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Community Football – Registration and Membership Fee Compensation Guidance

As a result of the COVID-19 outbreak and the related restrictions imposed by the Federal and State Governments in response, many Leagues across community football have had to cancel their 2020 seasons. Consequently, participants in those cancelled Leagues will be entitled to compensation in respect of registration or membership fees (**Fees**) paid. The purpose of this note is to provide guidance to community football Clubs and Leagues in respect of providing that compensation.

Background to Compensation Options

Under the Australian Consumer Law, when a consumer pays for goods and services, the goods and services come with certain guarantees. When goods or services cannot be provided in accordance with those guarantees, the consumer is ordinarily entitled to compensation from the supplier. The consumer may also have additional legal avenues available to them to obtain compensation outside of the Australian Consumer Law.

Where a League has cancelled the 2020 season and a Club is not able to participate, some or all of the goods and services that a participant paid their Fees for will not be able to be provided (e.g. match participation), and the participant will be entitled to proportionate compensation.

A consumer is not normally entitled to compensation in respect of goods and services that have already been supplied. Therefore, the participant's entitlement to compensation can be reduced by the cost of those goods and services already provided, which may include the Club's non-recoverable operating costs apportioned across participants, unless the Club is able to absorb those costs itself. Some examples of goods or services that may have already been provided and may be proportionately deducted from the entitlement to compensation include:

- Insurance for pre-season activities
- Playing apparel that has been supplied
- Payment processing services through STG
- Payments to coaches and/or trainers for pre-season activities

Notwithstanding where a participant has an entitlement to compensation, where the participant freely agrees that their Club can retain some or all of their Fees, there is no obligation to provide such compensation.

In circumstances where the payment of a participant's Fees is split between the Club and the League, coordination between the Club and the League is encouraged to facilitate the delivery of a satisfactory compensation outcome for the participant in respect of their total Fee paid.

Compensation Options

The Australian Compensation and Consumer Commission (**ACCC**), who administer the Australian Consumer Law, have provided some guidance on what types of compensation options will be available to community football Clubs and is available here: [ACCC COVID-19 \(coronavirus\) information for consumers](#).

The ACCC has indicated that the following registration and membership fee compensation options would be acceptable:



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1. Credit Note or Voucher for future seasons;
2. Discount for future seasons; and
3. Refunds.

A combination of the above compensation options would also be acceptable e.g. 50% of the compensation a participant is entitled to could be provided as a refund and the remaining 50% as a credit note for a future season.

As noted, a participant may elect to receive no compensation notwithstanding their legal entitlement to it. Similarly, a participant may elect to receive less compensation than they are entitled to. For example, a Club may provide a player that is entitled to compensation proportionate to 50% of the Fees paid with an option to, say, receive a 25% discount on their fees in 2021.

Subject to the paragraph below, the ACC is open to community football Leagues and Clubs prioritising the issuance of credit notes, vouchers and discounts above refunds, reflecting the fact that such Leagues and Clubs may not be well placed to widely issue refunds to participants. That being said, where a participant has requested a refund (particularly in circumstances of financial hardship) and the League or Club is able to provide that refund it should be given.

Please note that if a League or Club by its terms and conditions of registration or membership, agreed to provide participants with a refund in the event of a season cancellation, they must provide a refund on the request of the participant.

Donations to the Australian Sports Foundation for the benefit of your Club

The Australian Sports Foundation (ASF) is Australia's leading non-profit sports fundraising organisation and charity. Clubs may offer participants the option of making a tax-deductible donation to the ASF, with the preferred beneficiary of the donation being the Club, of an amount they would otherwise be entitled to be compensated. Players/participants that donate to ASF will receive a tax-deductible receipt from ASF for any donations of more than \$2.00.

To provide such an option to their participants, Clubs must set up an account (unless they have an existing account) and project with the ASF. There is no cost associated with the creation of an account or a project, but the ASF will retain 5% of all donations made. Once the Club has created an account, it will have access to an ASF Sports Partnership Manager, who can help set up the Club's project, give fundraising tips and discuss ways to generate further tax-deductible donations using the ASF platform.

Steps for community football Clubs wishing to utilise this option through the ASF are as follows:

1. Open an account and start a project with the ASF.
 - Go to www.sportsfoundation.org.au and click on "Sign up Now".
 - You will receive a welcome email from ASF with instructions on how to set up your online project.
 - If the Club already has an account with ASF, login and go to "Launch New Campaign".
2. Communicate with each participant that has paid Fees explaining the cancellation of the season as a result of COVID-19 and the compensation options available to them.
3. The communication must include the following acknowledgement, which must be agreed to in writing by the participant (e.g. by a confirmation of agreement in a reply email):



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I agree to unconditionally donate my refund to the Australian Sports Foundation, with my preferred beneficiary being the <<org/project name>>. By making this donation I accept the Australian Sports Foundation's [Terms and Conditions](#) and [Privacy Policy](#).

The Club should retain the acknowledgement responses, there is no need to forward them to the ASF.

4. The Club should collect details of the participants willing to make the donation (a donor list spreadsheet template has been provided with this note) and such details should be uploaded via the Club's ASF account [portal](#) using the [Secure Upload](#) function.
5. Transfer via EFT the total donation amounts to ASF. ASF can provide further instructions, including bank details, on this process.
6. The ASF will generate and email tax-deductible receipts for each participant for their donated amount.
7. The ASF will generally issue the funds to the nominated beneficiary Club within approximately 10 business days of receipt.

A Club can also use the ASF platform to undertake fundraising activities to raise additional funds for the Club. If your Club is interested in additional fundraising activities, you should discuss these options with its ASF Sports Partnership Manager.

Example Communication to Participants

An example communication to address these issues has been included in the Appendix that Clubs may use as a base when preparing their compensation communication to participants. This is an example only, and Clubs should consider what compensation options are appropriate for their own circumstances (including if there is a pre-existing agreement to provide a refund in the event of a season cancellation as discussed above) and amend the communication as appropriate. Clubs are also free to establish an online survey, or to collect participant responses through other means, to determine the compensation options their participants have chosen.



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Appendix

[Note: The purpose of this example communication is to provide community football Clubs with a base for preparing their own compensation communication to participants and should be amended to reflect the Club's particular circumstances.]

Dear [insert]

Thank you for your support, understanding and patience at this challenging time.

As you are already aware, due to the COVID-19 outbreak and the related restrictions imposed by the Federal and State Governments in response, the [insert League] has announced the cancellation of the 2020 season.

As such, you are likely entitled to compensation in respect of the benefits of your registration or membership with our Club that now cannot be provided (e.g. your participation in or attendance at matches, related insurance, supporter lunches, etc). The COVID-19 interruption to our 2020 season obviously puts a lot of financial pressure on our Club and as such we welcome our players and members "pledging" (i.e. unconditionally donating) their registration or membership fees to the Club. By pledging you would be notifying us that you are content for the Club to retain the fees previously paid by you to the Club for the 2020 season.

However, we completely understand if not everyone can pledge some or all of the fees paid to the Club in these difficult times and provide the following options in respect of your 2020 registration or membership fees:

1. **Credit Note:** You may elect to receive a Credit Note for the amount of your 2020 registration or membership fees paid to the Club (less the cost of goods and services already provided) to use against your 2021 registration or membership fees.

The following Credit Notes are available:

[Club to list, for each registration or membership type, the fees paid, the deductions that will apply in respect of goods and services provided and the net Credit Note available. Should they choose to do so, the Club may also offer participants a partial pledge/partial credit note option.]

2. **Pledge/Donation:** You may (as noted above) elect to pledge or donate all fees paid by you to the Club in connection with your registration/membership. This is the simplest and best way to support the Club as there will be no deductions as is the case with a tax-deductible donation (see below, noting that you will not receive a tax deduction by electing this option).
3. **Tax-deductible Donation:** You may make a tax-deductible donation of your 2020 registration or membership fees paid to the Club (less the cost of goods and services already provided) to the Australian Sports Foundation with the preferred beneficiary of the donation being the Club. Donations are non-refundable.



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The following tax-deductible donations are available:

[Club to list, for each registration or membership type, the fees paid, the deductions made in respect of goods and services provided and the net donation available. Not recommended, due to complexity, that this option be combined with other options.]

4. **[REFUND OPTION A (UPFRONT REFUND OPTION): Clubs are not required provide this option up-front but some Clubs may choose to do this. If Clubs choose this option, delete Refund Option B text below.]** Refund: You may elect to receive a refund of your 2020 registration or membership fees paid to the Club (less the cost of goods and services already provided).

The following refunds are available:

[Club to list, for each registration or membership type, the fees paid, the deductions that will apply in respect of goods and services provided and the net Refund available. Should they choose to do so, the Club may also offer participants a partial Refund/partial Credit Note option.]

What do you need to do next?

Could you please respond by reply email indicating your selection from the above options by **[insert date]**. If we do not hear from you by **[insert date]** we will assume that you have pledged your registration or membership fees. Of course, if you miss that deadline and want to discuss options that may still be available, please contact **[insert]**.

If you choose the Tax-deductible Donation option, your reply must confirm your agreement to the following acknowledgement:

*I agree to unconditionally donate my refund to the Australian Sports Foundation, with my preferred beneficiary being the **[insert Club and Project name]**. By making this donation I accept the Australian Sports Foundation's [Terms and Conditions](#) and [Privacy Policy](#).*

[REFUND OPTION B (REQUESTED REFUND OPTION) Clubs are not required to offer refunds up-front but where a participant insists on a refund, particularly in circumstances of financial hardship, Clubs should provide such refunds where possible. If Clubs do not choose this Option, this Refund Option B must be offered (and Refund Option A text above should be deleted).] If the above compensation options are not satisfactory given your preference or personal circumstances (e.g. financial hardship), please contact **[insert]** for a confidential discussion of other options including a refund of your registration or membership fees (less the cost of goods and services already provided).

Again, we thank you for your support in these challenging times and very much look forward to the 2021 season.



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