

Attachment 2

Part one - Presented by Bridget K (CSO Committee Secretary)

Tradition 8

- This covers Special Workers and 12th Step work
- What we pay for and don't pay for under this tradition.
- Reference [AA Guideline - GL-12](#)

It is the Longform

Alcoholics Anonymous should remain forever non-professional. We define professionalism as the occupation of counseling alcoholics for fees or hire. But we may employ alcoholics where they are going to perform those services for which we may otherwise have to engage nonalcoholics. Such special services may be well recompensed. But our usual A.A. "12 Step" work is never to be paid for.

So what happens in the Perth's CSO today?

And what records of payment to special workers have we got?

- 12 step work does come through to the Perth office during the day and it is handled by our special workers, but for this part they are volunteers and are not paid.
- They are paid to organise the office so that 12th step work can get done.
- Records of payment to special workers started in 2006.
- The payment was \$50 a day and parking was reimbursed.
- In 2008 it was \$70 a day, and by 2014 it \$75 a day.
- Special workers are still paid \$75 a day.
- At present the office hours are 8.30am-4.30pm, Monday-Friday.
- There is currently 4 workers who cover these hours.
- These special workers coordinate and manage the administration of the office. This means they
 - ➔ maintain the databases for serenity mag subscriptions, the afterhours helpline and the 12 step list, they keep it up to date.
 - ➔ they also send out reminders for subscriptions and phone rosters
 - ➔ they organise all of the printing: labels, rosters, special information notices and the calendar of events
 - ➔ they serve visitors that come to the office – both local and overseas members (this is not 12th step work)
 - ➔ they count and record donations (mostly bags of coin) until the Treasurer takes it over.
 - ➔ they coordinate the literature sales (Receive, store, inventory, as well as pack and post out literature to fill orders)
 - ➔ answer emails and phone calls from members (also not 12 step work, instead they answer a range of queries. For example new members might seek guidance on how 60/30/10 plans works or from older members who might ask how to register a new group or insure it.
 - ➔ There are also queries from the media and other interested members of the public.

The understanding of the current special workers is that the 12th step work they do throughout their day is the UnPaid part and the administrative work they do is the Paid part.

The current committee and how we got here today

As far as the current committee knows, for the past 40 years most special workers in the Perth Office have worked without formal written agreements. It has been mainly a verbal understanding that an honorarium was being paid.

The CSO is an incorporated association, so amongst other things, Peter our current treasurer, understood responsibilities of his role included paying office workers and tax administration.

In October Peter advised the committee that the office may be accumulating a superannuation debt.

He told the committee about superannuation information he had seen on the ATO's website.

Under the superannuation guarantee, employers have to pay superannuation contributions of 9.5% of an employee's ordinary time earnings if: when an employee is paid \$450 in a month and is over 18 years

Refer "[working out if you have to pay Super](#)" fact sheet

Peter had found that some workers PAYG had met this \$450 threshold.

When he presented this information to the rest of the Committee, some members were puzzled as they had different beliefs. Comments included

- CSO doesn't have employees and doesn't pay wages,
- Workers are paid an honorarium (reimbursed for out of pocket expenses)
- Special workers are only paid for some of the hours they work and the rest is volunteered time
- The office passed the last audit (the scope of the audit did not include employment arrangements)

After a discussion it was clear that the committee members had conflicting views.

But, it was agreed by everyone that the area of tax and superannuation was complex and needed further research.

The committee wanted to get some facts about our obligations.

Two actions were nominated and passed

1. Contact the ATO anonymously and ask them some questions

and

2. Speak with other CSO's to see what they were doing.

Peter contacted at least one CSO in each of the other states He found they either:

- only employ special workers ,or
- only use volunteers, or
- use volunteers as well as employ special workers

Where special workers' were employed their wages were aligned to an award.

This included paid entitlements – holiday pay etc

As I mentioned earlier our current office workers understanding is that they are both volunteer and special worker.

The information on the ATO website seems to suggest that the special workers were not getting reimbursed for out of pocket expenses, because our workers generally do not incur expenses other than parking.

To find out if the ATO would consider workers as an employee, Peter gave them a summary of the, number of workers, payment, the hours and years worked, annual leave and public holiday payments. This reflected the current office structure but he did so namelessly.

The outcome of the enquiry was that it was likely one or more workers were employees, and may be owed superannuation. The ATO did not give an official ruling on this because we did not identify ourselves as Perth CSO in the email.

When the ATO makes a formal assessment they also assess each worker's individual circumstances.

In November Peter formed a special working group made up of former CSO committee members to discuss a way forward.

In December two members of the working group attended the CSO meeting to present some options based on their previous experience and knowledge.

Again there was uncertainty and opposing views amongst committee members and no proposals were passed.

In early January the committee met again to talk about the issues a bit more and decide on the best course of action.

The outcome of that meeting was to tell the membership about the situation through this special general meeting.

After the meeting I contacted the GSO in Sydney to find out if there had been similar concerns with other CSOs. I was told that like AA meetings each CSO is autonomous, and the decision on how we manage it was ours.

I was reminded by the GSO that members in WA fund the office through their Tradition 7 donations, so telling members of this potential issue and its possible financial impact, seemed a transparent and sensible option.

Part two - Presented by Peter D (CSO Committee Treasurer)

What we do know?

There are 7 CSO workers (going back to 2006), past and present that have been paid \$450 or more in a calendar month.

What could this mean?

Using the ATO's method Peter calculated what super **might** be owed.

This amount totals \$22,812

- \$9,541 in unpaid super contributions
- \$8,521 of interest on unpaid super contributions
- \$4,750 of penalty admin costs

If the ATO reduces the penalty fees it may be reduced to \$18,062 (up to June 2017)

Other things we don't know

- Would the ATO view the \$75 per day as an honorarium payment? If not, our obligations would probably include paying superannuation. This could have a flow on to Fairwork legislation.
- Fairwork's fact sheet seems to indicate our office workers do fall into the category of permanent [part time employees](#). - because of the regular work they get.
- Would Fairwork view that we are operating as we should? If not, our obligation would probably include minimum entitlements sick leave superannuation etc.
- So how far back would we go? Fairwork's [website](#) says they are **unlikely** to get involved in issues which happened more than 2 years ago.
- If a CSO worker is classed as an employee, our obligations would probably include putting an employment contract/award in place
- This would further flow on to our insurance obligations in case of injury in the workplace.

None of the committee are lawyers, accountants or Fairwork experts, but we have done our best to understand if our obligations with an arrangement put in place a long time ago have now changed.

The legal obligations around employment are complex.

It appears from the research we have done that some of the committee feel that our current practices may not be lawful.

We don't have official rulings other than the fact sheets and websites I have talked about.

So this is where the membership comes in....for questions, views or concerns, and hopefully some decisions.

Perhaps there are options other than the ones presented in the SGM Notice and I'm sure these will be presented.

But what is key to establish is

- Past and current employment status
 - volunteers or paid under an award wage or honorarium
- Entitlements owed or not
 - Superannuation annual leave and sick leave
- Future CSO workers arrangement
 - Honorarium, Volunteers or Award wage

Perhaps seeking legal advice could be another option that would support the committee to move forward with confidence.

Antony B is an AA member, also a lawyer with experience in Tax law.

He has written some key points which the committee believes will be helpful to the discussion today.