

ASSESSING YOUR CLUBS INCOME TAX EXEMPTION STATUS



INSIDE INFORMATION

'In South Australia non-charities can self-assess their entitlement to Income Tax Exempt ("ITE") Status. The Australian Taxation Office ("ATO") requires that all tax exempt entities undertake a review of their status by conducting self-reviews.' (See full article on Page 7)



CLUBLINK AUGUST 2010

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WHO'S WHO

CLUBS SA, LCITF & CLUB SAFE STAFF MEMBERS



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Director,
Club Safe



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Paul Malloy
Training Manager
Licenced Club Industry Training Foundation

CLUBS SA BOARD MEMBERS



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President



Bill Cochrane
Deputy President



Gregory Saunders
Vice President



Laraine Donaghay
Board Member



Kym Flanagan
Board Member



Steven Grant
Board Member



Graham Nichols
Board Member



Bob Raphael
Board Member

PRESIDENT'S REPORT



Clubs SA congratulates Helen Martin on her new role as General Manager of the Association, both Boards of Clubs SA and the Training Foundation (LCITF) are pleased to have implemented a plan for the future. The LCITF welcomes its new

Training Manager, Paul Malloy. Paul has an extensive background in the Training Industry, coupled with a distinguished background in Hospitality. Therefore, Paul is well versed in the challenges we face and he possesses the knowledge to face such challenges with favorable outcomes.

Welcome to all, in this edition of Club Link we have a few topics worthy of noting.

The Productivity Commission's Report into Gambling would seem the appropriate kick off subject. The Report was released on 24th June and makes some interesting and potentially damaging recommendations. \$1 bets is a scary thought, obviously we will illustrate to Government that this will not impact on the problem gambler,

nor a potential problem gambler. This will however deter the recreational gambler whom makes a predetermined decision to spend their entertainment dollar and is happy to depart with an affordable spend in their weekly budget.

When speaking with all forms of Government we will reiterate the need for evidence based measures that will get the desired result. Some consideration needs to be given to personal responsibility. Industry certainly & willingly has taken on its fair share of responsibility through Codes of Practice and other harm minimization measures. In that same journey there has been little focus on 'personal responsibility'. Surely, if regulators are serious about resolving problems and harm from machines, then education and awareness on a person's own responsibility to engage with any product in a safe and measured manner, should be a priority (whether that be an Electronic Gaming Machine or any other form of gambling, and for that matter anything that one engages in). If this aspect is not addressed then people whom retreat to Internet Gambling will be exposed to far more adverse and problematic outcomes.

Fortunately in SA, Clubs SA has a seat at the Gambling Minister's 'Responsible Gambling

Working Party' (RGWP). The RGWP's role is to look at information that can assist a player, before, during and after play. One such measure currently being trialed is 'Pre-Commitment', where players voluntary pre-commit to either a spend or time limit on their daily gaming activity. This relies on players whom wish to have some assistance, to be provided with a tool to assist them – a sensible approach.

Venue safety is another topic worthy of discussion. I encourage venues to continually review their cash procedures. I note two recent robberies were a result of a venue being staked out that had repetitive process in place for cash transfers. That is to say, at a certain time on a particular day the cash went from the venue to the bank. This makes a venue more vulnerable to being targeted. Vary your procedures, ensure you utilize the time delays on your safes, ensure you keep offices with safes out of the public view, rake (remove excess cash) your tills frequently when you are busy, have good cash practices in place.

Think safety, encourage feedback from your staff and address the risks to your business.

CLIENT WITH A GAMBLING PROBLEM?

CLICK CHAT CHANGE

**24/7 ONLINE GAMBLING HELP
LIVE COUNSELLING
SELF HELP TOOLS
EMAIL SUPPORT SERVICE**

Gambling Help Online provides GPs and allied health professionals with problem gambling information. Gambling Help Online offers gamblers, their families and friends round the clock live counselling as well a range of self-help tools and immediate online and email support. It's anonymous, confidential and available 24 hours a day, 7 days a week.

Visit www.gamblinghelponline.org.au or phone 1800 858 858 for more information and help.



gamblinghelponline.org.au

GENERAL MANAGER'S REPORT



Legislation, Regulations, Codes of Practice – as if there isn't already enough to comply with! Well wait, there's more...

In the last few weeks the Office of Liquor and Gambling

(OLGC) has released two Discussion Papers relating to Liquor issues and the Gaming Machines (Miscellaneous) Amendment Bill 2010 was also introduced into Parliament.

The OLGC's Discussion Papers propose to introduce many changes to the liquor industry. Anticipated changes include: mandatory RSA training; mandatory refresher training; further restrictions to irresponsible drinking promotions eg. happy hours; introducing tempered glass or polycarbonate products in certain circumstances; more expiable offences etc.

In relation to mandatory RSA Training, there will be exemptions for all small volunteer based community organisations, but the details of the exemptions have not yet been finalised. Clubs SA has already met with the OLGC Commissioner regarding this issue and will respond to the Discussion Paper accordingly.

The most concerning item in the Discussion Papers is the reintroduction of an annual licence fee. The base fee would be determined

by licence type ranging from \$500 to \$1,000 and a loading of \$3,000 would apply to venues operating after 2am. Although the paper acknowledges that "consideration needs to be given to those community Clubs with small revenue bases or where funding goes back into the community", Clubs SA will be seeking exemptions for Clubs.

If your Club is involved with Gaming, you would probably be aware that the Productivity Commission released its Final Report regarding Gambling. The key elements to the Federal Governments response includes: supporting the use of pre-commitment technology, implementing a nationally consistent voluntary pre-commitment model, introducing further harm minimisation measures, not liberalising internet gambling, and establishing a new COAG 'Select Council of Ministers on Gambling Reform'. The outcome of the Federal Election may have an impact on the Federal Governments response to the Final Report.

Further to the liquor and gaming issues mentioned above, certain Industrial Relations changes were introduced on the 1st July. The "Working Hours Code of Practice" became effective and new wage rates were implemented. All relevant information regarding these topics can be found in the members section of Clubs SA's website.

Another topic of interest at present is 'tax'. Many Clubs would have received a letter earlier in the year from the ATO about the

'Clubs Voluntary Disclosure Program'. Although this Program is no longer available, the issue of 'tax' in Clubs is very important. Clubs SA recommends that all Clubs review their income tax position. Questions you should be asking are: have you self-assessed your Club as being exempt from income tax? If so, why? Also, if so, when did you last undertake the assessment? (Note - it should be done annually). It is advisable to reassess your taxation status by a credible source to ensure your determination is still valid in 2010.

On a brighter note, Clubs SA was fortunate to receive over \$160,000 from Employers Mutual for a large scale Occupational Health and Safety Project for Clubs SA Members. The Project will involve free OH&S Training for Clubs, the development of an on-line OH&S Induction Program and DVD, and free Site Inspections for Clubs. The Project commenced on the 1st July and will be completed by 31st December 2011.

From an operational point of view we welcome Paul Malloy as Training Manager to our staff and say farewell to our Trainee Receptionist, Elyshia Greatrex.

There are many issues on the table at the moment which may have a significant impact on our industry. Be assured that as a Clubs SA member, Clubs SA will keep you abreast of proposed changes ahead and we will be fighting for you all the way.

CLUBS SA LAUNCHES NEW WEBSITE

On 1 July this year Clubs SA launched its new look and easy to navigate website.

This website should be the go to destination for member Clubs when looking for information on Corporate Sponsors companies and their products, upcoming events, latest Liquor Price Guides, previous versions of the member's newsletter 'Keeping In Touch' and much much more.

This website will be regularly updated to ensure that members receive the most recent news and information. Each member should have a record of their Clubs member's area login details; those that do not have this information on hand may contact the office on (08) 8376 2699.

Any feedback or issues you may have regarding this website, Clubs SA would be happy to hear. Either phone the office or email admin@clubssa.com.au

www.clubssa.com.au



MEMBERSHIP & SPONSORSHIP REPORT

Clubs SA's 2010 Annual Regional Meetings 6 week tour concluded in May this year and has resulted in a number of new member Clubs. Clubs SA welcomes the following Clubs to Clubs SA's 2010 membership:

- ♦ Adelaide Sailing Club
- ♦ Walkerville Sports Club
- ♦ Trinity Gardens Bowling Club
- ♦ Glenunga Sports & Social Club
- ♦ Somerton Surf Life Saving Club
- ♦ Echunga Golf Club
- ♦ Willunga Bowling Club
- ♦ Golden Grove Football Club
- ♦ Prospect Petanque Incorporated
- ♦ Lakes Sports & Community Club
- ♦ Eudunda Bowling Club
- ♦ Taillem Bend RSL
- ♦ Salisbury RSL Sub-Branch
- ♦ Beachport Bowling Club
- ♦ Moana Surf Life Saving Club
- ♦ Booleroo Centre Bowling Club
- ♦ Jervois Bowling Club
- ♦ Port Pirie Amateur Anglers Association
- ♦ Port Augusta Golf Club
- ♦ Happy Valley Bowling Club
- ♦ Prospect-Broadview Bowling Club
- ♦ Penola Golf Club
- ♦ Port Pirie Harness Racing Club
- ♦ Rapid Bay Cricket Club
- ♦ Weeroona Bay Football & Sports Club

With so many changes visible on the horizon in relation to both Gaming and Liquor legislation, these Clubs along with all existing members, will now be kept up to date as these changes occur.

To support Clubs SA in their ongoing commitment to provide these services to its members, is the Associations Corporate Sponsors. Without Clubs SA's Corporate Sponsors many of the services the Association currently provides would be unachievable. Since the April edition of this magazine Clubs SA has welcomed the following new Corporate Sponsors:

Gold Corporate Sponsor



ATMAAC International has expanded its operations and services into South Australia with the establishment of our SA Branch

located in central Adelaide. Having provided security solutions and concierge services for the Club industry for over 10 years we welcomed the opportunity to extend our service offer to Club members across metropolitan and regional SA. As an industry leader our point of difference is measured by our ability to apply the soft skills to an industry that traditionally relied on general security practices which were often out dated.

Contact: Cliff Colvin **Phone:** 0404 041 407

Silver Corporate Sponsor



Amtek has been providing service to the Gaming Industry in Australia for over 15 years and has extensive experience in lottery, wagering, kiosk, POS and vending equipment installation and servicing.

Contact: Roger Rieck **Phone:** 0412 482 123



IWS is a cost effective Outsourced Payroll Solution for small to medium enterprises, and is ideally suited to the hospitality industry.

Our Payroll and Rostering Solutions create a seamless process from roster creation, to timesheet approval, through to the processing of payroll. Our mission is simple... to help you do the things you don't want to do, don't have time to do or don't know how to do, all at the lowest possible cost whilst still providing the highest level of service. Don't waste time performing an activity which does not add direct value to your bottom line.

Contact: Jack Guthleben **Phone:** 0439 876 612

Silver Corporate Sponsor



Micropower's Integrated Business Solutions will improve your customer services, improve your back office efficiencies and drive your revenue. We'll help you solve your greatest challenges and streamline your day-to-day processes to improve your bottom line.

Contact: Hayley Hunt **Phone:** 0402 449 735

Bronze Corporate Sponsor



Adelaide Safety Supplies caters to the individual requirements of your business's First Aid & Safety, with a large range of products available on demand.

Our focus is to provide First Aid Kits & Contents which are compliant to Safework SA standards.

We can assist you in ensuring that you meet your duty of care requirements.

Contact: John Gronke **Phone:** 0412 182 911



Global Coffee Solutions is the sole agent for a comprehensive range of both traditional and automatic coffee machinery and vending equipment including world class brands like Jura, Cafina, Melitta, Bunn, Futurmat, Mahlkönig

& Macap. GCS has the complete range of equipment to suit all situations.

Contact: Lee Fitzgerald **Phone:** 0422 446 020



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cards, brochures, letterheads and even magnets. We are your one stop shop for all of your printing needs!

Contact: Darryl Platten **Phone:** (08) 8363 3313

Clubs SA encourages all its members to refer to its Corporate Sponsor listings in both this magazine and the monthly newsletter 'Keeping In Touch' for provision of goods and services purchased for your Club. Flick to the back page of this edition for an updated listing of Clubs SA's Corporate Sponsors.

OPERATION FLINDERS

WRITTEN BY HELEN MARTIN

Due to Clubs SA's support of the Operation Flinders Program through 'Clubs SA's Sponsorship / Funding Assistance Program', Operation Flinders offered Clubs SA the opportunity to visit their actual Program in the Flinders Ranges. Therefore, I packed the thermals and off I went!



The trip started at 7am on Saturday morning 31st July aboard a very small aircraft along with other like sponsors. Thankfully the flying weather was clear and we arrived at Leigh Creek airport an hour or so later. We were greeted by the Operation Flinders CEO, Mr John Shepherd and other 4WD volunteer drivers. We travelled another hour by road to the Operation Flinders Headquarters called Yankaninna Station in the far northern Flinders Ranges.

The Operation Flinders Program is essentially a youth intervention program that runs 'exercises' in Flinders Ranges for youth at risk. An 'exercise' consists of an 8-day trek where participants are challenged physically, mentally and emotionally. Whilst we were there, there were seven teams

trekking with approx 10 kids in each team. All the teams are scattered in their departure times so no one team sees another. We were fortunate enough to visit three different teams over the weekend and talk to the participants.

I knew the power of the program before visiting, but it certainly became more evident seeing it in person. On day 4 of 8 some of these kids had turned around their thoughts and outlook on life dramatically, it was truly inspiring.

Although our group didn't trek as such, we were offered the opportunity to undertake some of the same challenges that the kids go through. One of those challenges being abseiling! Although quite terrifying, I hooked up the gear, breathed deeply and climbed over the edge of a 30 metre cliff. When I got to the

bottom the instructor said I was a natural, so it wasn't only the kids out in the wilderness that achieved something over the weekend.

After covering numerous miles on the property, visiting the kids, undertaking challenges and taking in the breathtaking views, it was time to depart on Sunday afternoon. I must say the flight coming back into Adelaide was quite different to the one going out. It was raining and stormy and there was plenty of turbulence.

We arrived home safely though Sunday night.

For me, a very worthwhile experience and an increased appreciation of the impact the Operation Flinders Program can have to youth at risk. Thank you to Operation Flinders for the opportunity for Clubs SA to attend.



LCITF WELCOMES NEW TRAINING MANAGER, PAUL MALLOY

What are some of the primary roles you have held within the industry?

My first job when I left school was at a hotel in my home town of Lennoxton, Scotland. I was employed as a commis waiter in their fine dining restaurant. I learned my trade there before moving on and then spent the majority of my working years in England, working in all areas of hospitality; pubs, restaurants, 5 star hotels and holiday villages. My last job before coming to Australia was as Food & Beverage Manager at the Burstin Hotel in Folkestone, Kent, England.

When I arrived in Australia my first job was at the Hindley International Hotel. I then started my own training business which I ran successfully for 10 years. The draw of hospitality brought me back to hotels and in 2000

I joined Accor Hotels as a Human Resource Manager/Food & Beverage Manager at the Novotel Adelaide.

In 2007 I returned to training with Hospitality Group Training in the role as Industry Training Coordinator before joining the LCITF in July 2010.

What are your plans for the LCITF?

I have already applied to the Quality Directorate to increase the LCITF's scope of registration. This will enable the LCITF to offer a broader range of accredited training to the Club industry. We are also in the process of finalising an on-line RSA training course which hopefully will be live in late August. I have also sent out a survey to member Clubs to help identify areas where Clubs feel that there is a need for training. If you didn't receive a copy, go to www.clubssa.com.au and follow the link to the training section to complete the survey, your feedback is important so that the LCITF meets the needs of the Clubs.

Eventually I want the LCITF to be the training provider of choice for the Club Industry in SA, delivering quality, cost effective products and services to meet the needs of member Clubs.

Please feel free to contact Paul regarding any of your training needs or enquiries on (08) 8376 2699.

CLUBS SA/EMPLOYERS MUTUAL OH&S INDUCTION PROJECT

In late 2009 Clubs SA applied to Employers Mutual for funding to support a large scale OH&S project for the benefit of all Clubs SA members. We are pleased to report that our application for funding was successful and as such Clubs SA and Employers Mutual have begun the first stages of this 18 month project.

Based solely on the education and improvement of Occupational Health and Safety in the Licensed Club Industry the scope of the project is to:

- Develop and deliver a tailored training program, to Clubs SA member Clubs;
- Develop an on-line induction program, pertinent to the Club industry that will introduce volunteers at licensed Clubs to safe work practices and support and reinforce the training delivered. A DVD will also be made available to Clubs that require one;
- Complete a series of site inspections to 'test' individual Club's compliance with relevant legislation and to 'test' how Clubs have implemented the tools outlined in the Clubs SA OH&S Manual; and
- Mentor and coach individual Clubs during the course of the project to deliver improvements in workplace safety and return to work.

Clubs SA plans to actively promote these services through its membership and anticipates the services will be provided in Adelaide CBD, the South East and all the other major regional centres, e.g. Port Lincoln, Barossa and Whyalla etc.

To ensure the project meets the need where it is most apparent, a small group of Clubs will be used as a 'pilot' group to test both the training material developed and the implementation of this program.

A major component of both phases will be consultation with industry, to ensure that we target the need where it is most apparent and to ensure we maximise our collective return on investment. Consultation will occur through our existing mediums, such as the member Clubs newsletter, as well as a personalised letter to all member Clubs, seeking their interest in the program. Clubs SA encourages any metropolitan based Clubs wishing to be involved in this consultation stage of the project to please contact the office on (08) 8376 2699.

Phase 1 (June 2010 – December 2010) will include four distinct parts – project initiation, training and DVD development, project governance and development of the 'testing' methodology. This will encompass the above consultative phase with Clubs SA members.

The second phase (January 2011 – December 2011) of the project will focus on translating the training material and the on-line induction program developed into practice and then 'testing' of the application of this material by the Clubs.

This is an exciting opportunity to provide a great service and much needed education to Clubs SA members at no cost. Without the generous support of Employers Mutual Clubs SA would not be in a position to offer such an opportunity.

CLUB SAFE REPORT

Club Safe Officers, Giselle and Tracey recently attended The 2010 Diversity in Health Workshop which was held at the Melbourne Convention Centre.

The sessions were based around gambling, player beliefs, culture and community. These are all very relevant issues that we face within the Gambling and Hospitality Industry at large.

One workshop of particular interest involved presenters speaking about how to recognise the 'red flags' that indicate a gambling problem. As we have spent a lot of time producing an Identification and Intervention DVD and built a workshop around these issues, it was pleasing to have our workshop content validated.

Cultural sensitivity and gambling is a concerning issue we face in our venues, due to its complexity, education needs to be specific and also demographically relevant. It is our plan to tailor Cultural Awareness Workshops in the future on an as need basis.

If your venue is experiencing concerns around cultural issues, please contact your Club Safe Officer for assistance.

Club Safe Officer Giselle Berriman 0448 273 322

Club Safe Officer Tracey Schumacher 0448 273 344

SUCCESSFUL KOKODA APPLICANTS FOR 2010

Clubs SA is sending three participants to walk the Kokoda Track this year as part of the "2010 Kokoda Youth Leadership Challenge".

The objective of the "Kokoda Youth Leadership Challenge" is to influence young people to become positive leaders as a result of their Kokoda experience.

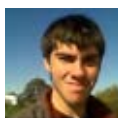
Clubs SA called for nominations earlier in the year and recently held interviews with all the applicants. The successful candidates are as follows:



Hamish Jurgs – Hamish, 19, lives in Meningie. Hamish has grown up with a strong community involvement, including playing football and cricket, sailing with the local sailing Club, clay target shooting and achieving a black belt in local karate dojo. Hamish currently works on a local farm as well as completing an agricultural apprenticeship.



Josh Zadow – Josh, 18, lives in Lobethal. Josh has a learning difficulty and is particularly keen to conquer the Kokoda Trail as his disability has stopped him from achieving other goals. Josh is currently working and also has involvement with the Operation Flinders program.



Tyson Upton – Tyson, 18, lives in Minlaton. He plays Hockey and basketball to keep fit. Tyson currently works as a Baker's Assistant and also volunteers as a Peer Group Mentor for the Operation Flinders Program.



INDUSTRIAL RELATIONS UPDATE

National Wage Case Decision

All member Clubs should now be fully aware of the new rates of pay for various employment categories in the Registered and Licensed Clubs Award 2010 as a result of the recent National Wage Case decision handed down by the Full Bench of Fair Work Australia.

It is important to note that there are special Transitional Provisions in the above Award at Schedule B on page 41. These Transitional Provisions apply to Food, Beverage and Gaming staff classifications. They also relate to the 50% casual loading, part-time employees, Junior Employees, Apprentice wages, Overtime, Penalty Rates etc. this information is available in the Members section of Club SA's website at www.clubssa.com.au.

You will need your Clubs user name and password to access the Members area.

Classification of Employees

There has been confusion among some Clubs lately in relation to the classification type of some employment categories in the Registered and Licensed Clubs Award 2010. For clarification, the following classifications now apply and can be sourced at Clause 17.2 of the abovementioned award:

- ◆ Guest Service Grade 1 – Level 1 (used for Cleaners)
- ◆ Clerical -Various Grades and Levels (formerly Clerks)
- ◆ Maintenance and Horticultural Employee – Various Grades and Levels (formerly Greenkeepers)

Maternity Leave

Australian Mothers and Fathers will have access to government-funded paid parental leave from January 2011, after new laws have been passed by the Federal Government. The paid maternity and paternity leave scheme will give the main carer of babies born on or after January 1, 2011, \$569.90 a week for 18 weeks – up to \$9,788.

The scheme provides eligible working parents with 18 weeks parental leave, paid at the National Minimum Wage, and can be shared between both parents.

To be eligible for paid parental leave, a Mother or other primary carer - including an adoptive parent - will need to:

- ◆ have been working continuously for at least 10 of the 13 months prior to the expected birth or adoption of the child;
- ◆ have undertaken at least 330 hours of paid work in the 10 month period (an average of around one day of paid work a week);
- ◆ have an adjusted taxable income of \$150,000 a year or less in the previous financial year.

Under the publicly funded scheme, Mothers can leave their job three months before giving birth and still claim the benefits.

Casual workers can be out of work for up to eight weeks during the 13 months before the birth and receive the payments. Parents on the scheme will be allowed to work for up to 10 days without jeopardising their leave payments to help them keep in touch with the workplace.

Please note: There is still a lot more detail to be released on this particular piece of legislation and we will endeavour to bring all Clubs the latest developments as they come to hand.

For any queries relating to the above topics, please contact Clubs SA's Industrial Relations Advisor, Denis Kildare.

CLUB MANAGERS MEETING & MINI EXPO



Recently Clubs SA hosted its second ever combined Club Managers Meeting and Mini Expo at Grand Central, home of the Central Districts Football Club. The day saw attendees and exhibitor numbers increase dramatically from 2009 with many Club representatives travelling from regional areas as far as Whyalla, the Riverland and the Yorke Peninsula.

The morning's proceedings included a range of 8 speakers covering 10 topics, including an overview of the new First Aid Code of Practice

from Acting Principal Policy Officer, Alana Hale from Safework SA and an insight into self-assessment of Tax exemption status from Senior Manager, Tax Consulting from Perks. Attendees were able to gain a clearer insight into all topics, hearing it from the people who work in these fields on a daily basis.

The Expo followed directly after the Club Managers Meeting in the Cabaret Room of Grand Central. Club delegates were treated to a fresh lunch and beverages whilst

perusing the exhibits from Clubs SA Corporate Sponsors. A great mix of IT solutions, gaming machine manufacturers, Coopers beers and carpet was available to view and speak about.

The next Club Managers Meeting is scheduled to occur in November this year and again will provide a great deal of information on relevant topics at the time. Given that there is a current review of the Liquor Licensing Act and Gaming Legislation, this meeting will be timely for Club delegates.

INCOME TAX EXEMPTION STATUS

At the recent Club Managers Meeting Neil Oakes, Senior Manager, Tax Consulting for Perks spoke to the topic of Income Tax Exemption (ITE) and the letter distributed to a number of Clubs from the Australian Taxation Office (ATO) in May this year.

Neil covered many areas that need to be addressed when assessing whether a Club is ITE, from feedback received by Club delegates on the day, this particular topic was one of the most interesting and beneficial topics of the day.

The following are some notes from Neil's presentation on the day and Clubs SA recommends these notes be addressed at least annually to ensure compliance with the ATO and your Clubs taxation status.

In South Australia non-charities can self-assess their entitlement to Income Tax Exempt ("ITE") Status. The Australian Taxation Office ("ATO") requires that all tax exempt entities undertake a review of their status by conducting self-reviews. Should it be determined that your Club is no longer exempt it is a requirement that the ATO be notified.

As a matter of course, Clubs SA recommends that Clubs make the review of their taxation status an annual task, and that any determination or information relating to the review be minuted clearly in committee/board meetings.

The first step of the review is to identify whether your organisation is 'Non-Profit'. To do this your Clubs must not be operating for the profit or gain of members;

- Whilst operating; or
- When winding up

Your committee should look to the Clubs constitution or governing documents to see if they prevent distributing assets or profits to members. Such clauses in a constitution may read similar to;

Non-profit clause

'The assets and income of the organisation shall be applied solely in furtherance of its above-mentioned objects and no portion shall be distributed directly or indirectly to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation.'

Dissolution clause

'In the event of the organisation being dissolved, the amount that remains after such dissolution and the satisfaction of all debts and liabilities shall be transferred to another organisation with similar purposes which is not carried on for the profit or gain of its individual members.'

It is important to note that a non-profit organisation can make a profit to fund operations but CANNOT distribute this profit to owners, members or other private people.

The second step is to identify what type of entity your organisation is within the scope of the ATO. There are only certain types of non-profit organisations that can be ITE, each of these being listed in a table within the ATO Guide. There are over 30 types of eligible entities, most of them being sporting organisations. To view this guide visit the ATO website (www.ato.gov.au) and do a search for document 'NAT 7967'.

As an example; a 'Sporting Organisation' is exempt from Income Tax should their main purpose be the encouragement of a game or sport. This main purpose is determined by:

- Club Constitution;
- Use of funds;
- Club History

If the main purpose of the Club is providing social and recreational facilities the association will not be exempt from paying income tax.

As an example:

Situation: Non-profit Club provides dining, gaming and leisure facilities at a Club house. It gives a yearly grant to an associated rowing Club but is not involved in rowing itself.

Determination: Not ITE

A 'Sporting Organisation' is determined by the following, in accordance with the ATO;

Game or Sport includes athletics, football, netball, chess, bridge, etc however does not include stamp-collecting, keeping and showing pets, making model railways, vintages cars, and other social and recreational pursuits.

It is advised that your Club committee look at and assess the activities conducted each year to determine if your club still fits under the relevant entity type. If it is determined that your Club is ITE there is no need to notify the ATO, however if the Club is determined as no longer being ITE notification must be sent to the taxation office.

As a matter of course, Clubs SA recommends that Clubs make the review of their taxation status an annual task

What If We Do Not Qualify For ITE Status

If it is determined through the Clubs annual self-assessment that the association is no longer ITE the non-profit organisation will be;

- Taxed as a company (i.e. 30% tax rate)
- Required to prepare and lodge tax returns each year
- May be able to utilise the principal of mutuality to reduce tax payable

The 'Principal of Mutuality' listed above allows that tax not be payable on such things as;

- Membership fees,
- Bar takings from members,
- Meals purchased by members,
- Membership cards

Items not eligible for exemption under the principal of mutuality, and therefore taxable, include:

- Club Keno Commissions
- Non-member bar takings
- Bank Interest

When distributing income and expenses for the Club and determined whether they be allocated to taxable and non-taxable income, this must be done on a "reasonable basis".

This topic is extremely important to ensure ongoing compliance with the ATO. A member of Clubs SA recently underwent a review by the ATO on their tax exemption status and unfortunately was determined to be in breach costing the Club in excess of \$50,000.

For further information and assistance on this topic please contact Neil Oakes at Perks on (08) 8273 9320.

CLUB ONE REPORT

The Productivity Commission (PC) has released its report on Gambling in Australia. Not a lot changed from its interim report – particularly the size – two volumes of sequenced but unnumbered pages.



As an assessment – there is a lot of data and even more opinion.

The core of the PC position is that some people can afford to gamble and others cannot. And for those it deems as not able to gamble, they have to be controlled.

“The magnitude of gambling expenditure relative to the income of problem gamblers is relevant to the harms caused to them and their families, and therefore relevant to the design of effective harm minimisation measure to reduce that spending” (5.31)

Who can gamble? This is revealed by the PC argument to permit the liberalisation of internet gambling:

‘Online gamblers do not fit the typical profile of a vulnerable or at risk group within the community. Rather, they are more likely to come from higher socio-economic groups with above average education levels and income, and working in professional and managerial jobs’ (15.10)

“The evidence suggests that a high proportion of people presenting for help with gambling are also dealing with other health or behavioural issues”

Additionally, and absurdly, the PC claims:

- “Most internet gaming takes place within people’s homes “...”This puts online gamblers with partners and families in close proximity to people with a direct and personal interest in their wellbeing. Compared to staff gambling venues, family members are likely to be more motivated to intervene” (15.9)
- “the use of credit cards when gambling on line creates evidence of gambling transactions on credit card statements. This provides a monthly reminder to online gamblers of the full financial costs of their

behaviour, as well as making it easier for their family members to detect any problems” (15.9)

- “online gaming is usually offered more cheaply than venue based competitors such as casinos. This can occur by offering lower bets or offering better odds.(15.9)

Apart from the gratuitous or perhaps ignorant insult to well trained and professional staff at venues, the arguments are flimsy at best. At least using a gambling venue requires a conscious choice to attend and unlike a laptop cannot be carried under the arm and opened anywhere, anytime!

Who then should not gamble? Obviously – everyone else.

So what is the PC solution for the less educated, lower socio-economic, non professional, less well paid section of the gambling population? A license (with suitable privacy safeguards of course) called pre commitment. This is outlined in their Q & A section:

“Do I have to sign up for a card just to gamble?”

“Special provisions will be made for low level betting by occasional suers. But if you play more regularly , and pre-commitment is implemented fully across your state or territory, then you will have to sign up to play the pokies. You will be required to use a card, pin or other identification device. (Box 8 ; Over view p. 43)

For the PC this will address the problem gambler, who has “faulty cognition” and “The evidence suggests that a high proportion of people presenting for help with gambling are also dealing with other health or behavioural issues”

- 35 per cent has a severe mental s disorder
- the rate of hazardous alcohol use was 50 per cent
- the risk of depression was 71 per cent
- The rate of daily smoking was 57 per cent “

(7.15 – citing a study by the Problem Gambling Research and Treatment Centre Victoria 2008)

Apparently almost 30% of all pokie players are at risk of becoming problem gamblers.

About 4 per cent of Adults play gaming machines weekly or more often. Around 15 per cent of this group would be classified as problem gamblers, with around an additional 15 per cent experiencing moderate risks. (Finding 5.2)

If you add the putative fact to the opinion, then in a worst case scenario, one third of all regular pokie players will become problem gamblers and will have a severe mental problem.

All this is a bit extreme when the PC ‘s own table of health risks risk has obesity (25%) as the greatest risk and then puts a gambling problem well below that of the chance of the use of ecstasy and of a house break in.

Table 5. 6 “The prevalence and incidence of public health concerns and selected crimes in Australia”

- Consumption of alcohol at levels considered a high risk to long-term health –3.4%
- Recent use of ecstasy – 3.5%
- House break in – 3.3%
- Gambling problem [CPGI 8+] – 0.7%

Undeterred the PC also considers the need for a reduction in the ability of venue based gambling to compete with the internet. After much statistical and mental gymnastics which reflects its justification for internet gambling, PC concludes that

“There are also strong grounds to significantly lower tax subsidies for clubs on competitive neutrality grounds (6.30)”

What can be concluded from this expensive big report ? – there are many but a suggestion has been made by some that it is to buy shares (bet) in internet gambling, it is where all the educated , well off, professional people gamble because they can.

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