

ACT Red Hill Bush Regenerators Incorporated

Notice of intention to seek special resolution to amend the Rules to attain Deductible Gift Recipient/Registered Environmental Organisation status

At the post working-bee meeting on Sunday 3 March 2024 we will be seeking members' endorsement, by Special Resolution, of some important alterations to the association's Objects and Rules.

The motion for the Special Resolution will be:

That members approve the alterations to the Objects and Rules of the Association as set out in the version of the Rules appearing on the Association's website at: <http://redhillregenerators.org.au/wp-content/uploads/2024/02/2024-Draft-Rule-Alterations-.pdf> under the heading *2024 Draft Rule alterations*.

Purpose of the amendments

At the AGM on 3 September 2023, members approved Rule changes required by the Department of Climate Change, Energy, the Environment and Water to enable us to apply for Deductible Gift Recipient (DGR) status. The purpose of those changes was outlined in the Notice we sent to members dated 8 August 2023 (see **Attachment A**).

Unfortunately, before the RHRG Committee could complete the process to apply for DGR status, the tax legislation was amended to change not only the process for applying, but also some of the substantive requirements for DGR status as they apply to environmental organisations, with effect from 1 January 2024. ("Environmental organisation" is the category under which RHRG must apply for DGR status).

Specifically, those substantive requirements principally relate to the type of fund that an environmental organisation must establish to receive deductible donations. Previously, the requirement was for a **public** fund. Now, organisations must establish a **gift** fund. The requirements for a gift fund are different from those for a public fund. Further, applications are now no longer considered by the Minister for the Environment and are managed by a delegate at the ATO, so clauses relating to those requirements have been removed. For further information about gift funds vs public funds and the new requirements, please see the ATO website at <https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/getting-started/getting-endorsed-for-tax-concessions-or-as-a-dgr/is-my-organisation-eligible-for-dgr-endorsement/rules-and-tests-for-dgr-endorsement>.

To meet the new requirements for gift funds, we have drafted some further changes to the Objects and Rules. You have been provided with a copy of the proposed changes, shown in coloured highlighting, on our website at:

<http://redhillregenerators.org.au/wp-content/uploads/2024/02/2024-Draft-Rule-Alterations-.pdf>

Nature of the amendments

The amendments delete the clauses that would have established and managed the public fund and replace them with clauses to establish and manage a gift fund.

They also delete now-obsolete clauses such as those referring to the Minister for the Environment and the Register of Environmental Organisations (the latter is now abolished). The clauses are based on new ATO guidelines (released 2 and 3 January 2024) and discussions with the ATO's not-for-profit team.

The other changes that were made to the Rules in September 2023 do not impact on the eligibility requirements for DGR.

Special Resolution

Under the *Associations Incorporation Act 1991*, any alterations to the Objects or Rules must be approved by Special Resolution. This means at least $\frac{3}{4}$ of the votes of members voting in person at the meeting, of which 21 days' notice was given:

70 Special resolutions

A resolution of an incorporated association is taken to be a special resolution if—

- (a) it is passed at a general meeting of the association, being a meeting of which at least 21 days notice, accompanied by notice of intention to propose the resolution as a special resolution, has been given to the members of the association; and
- (b) it is passed by at least $\frac{3}{4}$ of the votes of those members of the association who, being entitled to vote, vote in person or, if the rules of the association permit voting by proxy, vote by proxy at the meeting.

Committee
ACT Red Hill Bush Regenerators

5 February 2024

Attachment A (to Notice of intention to seek special resolution dated 5 February 2024)

Notice of intention to seek special resolution to amend the Rules to attain Deductible Gift Recipient/Registered Environmental Organisation status

At the AGM on 3 September 2023 we will be seeking members' endorsement, by Special Resolution, of some important alterations to the association's Objects and Rules.

The motion for the Special Resolution will be:

That members approve the alterations to the Objects and Rules of the Association as set out in the document titled '2023 draft Rule alterations' and appearing on the Association's website at http://redhillregenerators.org.au/?page_id=460 under the heading "AGM".

Purpose of the amendments

The purpose of the alterations is to enable us to apply to become a Registered Environmental Organisation (REO) with the Department of Climate Change, Energy, the Environment and Water (the Department). Obtaining REO status would permit us to become a Deductible Gift Recipient (DGR) under the relevant tax legislation, and accordingly be able to receive tax-deductible donations. (Currently, we can receive donations, but we cannot offer tax-deductibility to donors). Being a REO and a DGR would also enable us to, through a public fund, seek more consistent and larger donations which we can use to advance our work in accordance with our Objects.

To this end, we have drafted a number of changes to the Objects and Rules. These amendments are specified by the Department in its Model Clauses and are a prerequisite to applying for REO status. You have been provided with a copy of the proposed changes, shown in Tracking function, on our website at http://redhillregenerators.org.au/?page_id=460.

Nature of the amendments

The Model clauses and detailed discussion of their purpose can be found in the Department of Climate Change, Energy, the Environment and Water's [REO Application Guidelines](#). In summary, they:

- Add a new object (Object 9 in new clause 1B) to the Objects of the organisation, which establishes a public fund to be known as the ACT Red Hill Regenerators Fund (the Fund).
- Set out the rules governing the Fund, such as recording and receipting of donations, complying with the Ministerial rules, accounting for and reporting on the Fund, etc (see new clauses 39 and 40).

In addition to the changes that reflect the Department's REO requirements, we have also taken the opportunity to make minor fixes to typographical errors and to minor matters that have changed since the Rules were last amended, i.e.:

- Correcting the name of the organisation in the Rules to reflect its correct, full name (i.e. **ACT** Red Hill Bush Regenerators Inc)
- Updating the address details in the application for membership form in Appendix 1

Finally, we have replicated all the existing Objects of the organisation, together with the new Object creating the public fund, in the Rules, so that they are more easily found (currently they only appear in the Articles of Association) – see new clause 1B.

Special Resolution

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Committee
ACT Red Hill Bush Regenerators

8 August 2023