



COMMERCIAL PURPOSE POLICY

Controlled Sports Act 2019

Chief Minister, Treasury &
Economic Development
Directorate

September 2019

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COMMERCIAL PURPOSE POLICY

Summary

The *Controlled Sports Act 2019* makes a distinction between:

- > Registrable events held for commercial purpose (among other criteria); and
- > Non-registrable events authorised by Authorised Controlled Sports Bodies.

Approval is not required to hold a Non-Registrable event, though promoters/ event organisers must provide notification of the event to the Controlled Sports Registrar.

Commercial purpose is one distinction between registrable and non-registrable events. This policy provides guidance to promoters and Authorised Controlled Sports Bodies on the intent of commercial purpose as one part of this definition. The Controlled Sports Registrar encourages all promoters to familiarise themselves with the definition of a registrable event outlined in Section 10 of the Act.

Policy Statement

An Authorised Controlled Sports Body, as a condition of being approved, must hold Not-for-Profit status with the Australian Taxation Office. This means that, while some profits can be made from non-registrable events, these profits must go back into the services provided by the entity. On principle, this means that the majority of events run by Authorised Controlled Sports Bodies are non-registrable events. Where an event is run by a promoter separate to the Authorised Controlled Sports Body, commercial purpose criteria may apply, depending on how the event is administered.

An event is not held for commercial purpose, and therefore a non-registrable event, when:

1. The ticket price is for the administration of an event approved or run by an Authorised Controlled Sports Body or their affiliate body, and is reinvested in the Authorised Controlled Sports Body or their affiliate body; or
2. The ticket price covers the running costs only of an event approved or run by an Authorised Controlled Sports Body, with a leeway of +10 per cent profit allowed above the event running cost; or
3. The ticket price covers the running costs only of an event approved by an Authorised Controlled Sports Body but outsourced to an external promoter who is paid a nominal fee by the Authorised Controlled Sports Body to run the event.

Examples:

Example One:

A controlled sports event authorised by an Authorised Controlled Sports Body raises \$3000 after ticket sales. The promoter can provide evidence that these funds are provided to the Authorised Controlled Sports Body for investment in the Body or its affiliate body (after event administration expenses). This event meets the criteria for one (1) above.

Example Two:

A controlled sports event approved or run by an Authorised Controlled Sports Body costs \$5000 to run. The proceeds of the event amount to \$5,500. This event meets the criteria for two (2) above.

Example Three:

A controlled sports event is approved by an Authorised Controlled Sports Body. Tickets are \$80 each, with a total of 150 tickets being sold, resulting in \$12,000 of ticket sales. \$3000 of these funds are invested in the Authorised Controlled Sports Body, with the remaining profits (after event

administration costs) retained by the promoter. This event does not meet the criteria and is therefore a registrable event.

Example Four:

A controlled sports event is approved by an Authorised Controlled Sports Body and outsourced to an external promoter. The promoter is paid \$400 for their services. Tickets are \$20 each with a total of 100 tickets being sold, resulting in \$2000 in ticket sales. After the \$400 is paid to the promoter, the remaining \$1600 of funds are reinvested in the Authorised Controlled Sports Body after expenses are accounted for. This means criteria three above and is considered a non-registrable event.

The promoter/ organiser of the event must keep, and produce on request of the Controlled Sports Registrar, evidence that proceeds of the non-registrable event in question, were used for one of the purposes described above.

What evidence can be supplied?

Examples of evidence that can be supplied to substantiate the request to demonstrate that an event was not held for commercial purpose may include, but is not limited to:

- > Records of transfer of ticket sale proceeds to the Authorised Controlled Sports Body or their affiliate body;
- > Demonstration of event running costs such as invoices for event hire, insurance fees (for the event), payment of officials (for the event);
- > Payment records for payments to external promoters running events for the Authorised Controlled Sports Body.

This evidence only needs to be supplied on request in cases where an event may meet the threshold of a registrable event. Event promoters/organisers will need to complete a declaration that the event is a *Non-Registrable Event* as part of the notification process form, to ensure that registrable events are registered as such.

CONTACTS

If you are unsure whether or not your event is registrable or non-registrable, please contact Access Canberra and discuss the event with us. We can provide advice to guide you through the correct process. Remember that penalties apply for conducting registrable events without registration, and for conducting non-registrable events and not notifying the Controlled Sports Registrar. It is therefore always best that you discuss your circumstances with us at all times.

To get in touch with us, please email controlledsports@act.gov.au or call Access Canberra on 13 22 81.

You can also contact Access Canberra using the [online feedback system](#), [in person](#) or by [post](#).

For more information, please go to www.sport.act.gov.au/controlledsports.

FREQUENTLY ASKED QUESTIONS

Can I run a registrable event concurrently with a non-registrable event?

No. In these instances the entire event is a registrable event.

Can I run a non-registrable event concurrently with an exempted light contact combat sport?

Yes, you can run a non-registrable event concurrently with an exempted light contact combat sports event. The components that are not exempted must be reported in accordance with the type of event i.e.

registrable or non-registrable. To learn more about obtaining light contact combat sport exemptions, please see the [Light Contact Combat Sports Exemption Applications](#) page on our website.

I'm not sure whether my event is a registrable or non-registrable event. What should I do?

If you have completed the *non-registrable event declaration* on the notification form and you are still unsure, please contact Access Canberra by one of the methods above.

What is an event administration expense?

An administration expense may include things like, but not limited to – venue hire fees, insurance costs, payment of staff at the event e.g. referees, contestant and official travel costs, and equipment costs e.g. set-up, transport.

It does not include costs such as the awarding of prize money or valuable rewards to contestants or sports bookmaking fees. These matters mean that the event is a registrable event.



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