



-ADDING TO YOUR MINISTRY

NEWSLETTER - JULY 2018

Associations Incorporations Act:

There is now less than one year to enable you to upgrade your Rules (Constitution). On 1 July 2019 any association which has not upgraded will henceforth be subject to Mines Dep't Model Rules where there is inconsistency relating to charities. You need to be aware that the Department's Model Rules were prepared for the wider not-for-profit community and do not adequately comply with the legal requirements for a registered charity. We refer you to our addministry.org.au website, Publications page for Model Rules that meet both regulatory bodies requirements.

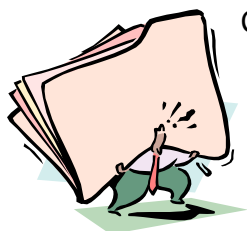


Australian Charities Report:

An interesting insight into the size and activities of Australian charities comes from a review of the Australian Charities Report for 2016.

- Charities received \$10.5B in donations;
- Total revenue was \$142.8B;
- Total expenses were \$137.1B;
- The Charity Sector employs 1.3M staff;
- There are 2.9M volunteers involved in the Charity Sector;
- 40% of charities are small with an annual revenue below \$50,000;
- 1% of charities have an annual revenue in excess of \$100M annually;
- Religious activities are the main activity of 31% of all charities;
- The next highest category was education at 17%.

Annual Information Statements (AIS):



Charities with a balance date of 31 December are required to have lodged their AIS with ACNC by no later than 30 June. This should normally be done through the Charity Portal but a paper form can be made available by sending an e-mail request to advice@acnc.gov.au. If you have not already lodged your AIS, it needs to be given high priority now. Help is available by phoning ACNC at 13 22 62 or e-mail advice@acnc.gov.au.

Political expenditure by Charities:

The Australian Electoral Commission now require organisations or individuals (other than registered political parties or candidates) who incur political expenditure to lodge an annual “Third Party Return of Political Expenditure” if their political expenditure exceeds \$13,800 in the 2018/19 financial year. Such expenditure is described as: –

- Public expression of views on a political party, candidate or member of the Commonwealth Parliament;
- Public expression of views on an issue that is, or is likely to be, before electors in an election (whether or not a writ has been issue);
- Opinion polling or other research related to an election;
- Communication of an electoral matter that is not authorised;
- Broadcast of political material that is not authorised.

Christian Charity under Review for Political Lobbying:

ACNC have commenced an investigation into the activities of a Christian organisation for seeking to influence the outcome of a recent Federal election. There are restrictions regarding lobbying either for or against a political party or candidate in relation to an election. The issue is about entitlement to be registered as a charity. More information is available at Section 11(b) of the Charities Act 2013.

Senate Inquiry into Charitable Fund-Raising:

Charities across Australia will welcome the establishment of this Senate Inquiry as such an action is long overdue. Currently each State and Territory across Australia have their own separate legislation which requires charities seeking to raise funds Australia-wide to be registered in each jurisdiction. This is an enormous waste of regulatory activity. The terms of reference of the inquiry include exploring how Federal State and Territory Governments can work together to provide charities with a nationally consistent, contemporary and fit-for-purpose fund-raising regime. It is to be hoped that this inquiry will produce beneficial results for the Sector.

More information is available at:

www.aph.gov.au/parliamentary_business/committees/senate/charity_fundraising.



Note that in Western Australia and some other jurisdictions, religious organisations are exempt from the effect of these fund-raising obligations.

ASIC fees – Charities exempt:

A new fee structure has been approved for ASIC, effective from 1 July 2018. The intent was to introduce a ‘user-pays’ regime. For commercial enterprises this means a significant increase on their annual fee. Companies Limited by Guarantee were also to be charged an annual fee of \$321.00. However, following strong representations by the ACNC such companies, where they are also registered charities, have now been assured of fee-free status. If you receive a letter from ASIC be sure to advise them of your charity-exempt status.

Protection for Whistle-blowers:



The Australian Treasury Laws Amendment (Whistle-blowers) Act came into force on 1 July 2018. This Act aims to protect the anonymity of the person, provide for immunity and where appropriate, provide for compensation. It also imposes substantial penalties on any person or organisation that breaches the anonymity or threatens a whistle-blower.

FBT for Religious Practitioners:

ATO have issued a Draft Tax Ruling to replace the earlier 1992 Ruling. One example given relates to predominantly administrative duties and reads,

“Bob is a minister of religion. His duties performed in the accounting division of the church are exclusively or predominantly of an administrative nature. A registered religious institution pays the costs of educating Bob’s daughter. This benefit is not exempt because it is not provided principally in respect of pastoral duties or directly related religious activities.”

This example is consistent with the earlier ruling but is much clearer.

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