



Committee Secretary  
Senate Economics Committee  
Department of Senate  
P O Box 6100  
Parliament House  
Canberra, 2600

24<sup>th</sup> July 2008

Dear Sir or Madam

**RE: Inquiry into the Disclosure regimes for Charities and not-for-profit Organisations**

As members of a not-for-profit Community Organisation, we write in support of the enquiry, as moved by Senator Lyn Allison, as reported in the Choice Magazine published in March 2008, and as set out in “Our Community Matters” magazine for June 2008.

We agree that at present there is no uniform accounting and reporting standard for Charities. As stated in Choice Magazine, the UK have a Charities Commission, New Zealand and Canada have similar uniform regulation and we support the proposal to have a single regulator with powers to enforce compliance in Australia.

Speaking broadly, many large charities use a range of strategies to “hide” some of the facts about how they expend their money. This then “hides” the fact that some of their activities are not being monitored, therefore services are not being delivered as per their agreements, and this is going unnoticed by those who are handing out the funding. Just in our own little area of Queensland there are clouds over at least three organisations that could do with some more transparency in their use of public and Government funds.

Currently in Queensland not-for-profit organisations or charities report yearly to the Office of Fair Trading and the Australian Taxation Office. Would it not be better and more open if annual reports and audited accounts were to be lodged “on line” and then be available to the public (as in the UK). Anyone seeking more in-depth analysis of reports could request them (for a standard fee) from the respective organisation.

On the issue of charities expenses and ‘overheads’ we strongly agree that this area requires considerably greater transparency. We believe that the Inquiry needs to define what is meant by ‘overheads’ and ‘beneficiaries’ and to require that organisations separately record overheads through the financial audit process.

We also strongly agree that the definition of 'not-for-profit' and 'charity' needs updating as well as defining the 'business' activities of not-for-profit organisations (particularly fundraising) and distinguishing between their charitable activities, their business activities and the funds that flow both ways between them.

Your Committee of Inquiry has our best wishes. Larger charities with clever accountants have become expert at subterfuge, diversion and misinformation but we will support any efforts by the Committee to improve transparency and disclosure of information about the activities of not-for-profit/charitable organisations.

Yours sincerely,

Evol J Keane,  
Secretary