



Attachment B - EXPLANATORY MEMO

FOR RECOMMENDED CHANGES TO THE RULES OF THE PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA, INC BY SPECIAL RESOLUTION INTENDED FOR SPECIAL GENERAL MEETING 8 November 2024

INTRODUCTION and REASONS IN SUPPORT OF SPECIAL RESOLUTION – Refer Clause 2 ‘The Objects’

Rule 2 of the PNGAA Rules sets out the objects and purposes of the Association. It does so in terms that have remained largely unchanged for almost 3 decades. The set of objects and activities have served the PNGAA well and align comfortably with the range of our primary activities and some as yet unrealised projects. However, the PNGAA has been unable to secure implementation of a policy dating back decades to secure tax deductibility for the donations that have been gathered from membership for various worthwhile charitable purposes over the years. The PNGAA Management Committee feels that the opportunity for members to have tax deductibility for donations would both benefit the association with its projects and assist it with future growth, whilst retaining its core being.

In 2024 incoming Secretary Kylee Anderson with support from past President Andrea Williams and others took the initiative of working through the requirements and processes of the relatively new regulatory authority, the Australian Charities and Not-for-profit Commission (ACNC).

The outcome of that process and protracted discussions with officers of the ACNC is acceptance in principle that the PNGAA’s mainstream activities over the past two decades and the activities it has sought to promote and advance are fully consistent with the charitable and related purposes defined in the *Charities Act 2013*.

PNGAA has been advised that to qualify as a charitable organisation for purposes of the ACNC Act, PNGAA’s Objects should be revised to more closely align with its activities and the charitable purposes recognised by that legislation. Associated in bringing about that change is a deadline for completion of the process by 8 November 2024 if PNGAA is to bring itself within ACNC’s current review and audit process of charitable entities now coming to a close.

The Management Committee has examined what would be required and is satisfied that objects and purposes compliant with legislative requirements can be substituted for the existing rule with relatively few changes and revisions. Bearing in mind the tight time frame provided following PNGAA’s application for DGR status (tax deductibility), a set of proposed new objects for the PNGAA were drafted after considering the examples supplied by ACNC. Only one change was required to the initial proposal and, based on that change, the new objects would be acceptable.

As a brief summary, we were advised that Objects Rule 2 (a), (b), (d) and (g) were problematic; these have been removed. This includes mention in the Objects of superannuated members. However, Clause 3 and a couple of other residual provisions mention that important antecedent but rapidly dwindling focus of PNGAA activity. To the extent that membership raises any contemporary need for action by the PNGAA it would arguably be incidental, ancillary to or in furtherance of the primary purposes set out in the objects rule.

We have retained Objects (c), (e) and (f). In regard to (e) the second part has been removed ie ‘*and to provide a means of communication among members of the Association and others*’; (it is felt this happens through PNGAA objects and activities anyway). Other objects have been added to tie in with the current and future activities of the association based on ACNC examples.

The PNGAA Management Committee recommends you vote in favour. Please send your proxy vote in by 6 November 2024 or register by 5 November 2024 with admin@pngaa.net to attend the online Zoom meeting at 11am on 8 November 2024.