



Media Release – 9 February 2004 Contact: Sebastian Ziccone –

CALL TO EXTEND CHARITY TAX RULES TO SPORTS

The Federal Government and Opposition have been urged to follow the UK's example of extending the taxation treatment for charities to sporting organisations.

President of the Combined Firearms Council of Victoria, Sebastian Ziccone, said that non-profit sporting organisations provide the community with significant benefits that could be further realised with the right taxation arrangements.

“Charities play an incredibly invaluable role in our community, aided by the beneficial taxation treatment they rightfully enjoy”, Mr Ziccone said.

“Involvement in sports – whether it is shooting, hockey, tennis, fishing, swimming, lawn bowls or mountain climbing - provide benefits that are similar. They keep people mentally and physically fit, keep them away from getting themselves into trouble and foster a sense of community spirit. We are of the view that there is merit in having ‘parity with charity’.”

Mr Ziccone said this has occurred in the United Kingdom, and called on other non-profit sporting groups to support the push for comparable taxation treatment.

“If we can keep people involved in sport, then there is a better chance of keeping them out of situations where they will need the services of charities in the first place. The benefits we provide could be regarded as preventative.”

He said new taxation arrangement, backed by guidelines to ensure that the gains from tax reform are not squandered, could have the added benefit of reducing reliance on Federal and State funding for sports.

Non profit sporting organisations in the UK now enjoy taxation and rate relief which that Government says will not only ensure their survival, but the development of sporting clubs and more opportunities for involvement in sport.

Mr Ziccone said that sports in Australia already received some tax concessions, such exemption from income tax. However non profit sporting bodies pay GST which Mr Ziccone said should be able to be reimbursed in the same way that applies to charities.

“There are also issues relating to the deductability of donations, the exemption of land used by charities from having to pay council rates, and the ability of charities to structure employment arrangements to minimise fringe benefits tax that require discussion” he said.

As an example, the Melbourne International Shooting Club pays about \$12,000 in rates per annum which Mr Ziccone said could be better spent promoting the shooting sports to the local community.

The shooting sports are worth over a quarter of a billion dollars to the Victorian economy every year and provide other benefits including assisting the disabled and involving people unable to participate in other sports. Shooters have also helped organise events for the 2002 World Masters Games and upcoming 2005 Deaflympics.

“Other sports will have claims which are bigger, smaller or different - but the point is that all sports benefit the community and deserve greater recognition through the taxation system,” Ziccone said.

”Sporting clubs which run profitable non sporting activities such as poker machines, would need to ringfence activities that might not regard as core to their sport. This would set an effective ‘line in the sand’ for the new rules,” he said.

“However there is nothing to stop the ringfenced entity from donating its profits to the sporting club.”

“We have asked the Prime Minister and Mr Latham to work open this up for discussion.”

For more information: Sebastian Ziccone, President CFCV,
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Weblink of interest (UK Treasury Budget announcement re sports taxation treatment):
http://www.hm-treasury.gov.uk/budget/bud_bud02/press_notices/bud_bud02_presshmt3.cfm