

26 July 2008

Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Sir

I refer to the Committee's invitation for submissions on the relevance and appropriateness of current disclosure regimes for charities and all other not-for-profit organisations.

I am President of Sydney Maccabi Tennis Club Ltd. The club is a suburban tennis club with just over 200 members, both juniors aged from 10 to 18 and seniors over 18. As with many entities of this type the club is a Company Limited by Guarantee under Section 112 of the Corporations Act. This is the situation as it is totally impractical to transfer shares from members who cease to be members to new members or to cancel shares from each member who ceases to be a member or issue shares to each new member.

As a Company Limited by Guarantee is defined in the Corporations Act as a public company the club has to comply with the Financial Reporting requirements of Part 2M.3 of the Corporations Act. This includes compliance with full IFRS accounting and audit of full financial accounts. For a local tennis club this is an onerous requirement which has incurred costs of up to 15% of the club's annual membership fees.

We submit that this is an unintended anomaly of the disclosure regime for not for profit organisations. We submit that this can be readily addressed by allowing these sort of entities to be proprietary companies and that for these sort of entities the number of shareholders that are allowed be greater than the present limitation for proprietary companies of 50.

Kind Regards

James Beecher