

WHAT IS A PUBLIC BENEVOLENT INSTITUTION (PBI)?

A PBI is a charitable institution with a main purpose of providing benevolent relief to people in need. Once registered as a charity and a PBI by ACNC the ATO will, subject to some exceptions, grant the entity income tax exemption, GST concessions for charities and FBT exempt status.

A Public Benevolent Institution needs to be an entity whose principal Object, and also its activities, are for the relief of poverty, sickness, destitution, suffering, distress, helplessness or misfortune, for those arousing compassion in the community. Non-benevolent Objects or activities must be incidental to the primary PBI purpose or Object and such activities must be minor in importance and extent. The ACNCs Commissioners Interpretation Statement, in a 22 page document, provides substantial information and examples to expand on this. It is important not to have any Objects in a Constitution that are non-benevolent.

In special circumstances PBI status may be granted to an entity that conducts its activities, in whole or in part, overseas. The ACNC External Conduct Standards will also apply in such a situation.

Needs that can be met by education, training or promotion of social objectives will not normally arouse community compassion. There will however be some special instances where an educational or training activity may be approved.

Needs must be for humans, not animals.

If an entity exists to promote social welfare generally, it will lack the required benevolence. Focus must be more specific to meeting the needs of a disadvantaged class of people.

Benevolence must be available to the public, or a significant section of the public. Restrictions on access to relief may well be a barrier to endorsement.

Public control is not essential – it is the activity that counts. However, public accountability is important and will assist in confirming its status.

Community compassion can change over time, so an entity that was once accepted as a PBI may lose its status due to community changes. A regular review (preferably annually) should be undertaken.

Marriage breakdown and its related stresses and, consequently, services aimed at assisting persons in such stressful situations, are not accepted as 'arousing community compassion'.

Payment of fees is not, in itself, a barrier, but the implementation policy and waiver policy related to such fees becomes significant. An assessment process regarding need is often appropriate.

Prevention of distress is not, on its own, adequate. An entity that builds a fence on a cliff top to prevent people falling over will normally fail, but the ambulance service that collects the broken body at the foot of the cliff will be approved.

Counselling organisations will normally have difficulty in passing the tests.

Women's health centres also often have difficulty in passing the test.

Add-Ministry Inc.

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