

SCARF MCCI Merger Frequently Asked Questions

What is SCARF and what does it do?

Founded by Sharyn and Kel McKenzie in 2005, SCARF is an independent, community-focused not-for-profit organisation that helps humanitarian refugee entrants in the Illawarra build a sense of belonging and navigate the challenges of starting a new life in Australia. By creating connections and generating opportunities across seven core programs, SCARF helps individuals and families to establish a sense of belonging, experience social and economic inclusion and access the tools for self-empowerment and independence.

The SCARF community includes more than 2000 people from refugee backgrounds and a team of more than 250 local volunteers.

Why is SCARF looking to merge with MCCI?

SCARF has actively sought a merger with a like-minded organisation so we can continue our vital work in supporting the Illawarra's refugee community. Merging with the Multicultural Communities Council of Illawarra (MCCI) will give us the financial stability we need to continue to deliver the services we've provided for the last 15 years as well as increased opportunities and capacity to respond to new community needs.

By joining forces, SCARF and MCCI will be maximising the positive impact both organisations can have. We already make a positive difference in hundreds of lives and merging will enable us to expand what we do.

What does MCCI do?

MCCI was established in 1975 and delivers services to and represents the interests of people from culturally and linguistically diverse backgrounds (CALD) in the Illawarra, ACT and Queanbeyan. MCCI's services include aged care, youth development, community capacity building, volunteering, and training. It is one of four peak bodies recognised by the NSW Government's Leaders in Cultural Diversity initiative.

Working with refugee communities isn't new for MCCI. About 80 per cent of young people in MCCI's youth programs come from refugee backgrounds and many of MCCI's staff identify as being from refugee backgrounds.

What do MCCI and SCARF have in common?

The values and approach of the two organisations are already closely aligned and we have a strong understanding of each other's operations through working together on many projects, including:

- Refugee Week celebrations
- Facilitating youth participation in:
 - MYAN programs in Sydney
 - Youth Panel at regional MYAN meeting co-hosted by MCCI
- Establishing the Burmese Garden at St Therese's Catholic School
- COMPACT / Lead the Way with Let's Lead
- Refugee Challenge – youth participation at the Challenge
- Annual Youth Conference

Why can't SCARF continue on its own?

As a not-for-profit organisation, SCARF relies on grants, donations and fundraising so we can deliver services to refugee families. Raising funds has been very difficult during COVID. Despite trying hard to stay afloat, we reached a point where we realised that SCARF on its own cannot afford to deliver our current level of services into the future.

How has the proposed merger come about?

Serving the Illawarra's refugee community is our first priority. Understanding our financial position, the SCARF Board actively looked for an organisation in a similar field to ours, with values that matched our own, and we began discussions about a potential merger. As a well-established and highly reputable organisation delivering services to the Illawarra's migrant communities, MCCI is the ideal organisation for SCARF to merge with.

What will this mean for SCARF services?

Our services to refugees will continue unchanged and, under the merger, they may even expand. Merging with MCCI means we'll have the benefit of shared resources such as administration, finance and HR systems and office space. Rather than having to focus on financial survival, we'll be able to put our energy into providing the most effective services to refugee communities.

Why couldn't SCARF find enough funding to keep going on its own?

COVID-19 has had far-reaching impacts on many organisations, including those like SCARF in the not-for-profit sector. The pandemic has affected our ability to hold fundraising events and interact easily with potential donors. Job losses and restrictions meant that people who might have supported us financially in the past have had to focus on their own needs. Being a small, non-profit organisation has always been a challenge, but for SCARF it is now financially unsustainable.

What will happen to the SCARF name?

SCARF will continue to operate under its own name. We will keep our own website and branding, while having all the benefits of being part of a larger, financially viable organisation.

What will happen to refugee individuals and families who are currently helped by SCARF?

They'll continue to be able to access our services, with the same friendly and capable volunteers. The programs they know and love will continue.

Recent communication with community members (using our community mobilisers) informing them of the merger proposal and seeking feedback has not identified any significant concerns. Feedback has been only positive with a clear enthusiasm for SCARF once again having offices and a place where community members can drop in and seek assistance.

Is this a takeover of SCARF by a larger organisation?

Not at all. The SCARF Board initiated and actively looked for opportunities to merge with another organisation, to ensure the ongoing financial sustainability of our services. Both SCARF and MCCI and their communities will benefit.

What are the benefits of the merger?

The merger is a win-win for the two organisations and their communities. For SCARF, the benefits include financial stability and access to shared resources, improved office premises and being part of

a highly respected organisation with established relationships with funding bodies and a strong track record in delivering large programs. All of those benefits will combine to enable us to focus fully on delivering the best possible services to refugee communities.

For MCCI, SCARF brings a strong and trusted brand, deep outreach and relationships in local refugee communities, highly engaged volunteers operating within a well-established framework and high-quality inclusion/integration services that can complement and enhance service provision in employment, settlement and community services.

What are the downsides?

We don't believe there are significant downsides to this proposed merger. SCARF has actively sought to merge and both organisations have gone through a careful due diligence process to make sure we're a good fit for each other.

One possible risk is that people might assume SCARF no longer needs community support if it's part of MCCI, but in fact support from our donors and fundraisers will be more important than ever. SCARF programs fill gaps that aren't addressed by government services. Our supporters are vital in helping us fill those gaps – and that will continue to be the case, regardless of our organisation's structure.

There's also a risk that some members of the SCARF community might feel disengaged as a result of the merger; after all, change of any kind can feel uncomfortable. That's why we want to assure our wonderful members, volunteers, donors, fundraisers and supporters that you will continue to be vital and valued members of the SCARF family.

Will SCARF be seen as a poor relation of MCCI?

No, we will be an important arm of MCCI, operating with our own name and brand and continuing to deliver services in our area of expertise.

What about communities newer to the Illawarra – will they still be looked after?

Yes. Since 2005, SCARF has provided services to people from 14 countries of origin and we'll continue to deliver on our Vision of seeing refugee entrants happily settled and participating fully in the life of the wider community.

What will happen to SCARF's volunteers?

Our wonderful volunteers will continue to deliver the services they always have. In fact, we will need them more than ever if our range of services is expanded.

What will happen to SCARF's staff?

Most current program staff will transfer to the SCARF Business unit within MCCI. Those employees with a broader operational support role will transfer to the relevant team within MCCI and be offered an initial 12-month contract while the new arrangement goes through a transitional or adjustment phase. There will be some re-alignment of roles to ensure consistency across the entire staffing structure.

I am a member of SCARF. Can that continue after the merger?

Our members are an important part of our organisation and many of them are also volunteers. As a member, your support is crucial in ensuring the merger goes ahead. After the merger, you'll become

a valued member of the SCARF supporters' network and will continue to have a voice in our operations and provide service direction input.

Will SCARF continue to have its own board?

No, after the merger, one current SCARF Director will become a member of the MCCI Board. MCCI has also formally committed to forming a SCARF sub-committee of its board.

Does this mean you're making decisions based on money rather than community need?

We put the needs of refugee communities first – but those needs can't be met if we don't have the funds to deliver our services. We have made the decision to seek a merger primarily for financial reasons, but the driving issue behind the decision is the importance of continuing to support the Illawarra's refugee families. Ultimately, we didn't want to risk being forced to cease operations due to insolvency, which might have been the case during COVID if not for JobKeeper support.

Where will SCARF operate from?

Since the COVID lockdown last year, SCARF hasn't had its own premises – and we know that's been greatly missed by refugee communities, volunteers and other members of the SCARF community. We'll initially operate from MCCI's building in Corrimal Street, Wollongong and in the near future it's expected we'll move to even better facilities as part of MCCI's Kenny Street premises. Being part of a larger organisation opens up exciting opportunities to create a community hub space, which will be of huge benefit for multicultural and refugee communities in the Illawarra.

Can you guarantee all of SCARF's current services will continue into the future?

Becoming part of MCCI will enable SCARF's current services to continue into the future while opening up opportunities to expand what we do. Without a merger, we would struggle to continue to provide services at their current level.

In fact, the merger may create opportunities for existing SCARF programs to become accessible to a broader cohort of CALD community members that will benefit from our services making those services more viable and increasing their impact.

What needs to happen for the merger to go ahead?

SCARF members will need to vote on a special resolution for SCARF to merge with MCCI. This will take place at a general meeting of members on the 30 June 2021.

What if members say no to the merger?

The reality is that we might survive a year or two but with a need to have physical offices, SCARF would need to downsize considerably both in terms of staffing, programs and service delivery. The refugee community would be the big loser if that were to happen.

Shouldn't the government or council be funding SCARF so it can continue?

Government resources at all levels are under considerable strain, even more so as a result of the global pandemic. SCARF has always operated as a community-based non-profit organisation without reliance on government funds. It is highly unlikely that funding would be made available for SCARF to operate on its own. The current freeze on refugee arrivals due to COVID will also limit funding opportunities but with SCARF picking up support after government support ends (after five years of arrival) the next few years will be very challenging.

Is this decision being rushed through?

No, the decision to seek a merger has been carefully considered by the SCARF Board and Executive. We believe merging with MCCI is a highly responsible choice, made in the best interests of refugee communities, our volunteers and supporters. As indicated at the last SCARF AGM, this decision has taken over 18 months to get to this point.