



Letter of Transmittal

Dear Not For Profit Sector Review

You have called for submissions on the contribution of the Not For Profit sector in Australian communities as part of your current review.

The Not for Profit sector contains a vast diversity of organisations, all in place to serve different purposes.

I am composing this submission on behalf of the Central Coast Academy of Sport (CCAS). It will assess the current impact and influence that that CCAS has on the community and will also address the impediments of the CCAS. Through this assessment both current public policy will be examined, and how the government can make changes to specific areas of public policy in order to help the CCAS better serve the community.

In brief this submission to the productivity commission addresses the following:

- the contribution of the CCAS to the community
- how public policy can be shaped to enable the CCAS to have a maximised impact on the community
- laws that could be implemented/amended to improve the contribution of the CCAS
- current impediments on the CCAS
- the effect of the tax treatment of the CCAS

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On Behalf of the Central Coast Academy of Sport



Central Coast Academy of Sport

SUBMISSION

Commissioned Study on the
Contribution of the Not For Profit Sector
2009

Prepared by Melanie Abrahams on behalf of the Central Coast Academy to
Sport to be submitted to the Productivity Commission

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1.0 Introduction

The Central Coast Academy of Sport was officially established in April 2004 with the aim of providing opportunities for athletes, coaches, administrators, officials, sports science practitioners and other sports related parties.

The CCAS provides specialist support to athletic performance through the interaction of sports medicine and provides sports education for athletes, coaches, administrations, officials, and other sports related persons. The Central Coast Academy of Sports is a Not For Profit organisation that has been positioned to ensure the sports industry of the region has an opportunity to fully develop skills, opportunities, and expertise.

This submission will attempt to answer the two main objectives of this study. The focus of the study is on:

- improving the measurement of the sector's contributions
- removing obstacles to maximise its contribution to society.

Therefore, the report will contain a background of the contribution of the CCAS to the community, and how the CCAS would be able to have a greater impact on the community. The main issue facing the CCAS is a lack of resources. The CCAS currently has complete lack of direct funding from the government at a federal level. Last year the CCAS received \$163,000 in government subsidies, \$20,000 of which came from local government. Government funding comprised 32.4% of the CCAS's total revenue for 2008. Ultimately, if government funding comprised on 50% of the Academy's revenue the CCAS would have greater means to help and encourage members of the sporting community.

2.0 The Role and Background of the Central Coast Academy of Sport

The Central Coast Academy of Sport plays a vital and integral role to the sporting lifestyle on the Central Coast. Since its inception it has evolved to become a prime provider of a diverse range of products and services directly to talented young athletes, volunteers, administrators, officials and coaches. In so doing the CCAS has been a platform for greatly assisting the NSW State Government in delivering a number of key outcomes identified in the NSW State Plan especially in areas such as strengthening the community, and the involvement of young people in sporting activities.

2.1 Academies of Sport Inc.

The CCAS is one of the ten independent Regional Academies of Sport located throughout NSW. These Academies together comprise Academies of Sport Inc. (ASi). ASi is an organisation which was also formed in 2004, in order to provide representation, promotion and support of the academy members throughout NSW.

ASi pursues a set of organisational objectives including the following:

- to promote greater community awareness of the academy members and their contribution to the community;
- to use and protect the intellectual property of the association,
- to provide revenue for the benefit of ASi members through sponsorship and events.

2.2 Success of the Central Coast Academy of Sport

There are several reasons that the CCAS has developed into a successful community based organisation. The CCAS has four fundamental characteristics contributing to their accomplishments which are comprised of the following:

- funding from organisations and businesses
- volunteers who assist in the delivery of the Academy sports and activities
- staff who are dedicated to the delivery of initiative sporting programs and services
- programs and services that are consistent with individual objectives of athletes and coaches however, still in accordance with athlete, administrator, coach and official development pathways.

2.3 A New Initiative

The CCAS has registered their programs with the Australian Sports Foundation to help raise funds to support training programs for Central Coast athletes and coaches. Under the Income Tax Assessment Act (1997) individuals and business groups are enabled to claim a tax-deduction of \$2 or more which are donated in order to support the Academy. This initiative will hopefully encourage more community members and businesses to support the Academy's activities and sports programs.

3.0 Current Activities of the Central Coast Academy of Sport

The CCAS has multiple sports programs for members of the Central Coast including:

- Athletics
- Basketball
- Football (Soccer)
- Golf
- Lawn Bowls

- Netball/Netball Umpiring
- Tennis
- Swimming
- Rugby Union
- Surfing
- Short Track Speed Skating
- Surf Life Saving

The CCAS also has several yearly events such as the Academy Games, Central Coast Golf Challenge, Sport2Sport Network Event, and the Sport Edition Race Day.

3.1 Education and Access

The Central Coast Academy of Sport offers their athletes and coaches access to developed programs on the art of coaching and management methodology and strategy, sport science, cutting edge technology and ancillary services. The CCAS also offers educational programs and seminars of topics including nutrition, drugs, sports in the media and sport injury prevention and treatment. These are state of the art programs that have been developed with understanding and expertise. Without the presence of the CCAS, athletes and other members of the community would not be granted such open access to these educational and beneficial materials.

4.0 Current Impediments of the Central Coast Academy of Sport

The Central Coast Academy of Sport is currently impeded by several issues.

They are primarily the following:

4.1 Available Funds Have Been Reduced

Recent changes in public policy have greatly affected the amount of sponsorship that the CCAS has received. The recently implemented poker machine tax has cost Central Coast clubs and hotels millions of dollars in revenue and consequentially these taxes have greatly affected the CCAS. Before the establishment of this public policy, clubs and hotels gave generously to not for profit organisations that in turn, responded by benefiting their community. However, with the substantial loss of revenue, these key donors no longer have the means to donate large amounts to the CCAS, or any other not for profit group. The NSW government could assess this public policy and endeavour to come up with an alternative revenue stream. Therefore, the CCAS and other not for profit community based organisation would be better able to perform the duties they set out to achieve in the community.

4.2 Lack of Access to Council Facilities

The CCAS has to file a substantial amount of paperwork each and every time they wish to use a council facility. This includes beaches for activities such as lifesaving and athletics, and ovals for athletics and assorted training activities. The CCAS would be able to spend more time organising and improving sporting activities if they were only required to complete paperwork a single time for each facility. If paperwork was not so time consuming and draining, staff of the CCAS would be able to complete it without it becoming a significant burden.

5.0 The Influence of Tax Treatment

As previously stated, current taxes are one of the biggest impacts on the ability of the capability of the Central Coast Academy of Sport. The taxes imposed by NSW government effect CCAS in the following ways:

5.1 Competitive Neutrality

The Report asked of the effect of the tax treatment on competitive neutrality for Not For Profit organisations. Taxes currently not only restrict the levels of sponsorship that the CCAS receives, but also directly impacts the organisation by limiting investments in programs and ability to hire additional staff.

5.1a Ability to Invest in Programs

If the CCAS had greater access to resources, the Academy would be able to invest additional funds into their sporting programs. By investing more money and time into these programs the Academy would be able to offer further support and education to athletes and coaches.

5.1b Staffing Issues

It can be seen that if the Central Coast Academy of Sport had more funds at their disposal, they would be able to hire additional staff, with valuable qualifications. The Academy is constantly competing for resources with other organisations, for merits such as funding and experienced staff. If the CCAS was able to give pay rises to their staff, they would be providing these individuals with a greater incentive to work for and stay with the Academy. Alternatively, the NSW Government could pay a portion of the Academy employed salaries so that their employees salaries were able to match those of employees with similar qualifications in commercial businesses.

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5.2 Import Tax Tariffs

Another problem of the CCAS is the import taxes placed on the organisation. The CCAS imports a portion of their uniforms, equipment and assorted other supplies from overseas. The tariffs on these products are large, and cost the CCAS a substantial amount of their already limited resources. If import taxes were enabled to be lowered for Not For Profit organisations, then the money would be able to be spend in other needed areas of the Academy's programs and activities.

5.3 Tax Reimbursements

If tax reimbursements were enabled to be offered to volunteers, coaches and others involved with the CCAS a greater incentive would exist to get involved in the important work that the CCAS does. These imbursements could cover costs such as travel, training, uniforms and equipment.

6.0 Proposed Changes of Public Policy

I would like to focus specifically on the area of public policy that has changed recently, and has had the most impact on the Academy.

6.1 Poker Machine Tax Concessions

Many of the registered clubs on the Central Coast previously sponsored the Central Coast Academy of Sport, however no longer have the resources remaining. As a direct repercussion of the poker machine tax laws, two of the

biggest sponsors of CCAS have withdrawn a substantial amount of their funding.

The Central Coast Leagues Club previously gave the CCAS free rooms to hire to hold presentations and meetings in, although no longer have as much freedom to do so. The Club now needs to constantly try to hire these rooms out to organisations able to pay the booking fees, in an order to raise revenue that was previously brought into the club through their poker machines.

Mingara Recreation Club, where the CCAS office lies adjoining to, are also limited due to the poker machine taxes.

If tax breaks were granted to registered clubs and hotels in the form of sponsorship for the CCAS then more sponsorship would be able to be generated.

The Productivity Commission has the power to be addressing these types of policy changes by allowing the contribution of the Not For Profit sector to be greater.

If the CCAS was enabled to receive additional sponsorship from registered clubs and hotels on the Central Coast, or receive further sponsorship from the NSW State Government it would have a monumental impact on the strength of the sporting lifestyle in the local community. It would include several benefits such as:

- more children having access to programs, services and activities;
- parents, caregivers and coaches having more help in funding sporting activities in young athletes;
- athletes with disabilities having proper care and services provided to them;
- a rise in health, sport development and participation in sporting activities for Central Coast residents;
- additional support for ClubsNSW Academy Games;
- an increase in essential sport education and support services for athletes, coaches, officials, administrators and volunteers;
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- greater staff employment, so less work is the responsibility of the already hard working volunteers of the CCAS
- the rise of profile and community stranding leading to engagement and construction of partnerships.

7.0 Recommendations

7.1 Increased Funding

If the Government was to review the level of funding of the Not For Profit sector, and re-evaluate the support which is provided, the Central Coast Academy of Sport would have the potential to greatly benefit. The amount of funding an organisation receives should correlate to the impact it has on the community. The CCAS can be seen to have a monumental impact on athletes and their support networks within the community. It also promotes and raises awareness of issues such as health, fitness and wellbeing. If funding was able to be generated then the CCAS would have the opportunity to:

- improve and expand the range of services they offer
- increase employment
- further develop programs
- involve and engage additional disadvantaged groups in the community

7.2 Enhanced Government Support

If the CCAS was to receive an enhanced grant from the state government they would be able to further increase training and development within the community. If both state and local levels of government were able to increase their support it will ensure the capability to ensure the long term success of a vital community program for members of the Central Coast.

7.3 A Review of Tax Concessions

Tax concessions of clubs and hotels on the Central Coast could be amended in order to ensure that the CCAS does not suffer from the implication of these taxes.

8.0 Conclusion

Ideally, the Productivity Commission's study will initiate a change of public policy areas to ensure that the CCAS is able to greater service the community. These changes will hopefully enable the CCAS to have the ability to receive greater donations from registered hotels and clubs on the Central Coast. It also has the potential to allow the CCAS and other Not For Profit organisations to have greater access to council managed facilities with greater ease.

This report will ultimately show depth, insight and understanding into a valuable Not For Profit organisation and the contribution it has to the maintenance and encouragement of a sporting lifestyle to so many.

I hope you find the above helpful and informative in regards to your review.

Thank-you for presenting the opportunity to make this submission on the contribution of the CCAS within the community.

Regards,

Melanie Abrahams

On behalf of the Central Coast Academy of Sport.