



CREATING A CLUB

A Guide for Recreation and Sporting Organisations

SEPTEMBER 2004

Many people want to create new clubs for various reasons but are not sure how to go about it. The Office for Recreation and Sport has produced this information sheet as a guide for those people.

Incorporation:

If you are considering establishing a club, the first issue you should address is whether or not the club should become incorporated.

Incorporation is a voluntary, simple and inexpensive means of establishing a legal entity. It is an alternative to forming, for example a company limited by guarantee or a co-operative, and is particularly suitable for small, community-based groups.

Except as may be provided in the rules of the association, incorporation provides a limited liability for members.

Incorporated Associations:

- Have their own "corporate identity".
- Can sue and be sued.
- Can enter into contracts.
- Mostly appoint committees to run affairs.
- Documents lodged are kept on a public register.

Another considerable benefit is that many grants programs require that applications can only be made by incorporated organisations.

In considering whether or not to incorporate, you may wish to obtain legal advice. A solicitor will be able to provide you with advice on preparing rules and completing the forms. What to do?


- Obtain a copy of the Associations Incorporation Act 1985 and Regulations plus an example set of rules and the necessary form for completion.
- At a meeting of members, authorise a person to make the application for incorporation and appoint a public officer.
- Lodge the completed and signed forms along with a copy of your set of rules and checklist of rules at the Office of Consumer and Business Affairs.

Check the Office of Consumer and Business Affairs website for more information. This website can be found at www.ocba.sa.gov.au.

Risk Management:

One of the first issues you might wish to consider in establishing a club is risk management.

To assist organisations in understanding what risk management is and how to apply it, the Office for Recreation and Sport has produced a **Risk Management Resource** for recreation and sport organisations which was released in January 2003.



The resource aims to give you basic information to help you understand what you need to do and why, to reduce the likelihood of potential liabilities occurring and limiting the consequences if they do occur. Good risk management practices can also help organisations to focus on opportunities for improvement and enable them to achieve all their aims and objectives.

The resource is available (one per club/association) FREE and can be obtained by forwarding an order form, which can be downloaded from the Office for Recreation and Sport website at www.recsport.sa.gov.au/rim.shtml.

You should receive the resource within 7 working days of sending your request.

Insurance:

Insurance is one option for organisations seeking to manage risk and liability. In today's climate, it is important to first identify what sort of insurance you require. This is normally done via the risk management plan.

The Office for Recreation and Sport is not an insurance broker. It does not recommend specific products or directly provide insurance, nor does the State Government. However we are aware of some opportunities and recommend that you investigate these.

- Affiliation with your State or National Body

Many State/national sporting bodies are involved in what are termed 'Group Insurance' schemes. These involve the State/national body negotiating an insurance package on behalf of all of their members and then each affiliated club is able to purchase insurance through the scheme.

Operating as a group enables the risks and costs to be shared and often leads to much lower premiums than if your club acted on its own. In some cases the cost saving may partially or wholly offset the cost of affiliating with the State/national body!

To find out more, contact the State Association for your sport or activity.

- Using a facility owned or leased from Local Government

Where your club uses a facility located on land you either lease or licence from a council, that club may be able to obtain insurance through the Local Government insurance broker, Local Government Risk Services.

To discuss this you will need to contact Local Government Risk Services to see if your situation meets their criteria.

Alternatively, Local Government Risk Services conduct the risk management training sessions mentioned earlier in this document; by attending one of these sessions you can discuss this option directly with them.

To find out more, contact Local Government Risk Services 08 8235 6410.


- Community Care Insurance

Allianz Australia, NRMA Insurance and QBE have formed a joint venture called Community Care Underwriting Agency (CCUA). The CCUA was formed in response to the need for public liability insurance for not for Profit organisations.

The primary purpose of the CCUA is to help not for profit organisations operating in NSW, ACT, Western Australia, South Australia, Northern Territory and Tasmania get access to public liability insurance for activities including community events, community centres and home care.

The product is designed for organisations that have the following characteristics:

- Provides services to the broader community,
- A not for profit organisation that has turnover/funding of no more than \$2 million per annum,
- Does not distribute profits to its members, and
- Comprises mainly of volunteers.



At present it is not intended that the CCUA would encompass larger organisations with the capability to purchase insurance. This may or may not happen in the future. CCUA has now commenced operating (as at 16/12/2002) and whilst this product is only available for eligible organisations predominantly based in NSW, ACT, Western Australia, South Australia, Northern Territory and Tasmania, work with other States is currently being undertaken to extend the product nationally.

CCUA can be contacted by phone on 1800 023 456 to register your interest, or 02 8227 8230 for other enquiries.

- Sport SA

The South Australian Sports Federation (Sport SA) has arrangements with insurance brokers IEA to assist their members to obtain insurance for sport.

This is a service that Sport SA provides to its members. Sport SA has a range of membership options including categories for State and regional associations, for clubs and for individuals.

To find out more, contact the Membership Officer at Sport SA on 08 8353 7755 or email Sport SA at admin@sportsa.org.au.

- Horse Industry

One of the areas experiencing difficulty with insurance is the horse sector.

Recently Affinity Risk Partners, a Victorian based company, offered a Risk Management and Public Liability Insurance package for horse related businesses and associations.

The packages are aligned with the recently released national 'HorseSafe' Code of Practice.

For more information contact Affinity Risk Partners on 03 9797 2436 or by email at horses@affinityrp.com.au.

For more information about the HorseSafe Code of Practice, contact Horse SA on 08 8294 2460.

- Individual Insurance Brokers

There are many insurance brokers in South Australia who may be able to assist you to source insurance. Three of the larger agencies operating here are:

- AON Insurance: 08 8301 1111
- Marsh Insurance: 08 8211 7655
- Adelaide Risk Services: 08 8235 3444

More information on the various types of insurance available can be obtained from the Centre for Innovation, Business and Manufacturing, BizFact series.

These can be downloaded from www.cibm.sa.gov.au/bizfact.

Planning:

Once you have got this far and you are looking for information on the way your club is managed and developed, the **Club Development Network** could be the answer.

An initiative of the Australian Sports Commission, the primary aim of the Network is to assist your club to develop and implement an action plan consisting of strategies for improving the way your club is managed.

Club Development Network membership is free and enables your club to access a number of online resources. These include:

- A Management Checklist template - designed to help your club identify what you are doing well and perhaps what you are not doing so well. The checklist enables clubs to review their performance against areas of management that are common to all clubs.
- A Summary of Ratings template - designed to help your club clearly identify its management strengths and weaknesses, so that decisions can be made on which areas should be addressed as a matter of priority.
- An Action Plan template - enables your club to transfer those areas to be addressed onto a template that will assist your club to "map out" what needs to be done, by when and by whom.
- Resource Library - provides access to an extensive catalogue of online resources relating to all of the issues raised in the checklist to assist your club to implement many of the actions you have identified in your action plan.



All members receive an online newsletter (E-news) developed by the Australian Sports Commission advising of various initiatives and resources related to club development.

The Office for Recreation and Sport also distributes the Club Development Network e-Bulletin bi-annually to all Club Development Network members in South Australia, which comprises of State-specific information related to club development.

To find out more about the Club Development Network, telephone 1300 130 121 or visit <http://www.activeaustralia.org/> and register for your club's free membership online.

Finances:

Setting up your club's finances can be one of the most important things you do. The Australian Tax Office has a lot of information available for not for profit organisations.

Their website at www.ato.gov.au will guide you through this area including GST, whether or not the club needs an Australian Business Number, and guides for fundraising and records keeping.

Legal Issues:

There is no one place you can go to find out all of the legal issues that may impact on your club, however the work you have already done in risk management and in joining the Club Development Network will assist you greatly in this area.

Some of the areas to consider are:

Incorporation – already discussed.

Will the club employ paid staff? – if yes then www.eric.sa.gov.au will assist you.

Will the club be supplying and/or selling food? – if yes then www.dhs.sa.gov.au/pehs/Food/food-safety-kits.htm will assist you.

Will the club have young people as members and participants? – if yes then www.playbytherules.net.au will assist you.

Fair Trading - no matter where, what or how consumers buy, hire or lease goods or services in South Australia, they are entitled to a fair deal and reasonable satisfaction under the Fair Trading Act 1987 – www.ocba.sa.gov.au provides more information on the Act.

It may be wise to seek out some early legal advice once the club is established on what possible legal issues you should consider.

Marketing:


To be successful your club is going to need additional members; to get them you are going to need to consider developing a Marketing Plan.

The Office for Volunteers has developed some excellent resources that will assist you to market your club through the media and market yourselves to sponsors. These can be found at www.ofv.sa.gov.au/publications.htm.

Grants:

There are lots of sources for obtaining grants, many of which are contained in the Club Development Network resource guide.

Another thing to remember is that if you have taken the time to put in place a planning process for your club, then you have already done a lot of the hard work involved in applying for a grant! Effectively you are simply asking for the resources to put into action the aims, targets and objectives you have already developed, these are already written out in the club's Strategic Plan.



To find out about grants available from the Office for Recreation and Sport, go to our website at www.recsport.sa.gov.au.

To find out about other grants available in South Australia, try the searchable listing at www.grants.ord.sa.gov.au.

Fundraising:

One of the difficulties that clubs face is in general fundraising. The Australian Taxation Office provides some insights into how to manage your fundraising from a records keeping perspective.

The Australian Sports Foundation Ltd (ASF) was established by the Federal Government in 1986 to assist Australian sport and to generate funds for sport from the corporate sector and the community at large.

The ASF assists non-profit, sporting organisations, schools, councils and community organisations to raise money for valid sport related projects. These might include building new club rooms, upgrading oval lighting, buying sporting equipment, funding team travel to national championships or hosting a major event.

The ASF is a non-profit, public company limited by guarantee and is listed in the *Australian Sports Commission Act 1989*. The ASF is also listed in Division 30, sections 30-90 of the *Income Tax Assessment Act 1997* which enables donations to the ASF to be eligible tax deductions.

To find out more, go to their website at www.asf.org.au.

Disclaimer:

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