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19 August 2008

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

Dear Sirs

Inquiry into the Disclosure regimes for charities and not-for-profit organisations

I write on behalf of Scouts Australia. One of the Laws we live by is "A Scout is Trustworthy". This is reflected by our consistent compliance with all legislation and complete transparency in financial, governance and operational matters.

Your inquiry's terms of reference address the adequacy of current disclosure & regulatory requirements for the not-for-profit sector and seek to examine ways to improve governance, standards, accountability and transparency in the use of public and government funds. It is apparent from the background information provided by the Committee's Secretariat that the inquiry is motivated by concerns about lack of compliance by a number of very small not-for-profit organisations and the participation by some larger organisations in business activities.

Scouts Australia believes that a distinction can be drawn between Scouting and the organisations that are the subject of these concerns.

- First, Scouts' compliance, governance and disclosure performance is first rate.
- Second, Scouts depend predominately on subscriptions from youth members and gifts from past members for funds. Unlike organisations that press the public for donations for the bulk of their income, Scouts only use public fundraising to supplement the subscriptions of its youth members.

Scouts Australia encourages the Inquiry to fully consider the impact that proposed changes to disclosure and regulatory requirements may have on organisations such as ours. We draw your attention to the enormous amount of wasted effort (& expense) caused by the application of IFRS standards that are inappropriate to the not-for-profit sector. We also emphasise that well intentioned changes have the potential to divert us from our community aims and discourages the volunteers upon whom we rely.

We therefore strongly recommend that Scouts Australia be given the opportunity to comment on any proposed changes before the Committee reports. Representatives of Scouts Australia would be pleased to give evidence at a public hearing should the Inquiry desire.

Ian Langford-Brown
Chair, National Executive Committee
Scouts Australia