

From: Paul Wilmot [paul.wilmot@bigpond.com]

Sent: Monday, 31 March 2008 6:39 PM

To: AASB Mailbox

Subject: COMMENT ON ITC 14: DRAFT DEFINITION FOR NOT-FOR-PROFIT ENTITIES [SEC=AUTO-UNCLASSIFIED]

Importance: High

Dear Chairman, I am forwarding my comments on ITC 14. My comments on the draft definition are based on my 15 year role as a CEO of a major WA aged care not-for-profit [NFP] organization [1987 to 2003] & industry peak body leadership roles at the state, national & international levels. Since 2003 I have been a company director of several private & public companies & remain Chairman of the WA Energy Industry Ombudsman's board. I believe the NZ guide by defining one primary objective is far too restrictive for our situation. I recommended a set of essential characteristics/objectives for NFP organisations should include the following form of words: "NFP organisations must be able to demonstrate: 1. A pursuit of a preferential provision of services to people who are disadvantaged & marginalised. 2. A connection with the wider community via a significant volunteer service. 3. A financial policy that requires surplus funds to be reinvested for the benefit of clients, no dividends are paid to donors or investors, no board directors receive payments, no sale of the business for profit & the business or service can only be transferred to a similar NFP organisation." These three characteristics/objectives have for many decades been the guiding hallmarks of most NFP organisations in Australia & in many overseas countries. They are also relatively easy to apply & audit. Yours Sincerely

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