



SYC Corporate
Level 6, East Wing
50 Grenfell Street
Adelaide SA 5000
T (08) 8231 6676
F (08) 8231 7551

20 December 2012

Manager
Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600
NFPreform@treasury.gov.au

SUBMISSION TO TREASURY CONSULTATION PAPER

Thank you for the opportunity to provide a response to the *Consultation Paper on Review of not-for-profit governance arrangements*. This response highlights three key points for your consideration.

Established in 1958 with a clear mandate to support disadvantaged young people in Adelaide, SYC (Service to Youth Council Inc.) has literally helped three generations of people to find a safe place to sleep, deal with personal issues, finish school and reconnect with their families.

SYC exists to positively affect the lives of young people in Australia. This focus on young people is deliberate and has remained at the core of SYC since 1958. Importantly, it does not exclude SYC from working with Australians of all ages, when doing so allows us to extend the reach and impact of our services.

Harmonisation with existing regulatory frameworks

SYC is an incorporated association under the *Associations Incorporation Act 1985* (Sth Aust). As with similarly incorporated entities, board members of SYC have a legal responsibility for actions of the organisation. Legal consequences already exist for any wrongdoing. Further, board members may also be liable if their wrongdoing causes the organisation to break the law or if they are otherwise derelict in their directors' duties. These responsibilities, whilst principally tenants of good governance practice, also serve as important considerations for any person considering joining a not-for-profit board and, indeed, as important reminders of a board member's obligations.

SYC encourages recognition of this existing regulatory framework in decisions regarding the new operating environment for charities and not-for-profits from 1 July 2012.

Alignment with Corporate Governance Principles

The operations of SYC are bound by the constitution of our organisation and the rules and objects contained therein. Board oversight is enhanced through the use of board committees including Audit, Remuneration and Governance committees. Furthermore, board oversight and performance is enhanced and monitored through the engagement of third party experts in areas including audit, property, remuneration and board performance. These external consultants help to ensure best practice and for SYC to meet or exceed legal and regulatory obligations.

Job Prospects
& Training Prospects
are divisions of SYC.

Service to Youth Council Incorporated
Established and Incorporated in South Australia.
A.R.B.N. 136 605 626

SYC commends the ASX Corporate Governance Principles as a model example of providing a governance framework that is rigorous and robust whilst affording sufficient flexibility to meet benchmarks aligned with the scale, scope and resources of any not-for-profit organisation.

In the view of SYC, there is in existing Governance Principles, sufficient regulatory process and remedy so as not to require additional requirements for NFP governance beyond that of an ASX-listed company.

Commitment to continuous disclosure

In relation to disclosure to members and other stakeholders, SYC supports a standard no more onerous than the ASX Listing Rules. Existing governance practice is for SYC to communicate openly with our members as with all stakeholders. The relationship between each of our members is both binary and personal. As such SYC considers it inappropriate for a regulator or regulations to mandate the content of disclosure (thereby potentially prescribing the content of interactions between a member and a not-for-profit organisation), instead with any regulation focused on the method and obligation to interact or disclose.

For further information regarding this submission, please contact Michael Clark, General Manager - Corporate Communications on (08) 8231-6676 or email to mclark@syc.net.au

