

Explanatory Notes – Proposed Amendment to Constitution, Definition of financial year

The purpose of this amendment is to align Philanthropy Australia’s financial year with the standard Australian financial year (1 July to 30 June), which is used by government, regulators, funders, and most Australian charities.

Why the amendment is required

The Constitution currently defines *Financial Year* as a 12-month period ending on 31 December. To operate lawfully and consistently with the Constitution, this definition must be amended before the Company adopts a July–June financial year.

Benefits of the change

Aligning the financial year to 1 July – 30 June will:

- Improve alignment with funding, policy and reporting cycles
- Support improved financial planning, budgeting and governance
- Enhance comparability with sector peers
- Reduce administrative complexity in external reporting

Transitional arrangements

If this special resolution is passed, the directors intend to:

- Approve a short transitional financial period ending on 30 June 2026, and
- Thereafter operate on a 1 July – 30 June financial year on an ongoing basis.

This amendment does not affect:

- The purposes of Philanthropy Australia
- Membership rights
- Governance structures
- The organisation’s charitable or DGR status

Directors’ recommendation

The directors unanimously recommend that members vote in favour of the special resolution.

Entitlement to vote

Each member is entitled to one vote on the resolution, whether exercised in person, by proxy or by permitted electronic voting, in accordance with the Constitution.