsibilities for veteran support and the increasing complexity of the operating environment, the State Branch needs to reform the way its revenue is generated to be more resilient, sustainable and future-proofed.

Opportunities exist for State Branch to be more efficient and effective in the way in which it operates and supports the sub-branch network, particularly in relation to the introduction of technology and automation. However, this will require investment and the ability to access underutilised assets as well as greater diversification of revenue streams.

### **3.3 THE SUB-BRANCH NETWORK**

There is a lack of cohesion in the sub-branch network which currently comprises 261 sub-branches, of which 130 are separately incorporated and agree as part of their constitutions to abide by the RSLV Branch Rules. The remaining sub-branches are unincorporated but act as quasi-separate entities.

The charitable services provided by the network are not consistent. A variety of systems are used by sub-branches, systems are not consistently used, and aggregation of state-wide information is not possible without support of the sub-branch network, which is currently lacking.

As a result, there is a lack of visibility on a state-wide basis of the impact of RSLV as a charity. Similarly, there is a lack of visibility of the collective asset base of RSLV, particularly in relation to charitable funds generated by the sub-branch network in excess of their immediate needs, that could be deployed towards high impact state-wide initiatives.

Significant property assets are occupied by sub-branches across the state, in many cases without available funds for their upkeep and maintenance. This represents a significant long-term risk of property falling into disrepair and funds being diverted into asset maintenance and utility bills, which should be invested into a consistent statewide service model for veterans.

The overlay of a regional structure is an attempt to put some structure into the sub-branch network, but regional meetings are poorly attended and have restricted authority or powers. Outside of information sharing and local collaboration, the regional forums do not have a clearly defined governance role (both in practice and according to the RSLV Rules and By-Laws) and subsequently provide limited benefit to the sub-branches that maintain active involvement.

### **3.4 SUB-BRANCHES**

Governance of sub-branches varies considerably. Under the By-Laws, committees are limited to appointing veteran members to officer positions. Up to 3 non-members may be appointed to committees, but don't have voting rights. These rules vary dependent on the type of By-Law 10 sub-branch.

Sub-branches struggle to find sufficient volunteer members with the skills and experience required to provide appropriate governance in relation to hospitality, finances or regulatory compliance. Succession planning is difficult, with many sub-branches having ageing memberships and committees, with limited opportunity to fill key committee positions with younger members.

In the case of the 10A sub-branches, committees may be overseeing large scale hospitality venues and have a heavy reliance on the expertise of their General Managers.

There is also a lack of diversity in sub-branch committees, with the vast majority of committee members now being male veterans in their 70's.

In many of the smaller sub-branches there is a lack of comprehension of the regulatory requirements with which they must comply to operate their sub-branch. There is also a lack of understanding of the need for State Branch to oversee compliance and preserve the brand of the RSL, leading to a lack of trust or respect for the oversight work performed by State Branch.

Some sub-branches appear to be very well run and generate significant profits in excess of the funds needed to support their local veteran community. However, these funds are not pooled at the RSLV level where they can be applied for the benefit of the broader veteran community in Victoria.

Many of the 10B and 10C sub-branches have very few members, and in some cases the majority of the funds raised through appeals are spent in administrative costs related to their buildings and compliance with legislation, rather than on benevolent veteran welfare.

### **3.5 VETERANS**

The age profile of RSLV members and the emergence of a large number of other ex-service organisations (ESOs) is indicative of a lack of contemporary appeal of the RSLV to today's veteran community.

Currently 68% of life and service members are over 70, and 25% are over 80. The average age of members is 74.

Services to veterans are inconsistent, varying considerably between sub-branches.

The support needs of veterans are increasing in complexity, resulting in a need for RSLV to clearly define: what services it provides; who is going to provide those services; and how the services are to be funded.

## **4.0 BENCHMARKING**

In reviewing the structure and operations of RSLV, we have considered the governance and organisational models of several organisations with similar structures or objectives.

Specifically, we have referenced the structures and business models of the following organisations:

- Royal British Legion;
- Royal Flying Doctor Service;
- Guide Dogs Victoria;
- Australian Manufacturers Workers Union;
- United Workers Union;
- Bendigo Community Bank franchise; and
- Fonterra.

In addition, in developing our recommendations we have taken into account our experience in reviewing the governance structures and boards of numerous organisations in the commercial, government and not-for-profit sectors.

From our review we have identified the following factors that have been taken into account in developing our recommendations:

### **4.1 BOARD COMPOSITION**

Governing boards comprise a mixture of industry skills and professional skills and experience. The professional skills and experience are recruited in line with a skills matrix that is developed, considering the purpose, size and complexity of the organisation being governed.

For State-based charitable, not-for-profit organisations the choice between an Incorporated Association or a Company Limited by Guarantee (CLG) is crucial.

Incorporated Associations are typically governed by a committee of management and are generally suitable for smaller organisations with a limited scope of operations. Larger and more complex organisations, such as RSLV, require a more sophisticated and rigorous approach to governance which inevitably brings them into a CLG arrangement that is led by a professionally selected, skills-based board that is subject to the higher standard of governance outlined in the Corporations Act 2001.

The Royal British Legion is a good example of representational governance, whereby its Board of Trustees comprises 16 members, 10 of whom are elected and 6 appointed by the Board for their specific skills.

Similarly with Fonterra a dairy farmers cooperative, farmers nominate themselves for available board positions and are then screened by a 3-person independent nominations committee prior to being put to the members for election to the board. The nominations committee ensures that potential board members have the skills required to complement the existing board members and achieve the balance set out in the board skills matrix.

The board's key responsibilities are the establishment of an appropriate culture for the organisation, the development of a strategy, operating plan and budget, financial oversight, the management of risk and the oversight of the executive team.

From our experience, the chair plays a crucial role in a board meeting by guiding the discussion, ensuring that the agenda is followed, and maintaining order among participants. They facilitate balanced participation, helping to manage differing opinions while keeping the meeting focused and productive. The chair also ensures that decisions are made in accordance with the organisation's rules and governance practices, ultimately fostering an environment where board members can effectively collaborate to achieve the organisation's goals.

#### **4.2 FEDERATED MODELS**

In federated organisations we have observed two funding models: either the funds are controlled centrally and provided to branches as required; or the funds are controlled at the branch level and the central body is funded by the branches by way of a sustentation payment or licence fee (the equivalent of the League Support Fee).

In our experience, the control of funds at the local branch level results in a power imbalance whereby the branches control the power, and the central body is vulnerable to the whims of the branches in terms of its funding and ability to exist from year to year. This has a major impact on the ability of the organisation at a federated level to achieve the overall purpose for which it was established.

#### **4.3 POOLING OF RESOURCES**

The model that is effectively used by the Bendigo Community Bank for its franchisees, is that the franchisee is entitled to retain a specific percentage of earnings for reinvestment, the remainder has to be used for charitable purposes. This model could be used by RSLV to ensure that there is an appropriate balance between reinvestment in sub-branches and the use of earnings for the overall charitable purpose of the organisation.

Transparently co-ordinating available resources of investments and assets will not only provide sustainable veteran services in existing locations but will expand the accessibility of services for veterans across the State.

#### **4.4 DIVERSIFICATION OF REVENUE STREAMS**

In relation to fundraising, most charities have a robust gifts-in-wills program. Establishing and managing a gifts-in-wills program requires dedicated personnel with appropriate skills. Bequests can be very large and provide a major contribution to the overall funding of the charity. Particularly given the ageing population of RSLV's membership, this is potentially a major untapped source of funding.

#### **4.5 STRUCTURE AND STAFFING**

Whilst we found that the overall structure and staffing of the State Branch is consistent with similar charitable organisations, existing by-laws, complex sub-branch ownership and the regulatory environment make the work heavily focused on compliance and limits the achievement of state-wide initiatives.

## **4.6 BENEFITS OF A REVIEW**

Our experience of large-scale reviews is that they can deliver a range of benefits. For RSLV this includes: unlocking additional cash and liquidity; cost savings from the removal of duplicated tasks across the network; maximising effectiveness by aligning staff to strategic imperatives; commercial and service-delivery benefits from proper stewardship of assets; and targeting services based on veteran demographic data.

## **5.0 STRATEGIC IMPERATIVES**

In light of the findings presented in this review, it is recommended that RSLV adopt a set of strategic imperatives to guide its transformation over the next decade. These imperatives are designed to modernise the organisation's governance, improve its operational efficiency, enhance its charitable impact, and secure its relevance to future generations of veterans.

### **5.1 ESTABLISH A FIT-FOR-PURPOSE GOVERNANCE STRUCTURE**

RSL Victoria is currently an Incorporated Association under the Associations Incorporation Reform Act 2012 (Vic). This is a structure designed primarily for small, not-for-profit community groups. We recommend that RSLV transition into a Company Limited by Guarantee (CLG) which is governed by the Corporations Act 2001.

As a CLG the organisation is required to comply with the more rigorous reporting and governance standards set out in the Corporations Act 2001, and directors have stricter legal duties and liabilities.

#### **Key actions**

- Investigate the process for transitioning RSLV from an Incorporated Association to a Company Limited by Guarantee.
- Develop skills matrices for the governing board and its sub-committees, clearly articulating the range of skills required to enable the various bodies to discharge their responsibilities effectively.
- Consider the future structure of membership of the governing board, and whilst honouring the legacy of veteran service, allow for the election or recruitment of external skills and experience to guide the transformation process recommended in this report.
- Establish a nominations sub-committee, possibly comprised in full, or in part, of independent members. The role of the nominations committee would be to screen nominations prior to their acceptance as potential candidates (either elected or appointed) for the governing board. This would ensure that all members meet the minimum skills and experience required to meet the desired skills matrix.
- Consider the establishment of a representative member council to assist RSLV to discharge its responsibilities in relation to commemorations and remembrance events, etc. The functions of this council would not be of a governance nature.

- Gaining visibility of the charitable activity of the RSLV network (as identified elsewhere in these recommendations) will allow the governing body to assess and report on the overall impact of RSLV from a veteran perspective and protect the brand and charitable status of the RSLV.
- Instigate an annual review of the performance of governing board and development of annual professional development program for board members.
- Consider alternative voting structures to address concerns in relation to the equity of the current voting system.
- Rewrite the Rules as a constitution for the organisation and rewrite the By-Laws as a coherent set of policies and procedures.

## **5.2 RATIONALISE AND SUPPORT A SUSTAINABLE SUB-BRANCH NETWORK**

The scale and diversity of the current sub-branch network presents significant governance and compliance challenges. Many sub-branches are not positioned to deliver sustainable outcomes or meaningful veteran services.

### **Key Actions:**

- Initiate a structured review of sub-branch viability based on contribution to veteran support, financial sustainability, and governance capacity.
- Provide pathways for sub-branches to transition to affiliated or regional models with reduced compliance obligations.
- Provide sub-branches with common service offerings and technology platforms.
- Review the purpose of a regional structure and, if required, establish a formal governance model to for their operation.

## **5.3 CENTRALISE STEWARDSHIP OF FINANCIAL AND CHARITABLE RESOURCES**

The fragmented management of Patriotic Funds and other financial assets is inefficient and obscures the overall charitable impact and financial strength of RSLV. A more coordinated approach is required to enable strategic investment in statewide services.

### **Key Actions:**

- Commence a staged consolidation of Patriotic Funds, with a focus on pilot regions where legal and operational conditions permit.
- Review and rationalise the functioning of the Agency Accounts operated by sub-branches on behalf of RSLV's General Appeals Patriotic Fund, to streamline processes and direct funds more appropriately to the benevolent welfare of veterans.
- Introduce a structured pooling and distribution model, allowing sub-branches to retain a defined proportion of surplus while redirecting the balance to State Branch for broader impact. If this approach doesn't appropriately address the funding needs of State Branch, consideration must be given to the introduction of a licencing fee levied by State Branch on sub-branches.

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- Establish a centralised gifts-in-wills program, supported by appropriate investment in professional fundraising and development capacity.
- Ensure consistent financial reporting and transparency through mandated accounting systems and consider consolidation and/or centralisation of other systems for efficiency.

## **5.4 REPOSITION RSL VICTORIA AS A CONTEMPORARY VETERAN CHARITY**

The long-term sustainability of RSL Victoria depends on its ability to remain relevant to contemporary and future veteran communities. This includes a clear strategy for advocacy, visibility, and service alignment.

### **Key Actions:**

- Define a strategic plan with a three-to-five-year horizon, underpinned by a clear articulation of RSLV's charitable purpose and value proposition.
- Invest in social impact measurement to demonstrate the organisation's contribution to veteran wellbeing.
- Realign service delivery under a standard model, with more complex care led by the State Branch and sub-branches focused on intake and assessment, social connection, and community development.
- Increase engagement with younger veterans and underrepresented groups through targeted outreach and partnerships with contemporary ex-service organisations.

## **6.0 CONCLUSION**

This review has identified structural and operational challenges that constrain the organisation’s ability to meet the needs of today’s veteran community. However, it also presents a clear path to renewal—one that preserves the League’s legacy while enabling it to operate as a modern, mission-driven charity.

Implementing the recommended reforms offers more than institutional benefit. It will reduce the compliance burden on volunteers, clarify the role of State Branch and the sub-branches, and enable better support for members delivering services at both the local and state level.

A more cohesive, professionally governed organisation will be better positioned to attract resources, deliver consistent services, and advocate effectively for all veterans.

This is an opportunity for RSL Victoria to honour its past by ensuring it remains relevant, resilient, and effective for the decades ahead.

### ACKNOWLEDGEMENTS

We would like to thank the members of the State Executive for entrusting Thoughtpost to carry out this important review and would also like to thank the State Branch executive management team and sub-branch participants at our numerous workshops for their candid sharing of views.

All have been invaluable in the shaping of our recommendations for the future of RSLV.