



December 2008



NSWROA DIRECTORS

Ray McDowell - President
John Vouris - Treasurer
Michael Yates - Secretary
Darren Farnham
Chris Keogh
Michael Kissane
Max Whitby

Sharon Hunt – Executive Officer

OFFICE CONTACT DETAILS

GPO Box 1506
SYDNEY NSW 2001

Phone: 9299 4299
Facsimile: 9299 3212
Email: nswroa1@ozemail.com.au
Website: www.nswroa.com.au



2009 RACING NIGHT OF CHAMPIONS

The New South Wales Racehorse Owners Association (NSWROA), in conjunction with our corporate partner, the Sydney Turf Club (STC), are pleased to announce that the NSW Racing Industry's Night of Nights 'Racing's Night of Champions' will be staged next year at Rosehill Gardens' spectacular new event centre – 'The Grand Pavilion'.

This prestigious event, which not only pays homage to the best New South Wales Racing has to offer in recognising achievements for both horses and their humans, also supports Australia's leading cancer charity – Redkite.

Racing's Night of Champions, which is scheduled for Thursday August 13th 2009, will also feature the Inaugural Presentation of the Bart Cummings Medal – the new Racing NSW Award which was announced at the 2008 function.

Members are encouraged to note the date in their diaries.

HORSE INDUSTRY TARGETED IN ATO HIGH WEALTH PROGRAM

Our good friend and Racing's Night of Champions supporter, Mr Paul Carrazzo has kindly agreed to the reproduction of his media release regarding the above topic.

As part of its High Wealth Individuals Program, the Australian horse racing industry is once again being targeted by the ATO.

This program, which is part of its general Data Matching Program, comes hot on the heels of the ATO's racing industry audit which has been running since late 2003 and only now is winding down.

*In a first for the industry, the ATO will electronically match data relating to the sale and ownership of thoroughbred racehorses. This data is to be supplied by leading sales companies **William Inglis & Son Ltd** and **Magic Millions** and, in relation to racing activities, the **Registrar of Racehorses**. The information obtained will be matched with information held by the Tax Office.*

*In essence, the matching process involves ATO accessing approximately **10,000** sales records over a **2 year period ended 31 December 2007** from the auctioneers and about **35,000** thoroughbred records from the registrar. Many breeding and racing syndicates exist within the industry and the ATO expect at least **87,500** unique ownership records will be produced.*

This program highlights that the 2006 Federal Budget provided the ATO with additional funding in the order of \$700 million over a four year period to facilitate the need for increased tax compliance.

The matching process aims first to link data from William Inglis and Magic Millions to data supplied by the Registrar. This will enable sales and ownership information to be amalgamated. The amalgamated records will then be linked to tax file numbers using the owner's ABN provided to the registrar.



Gow-Gates Group
Insurance Brokers and Financial Advisers
Bloodstock Insurance Specialists
Phone 1800 652 006
www.gowgates.com.au

protect
grow



The ATO's objective is to identify individuals who have a significant interest in thoroughbred racehorses. This information, when combined with additional wealth indicators, will assist in identifying owners whose net wealth is such that their affairs should be reviewed under the high wealth individuals program.

The current ATO intention is for this to be a once only program, however, depending on its effectiveness, it may seek to do this process annually.

Carrazzo Comments

- The basic ATO strategy is, via horse ownership records and other wealth indicators, identify high wealth individuals whose activities may potentially be subject to audit.
- High wealth horse owners are now on notice that they must get their horse and general tax affairs in order, especially where they are behind in tax lodgment of tax returns.
- The program is primarily targeting major horse owners and not the breeding industry, though many high wealth individuals are involved in both.
- In terms of date collection, the ATO are only concerned with "high value" sales, which are generally in the \$50,000 plus category.

- Not all racehorses are exempt from Capital Gains Tax, so the ATO likely to be using this program to identify individuals who have not disclosed capital gains in their tax returns.
- It is also likely that the ATO will be trying to identify owners who have inappropriately registered their ownership activities for GST. It is a long held ATO view that stand alone racing activities are generally not considered a business for tax purposes.

NSWROA members are welcome to contact Paul if you wish him to clarify or expand upon any of the matters raised in this article. Contact details as follows:

**PAUL CARRAZZO CPA
CARRAZZO CONSULTING
CPAs**

TEL: (03) 9329 7044

FAX: (03) 9329 8355

MOB: 0417 549 347

E-mail:

paul.carrazzo@carrazzo.com.au

Website: www.carrazzo.com.au

DISCLAIMER

Any reader intending to apply the information in this article to practical circumstances should independently verify their interpretation and the information's applicability to their particular circumstances with an accountant specialising in this area.

REMINDER - WORLD YOUTH DAY COMPENSATION TO OWNERS

Payments should now have been paid to the Randwick trainers who must credit or pay the allowance to owners within 1 month after receiving payment from Racing NSW.

Members are requested to contact the NSWROA office if they encounter any problems receiving the allowance.

BEHIND THE SCENES



The mission of NSWROA is to further and protect the rights of racehorse owners in New South Wales.

The NSWROA Committee is constantly addressing matters that are of interest and benefit to owners.

To this end NSWROA made representations to Racing NSW requesting that RIPAC be reconvened until such time as the new Racing NSW board has been appointed.

I am pleased to advise members that this representation was successful and RIPAC was reconvened recently. Race programming is another item of interest currently being attended to by the Committee.



Gow-Gates Group
Insurance Brokers and Financial Advisers
Bloodstock Insurance Specialists
Phone 1800 652 006
www.gowgates.com.au

protect
grow



**VALE –
MRS VALERIE SMITH**

The NSW Racehorse Owners Association (NSWROA) was greatly saddened to hear of the passing of Mrs Valerie Smith – the matriarch of one of our greatest racing families.

On behalf of the NSWROA Committee and our members we extend our deepest sympathy to Mrs Gai Waterhouse and family.

**2009 MEMBERSHIP
RENEWAL**

It's hard to believe I know – but another year has almost come and gone and it is now membership renewal time again.

For your information, renewal documentation will be forwarded by either email or postal service.

This year NSWROA will be conducting an “Early Bird” Membership Renewal Competition with three great prizes on offer. Entry to the competition is automatic if you renew your membership by Friday 6 February 2009.

NSWROA appreciates our members' previous support and welcomes the renewal of your membership.

NSWROA WEBSITE

During the holiday period, the NSWROA website will be getting a much needed “make-over”.

Any feedback and/or suggestions you may have regarding the new website would be most welcome.

Simply email us at nswroa1@ozemail.com.au

**MEMBER RACING TOUR TO
HONG KONG**



As mentioned in previous newsletters, NSWROA in conjunction with our good friends at Ambassador Travel Services, will be commencing racing tours from 2009.

The first NSWROA tour will be to Hong Kong in late April 2009 culminating at our attendance at Sha Tin Racecourse for Group One racing at the Audermars Piquet Queen Elizabeth Cup meeting.

As well as attending race meetings in both Hong Kong and Macau, the tour will also include sightseeing and leisure time that will introduce you to some of Hong Kong and Macau's most popular scenic attractions and their hidden charms.

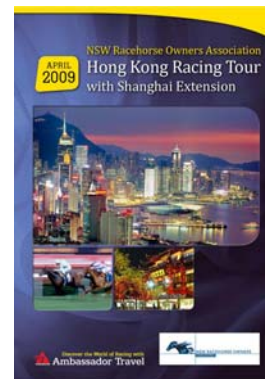
Details for the tour have just been finalised and the brochure is currently being printed.

Members who are interested in attending the tour and would like a brochure can either:-

* email us at nswroa1@ozemail.com.au;

* telephone the NSWROA office on (02) 9299 4299; or

* visit the Ambassador Travel website www.ambassadortravel.com.au.



We look forward to members joining us on our inaugural racing tour.

NSWROA OFFICE CLOSURE

Members are advised that the NSWROA office will be closed for the holiday period from Monday 22 December 2008 to Friday, 9 January 2009, both dates inclusive.

SEASONS GREETINGS



In closing, may I take this opportunity on behalf of the NSWROA Committee, to wish members and their families all the very best for the festive season.

Yours in Racing

Ray McDowell, President
9 December 2008



Gow-Gates Group
Insurance Brokers and Financial Advisers
Bloodstock Insurance Specialists
Phone 1800 652 006
www.gowgates.com.au

