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THE SPORTS ADMINISTRATION NEWSLETTER



EDITOR: RAY RIORDAN

A NEWSLETTER FOR SPORTING ADMINISTRATORS.

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{ B. Comm Hons. - Chartered Accountant }

Dear Sports Administrator,

Please find enclosed the 3rd Edition of the Sports Administration Newsletter. In this edition we will look firstly at Beauty Pageants as our Fundraising Tip of the month. The organization of such a concept involves considerable work. If done properly and professionally they can also be extremely rewarding. Our second article on Investment will look at the purchase of Diamonds. Initially I said we wouldn't bother with such commodity Investments, but a number of subscribers have contacted me in the hope that we could provide some information on what has proven to be an incredibly profitable Investment over the last two years. If your club has any money whatsoever, tied up in fixed deposit stock, then you should seriously consider this concept.

Our final article looks at a club's rights when approached by tax investigators. Many clubs have incriminated themselves to an extent that guilt and penalties are a forgone conclusion. A little common sense and a knowledge of your rights can prevent this. If you require any further information, then don't hesitate to contact me.

Cheers,

Ray Riordan

BEAUTY AND CHARITY QUEST.

As a fund raising scheme, this falls nothing short of magnificent provided all conditions are observed and the contestants receive the appropriate support from the group organising the quest.

Depending upon the size of the club, the quest should not involve more than 15 girls. Most clubs are small and the areas involved are small and in this case the quest should only involve about five girls competing for one of the two titles - Miss Football or Basketball and Miss Charity Queen (depending on the sport).

a) The most important aspect is to accommodate all contestants with the objectives of the quest. The objective is to raise funds for the club concerned. Incentive is of the utmost importance here and can be developed by providing a very attractive prize to those girls who raise a certain amount of money. For example, if a girl raises \$5000, then a prize to the value of \$1000, should be donated to her. If a girl raises \$1000, then a prize to the value of \$500, should be donated.

Whatever happens don't stifle incentive.

b) To ensure the objectives are achieved, the choice of contestants must be conducted according to prescribed conditions. The conditions must be directly related to the objectives.

i) All contestants, if possible, should come from upper income families. This will ensure solid family and financial support in any venture undertaken. Avenues towards professional and business expertise are much greater also.

The choice of contestants must complement the whole situation.

ii) Contestants should be attractive and unmarried. If possible unattached also. Boyfriends and fiancés' can often provide a very negative stimulus.

iii) An age limit should be placed upon contestants. Usually around 26-28 years of age. The availability of contestants is important here.

iv) Contestants should be well educated and employed suitably to complement their fund raising activities. It's useless if a contestant is bound to a job giving her no free time at all. To raise amounts above \$5000 requires a lot of time so this condition is important.

v) When choosing the contestants do not advertise via the media. Choose each girl personally. If you refuse a girl answering advertisements, it may create ill-feeling. This must be avoided at all costs. Former state and national quest entrants can be helpful in this area.

ORGANIZATION:

Each contestant should be given 12 months to prepare for the final judging. A Committee member or community leader should be appointed to head the fund raising campaign of each contestant. Preliminary "Think-Tank" sessions should now be conducted to determine the various fund raising activities.

Example fund raising activities might be -

Disco Dances, Raffles, Celebrity Tennis or Golf, Film nights, Art Exhibitions, Movie Premiers, Auctions and various other activities you can innovate.

Ensure also that each committee devises a Revenue and Expenditure budget and works as closely to these objectives as possible. It doesn't hurt to be optimistic.

The clubs incur minimum costs with schemes of this nature and this is why it's important to ensure all girls are basically from "well-to-do" families.

The presentation night should also be a fund raising exercise in itself.

With five girls raising an average of \$3000. each, it certainly makes this activity an attractive proposition.

DIAMONDS A SECURE, PROFITABLE AND LIQUID INVESTMENT.

Is it possible to find an investment for personal or managed funds which incorporates both factors of low risk and high return.

If we look to diamonds as an answer to this question, we must surely say yes, as they have not dropped in value in the last 50 years. The following chart reinforces the fact of their earning potential with regard to price increases over the last 22 years. For example, had you invested, in 1957, \$1000 in an investment grade diamond, that stone would be worth today \$42,234. This rise of 4200% has occurred without any drop in price.

Annual Price Increases of Fine Quality Finished Diamonds and the CPI Since 1957

Year	Percent Increase	Compound % Increase	U.S. Consumer Price Index
		Base Year	Base Year
1957	12.4%		
58	2.4	115.1%	102.7%
59	20.8	139.0	103.6
1960	14.7	159.4	105.2
61	8.9	173.6	106.3
62	14.8	199.3	107.5
63	13.3	225.8	108.8
64	2.8	232.1	110.2
65	13.7	263.9	112.1
66	6.7	281.6	115.3
67	4.4	294.0	118.6
68	11.8	328.7	123.6
69	11.1	365.2	130.2
1970	4.6	382.0	138.0
71	3.8	396.5	143.9
72	12.1	444.5	148.6
73	28.0	569.0	157.9
74	50.8	858.1	175.2
75	21.8	1045.2	191.2
76	14.5	1196.7	202.3
77	37.0	1639.5	214.7
78	61.0*	2639.6	231.7
79	60.0	4223.4	263.6

Sources: Gemstone Trading Corporation, the U.S. Bureau of Labor Statistics, and *The New York Times.

See Darlington Commodities

Call in and see one of the investment consultants at Darlington Commodities now. We will show you the diamonds and their certificates, and advise you on the best diamond investment for your particular requirements. In a world plagued by economic uncertainty and high inflation, an investment in diamonds could be just what your money is looking for. Real growth.

One major factor is responsible for the consistency and strength in diamond prices. Primarily De Beers, the cartel which effectively controls diamond prices world wide. They manage this through their Central Selling Organization which markets 5% of all diamonds offered on the world market. In basic terms, if De Beers thinks prices are moving up too hysterically then the Company will increase supply. If De Beers thinks prices are not keeping pace with inflation De Beers will decrease supply. For example, during the early 1930's De Beers ceased all supplies of diamonds to the market for a couple of years and consequently diamonds appreciated in value when many commodities were losing ground. Their ability to monopolize the market is supported by their vast reserves of capital estimated conservatively at 1.5 BILLION DOLLARS. De Beers is publically sworn to a policy of keeping diamond values not only ahead of inflation (mainly in the U.S. and U.K.) but also to keeping diamond prices ahead of O.P.E.C. oil price rises.

One point which must be emphasised is the difference between an Investment Diamond and the type of diamond you purchase at a jewellers, mounted in a ring.

Investment Diamonds are the very best diamonds, in the top 1% of all quality polished stones. Their supply is extremely limited and the quality of available Investment Diamonds is bound to generally decline during this decade. An investment grade stone, complete with internationally recognized certification, is both a highly liquid and highly profitable investment, which the diamond mounted in a ring is rarely. An investment grade stone with extremely reputable certification is a commodity, like any other commodity, that can be bought and sold readily for investment purposes. For these purposes the quality of certification is all important. Investment Diamonds bought through Darlington Commodities Limited are certificated by the Diamond Grading Laboratories Ltd., which is a London based Company, in part established by the Bank of England and the London Clearing Banks. Their grading process is the most scientific and objective in the world and their standards of grading are the most scrupulous.

There are areas of demand building up at a fast rate, particularly over the last twelve months, for example; in the U.S. the Government has given the go-ahead for Superannuation Funds to be able to include diamonds in their portfolios. There is an ever increasing rush by the Super Funds to get into hard assets, particularly diamonds. The potential from a demand point of view is enormous. Similarly, last year, it was reported that O.P.E.C. nations bought large quantities of rough diamonds from De Beers sight-holders.

The Investment Diamond Market is very much in its infancy, but is rapidly expanding and year by year it is becoming increasingly difficult to obtain the type of high quality stones that are presently on Darlington Commodities' national

diamond inventory.

Darlington Commodities Limited is a national company which, prior to the 19th May, 1980 was known as Robert Howes & Associates Pty. Ltd., incorporating Bullion Sales International Pty. Ltd., and as such has grown to be Australia's leading Commodity Investment House. The name change was purely due to a restructure of management, whereby Mr Michael Oades who jointly owned the associate companies, bought Mr Howes share.

As a result of the Company's market prominence, a guaranteed re-sale service is available to all clients. The brokerage charged for this service is 10% of full market value, after the first twelve months of ownership.

The prospects of the diamond market look promising. From June 1979, Darlington Commodities' clients have seen increases in excess of 100%, with 45% since January 1980 alone. This rate of acceleration in price may not continue as such, yet, it is feasible to conservatively expect one to double one's money over the next three years. On June 13th 1980, an 8% increase will be effective on all stones bought through Darlington Commodities Limited.

To the potential investor with relatively low outlay, approximately \$2000, what other investment can offer such stability plus high return.

I realise that many clubs probably haven't the surplus funds to invest in such a commodity, however, many clubs do have surplus funds and if the funds are going to be tied up for periods of twelve months or more, then I suggest you seriously consider this investment opportunity.

Darlington Commodities Ltd. are a very reputable company and I will provide a list of their respective state offices if you require further advice. Don't hesitate to contact me also for further information.

RIGHTS OF TAXPAYERS

INQUIRIES AND INVESTIGATIONS

Officers of the Australian Taxation Office, including inspectors and investigators are given certain powers of inquiry under the Income Tax Assessment Act.

In spite of popular rumour to the contrary, these powers are limited and officers must respect the basic rights and privacy of each individual citizen.

INQUIRIES

There is no legal obligation for a taxpayer to give immediate verbal answers to questions put by a taxation official in person or by telephone. The taxpayer is always entitled to decline to make an immediate answer and to request that the inquiry be put in writing so that due consideration may be given and appropriate professional advice obtained.

Under the relevant Section of the Act, [Section 264 (1) (a)], as interpreted by the courts, the Australian Taxation Office is only empowered to obtain information where:

1. Written notice has been to a specified person, (even where the taxpayer concerned is a company).
2. The notice specifically and clearly states the information which is required.
3. The notice allows reasonable time for reply to the question(s) asked, and states the date by which the information is to be supplied.

ACCESS TO PREMISES, RECORDS AND DOCUMENTS.

Section 263 of the Act provides that the Commissioner, or his authorised officers, ".....shall at all times have full and free access to all buildings, places, books, documents and other papers for the purposes of this Act, and for that purpose may make extracts from or copies of any such books, documents or papers."

Australian courts, which have traditionally tended to protect the rights of individual citizens in any conflict with the statutory conferring of broad powers on Government authorities, have restricted scope of this section of the Act to its purely literal meaning.

This section therefore does not do any more than require a taxpayer to allow access and permit the making of notes, extracts or copies.

- It does not empower a tax official to remove documents. The production of documents may only be called for where an investigation has been formally commenced under Section 264 (1) (b) of the Act, in which case proper detailed written notice must first be given, with adequate time to comply.

It does not require a taxpayer to locate, identify, comment on or explain the documents sought. Should the tax official suggest otherwise, his suggestion may and should be politely but firmly refused and time requested to seek appropriate advice.

The necessity for taxpayers to be supplied with information such as this is perhaps a reflection on the unfortunate tendency of bureaucracies to attempt arbitrarily to extend their powers of intrusion into the affairs of individual citizens.

It is therefore important for taxpayers to be able to recognise a "bureaucratic bluff" early and, generally, not to answer taxation inquiries unless they are in writing and adequate time is allowed for proper professional advice to be sought and obtained.
