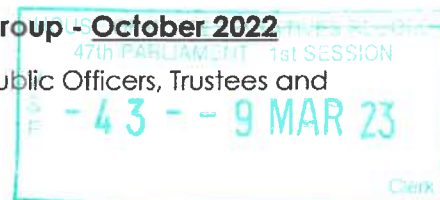


# INTRODUCTORY AND SUMMARY DOCUMENTS

## Whistleblower Disclosure – the Hillsong Church Australia Group - October 2022

Herein is a formal whistleblower disclosure in relation to the conduct of all Public Officers, Trustees and Directors of all entities within the Hillsong Church Australia Group.

Such entities in the Hillsong Church Australia Group include:



THE HILLSONG AUSTRALIA GROUP	
ENTITY	ABN
The Trustee for Hillsong Church Australia	73 640 782 059
Hillsong Church Australia Ltd	24 615 339 949
Hillsong City Care Ltd (Public Benevolent Institution)	13 003 698 726
Hillsong Child Care Ltd	56 617 423 775
Hillsong Church Ltd	37 002 745 879
The Trustee for Hillsong International	81 54 249 210
Hillsong International Ltd	90 615 507 894
Hillsong Media & Performing Arts Ltd (ROCO)	45 454 866 057
Hillsong College Ltd	84 617 111 592
The Trustee for Hillsong International Foundation	15 170 447 134
The Trustee for Hillsong Foundation (Public Ancillary Fund)	98 067 671 646
Hillsong Macarthur Ltd	99 479 865 648
Sydney Christian Life Centre Ltd	79 002 637 069
Hills Christian Life Centre Ltd	42 406 987 921
Church 180 Ltd	90 917 342 466
HC Australia Property Trust	58 280 825 822
HC Australia Property Ltd	77 615 684 869
The Trustee for Garden City Property Trust	35 275 538 929
Hillsong Limited	ACN 123 030 179
Invorto Pty Ltd	72 656 228 965
Shiloh Ministries Australia	34 739 836 801
Shiloh Ministries Australia Ltd	97 630 089 913

*Presented in the Federation Chamber at 12.40pm on 9 March 2023*  
*Edwell*  
*from Mr Wilkie*

There is a significant improper state of affairs within the entire Hillsong Church Australia Group, including serious financial and governance misconduct that contravenes and/or abuses Australia's Corporations Act, Taxation Act, and Charities Act, and which represents a danger to the Australian public and the Australian financial system.

The Directors, Trustees and Public Officers of the Hillsong Church Australia Group have engaged in the following types of misconduct:

- Fraud
- Improperly using their positions to gain a personal advantage for themselves, their families and friends
- Not making decisions for a proper purpose
- Not exercising their powers or discharging their duties with due care and diligence
- Breaching and/or deliberately circumventing Australian charity legislation
- Domestic and international money laundering (note this does not include proceeds of crime)
- Moving unreasonably large amounts of Australian tax-exempt income overseas to fund the operations of both Hillsong and non-Hillsong churches in other countries, as well as the extravagant lifestyles of overseas celebrity megachurch pastors. Thus, tax-exempt income underwritten by the Australian taxpayer is being used to create wealth for non-Australian churches and individual pastors.

- Breaching Australian legislation pertaining to trusts, public ancillary funds, registered cultural organisations and public benevolent institutions.
- Making false, misleading and deceptive statements for the purpose of soliciting money from the public
- Using tax-deductible income for purposes which legislation does not deem to be tax-deductible.
- Financial misrepresentation for the purpose of receiving Job Keeper grants.
- Significant conflicts of Interest

The people perpetrating this misconduct include:

<p><i>Current Company Secretaries of the Hillsong Church Australia Board and Hillsong Church Global Board of Directors</i></p>	<ul style="list-style-type: none"> <li>i. <b>Peter Ridley</b> - Chief Financial Officer of Hillsong Church Australia Group; Chief Financial officer of Hillsong Church Global Group; Manager of several Hillsong LLCs in the USA</li> <li>ii. <b>Tim Whincop</b> - In-house Legal Counsel of Hillsong Church Australia Group; In-house Legal Counsel of Hillsong Church Global Group; Manager of several Hillsong LLCs in the USA.</li> </ul>
<p><i>Former Company Secretary of Shiloh Ministries Australia</i></p> <p><i>Former Company Secretary of Leadership Ministries Inc, Maximised Leadership Inc (USA) and HELP Distributors</i></p>	<ul style="list-style-type: none"> <li>i. <b>Peter Ridley</b> – Chief Financial Officer of Shiloh Ministries Australia; previously CFO of Leadership Ministries Inc (Australia); Maximised Leadership Inc (USA) and HELP Distributors Australia. CFO of the Hillsong Church Australia Group and the Hillsong Church Global Group.</li> </ul>
<p><i>Current General Manager of the Hillsong Church Australia Group and the Hillsong Global Group</i></p>	<ul style="list-style-type: none"> <li>ii. <b>George Aghajanian</b> – current Executive Director of the Hillsong Australia board and former Executive Director of the Hillsong Global board.</li> </ul>
<p><i>Past and Present Executive and Non-Executive Directors and Trustees of the entities within the Hillsong Australia Group</i></p>	<p><u>Executive Directors</u></p> <ul style="list-style-type: none"> <li>iii. <b>Brian Houston</b> – former Chair of the Hillsong Australia and Hillsong Global boards; former Global Senior Pastor of the Hillsong Church Australia Group and Hillsong Church Global Group</li> <li>iv. <b>Philip Dooley</b> – current Global Senior Pastor of the Hillsong Church Australia Group and Hillsong Church Global Group</li> <li>v. <b>Darren Kitto</b> – current Global Ministries Director of the Hillsong Church Australia and Hillsong Church Global Groups</li> <li>vi. <b>Peter Toginavalu</b> – current Global Youth Pastor of the Hillsong Church Australia and Hillsong Church Global Groups</li> <li>vii. <b>Ben Houston</b> – current Head Pastor of Hillsong Church Online</li> <li>viii. <b>Gary Clarke</b> – current Head Pastor of Hillsong Europe</li> <li>ix. <b>Grant Thompson</b> – former Global Marketing Director of the Hillsong Church Australia Group and Hillsong Church Global Group</li> <li>x. <b>Joel A-Bell</b> – former Senior Pastor, Hillsong Church Australia</li> <li>xi. <b>Lee Burns</b> – current Manager of Hillsong College LLC and Executive Vice President of Hillsong College Ltd</li> <li>xii. <b>George Aghajanian</b> – General Manager of the Hillsong Australia Group and the Hillsong Global Group Board</li> <li>xiii. <b>Joel Houston</b> – current Co-CEO of Invorto Pty Ltd; Former Manager of Invorto LLC, RGB Group Inc and Hillsong NYC LLC; former Director of HMTR Ltd.</li> <li>xiv. <b>David Bagheri</b> – current Co-CEO of Invorto Pty Ltd; Current Manager of Anotherland LLC, Hillsong Music and Resources LLC, Invorto LLC, IO Management LLC, RGB Group Inc, current Trustee for Hillsong Church London.</li> </ul> <p><u>Non-Executive Directors</u></p> <ul style="list-style-type: none"> <li>i. <b>Amanda Tay</b> (current)</li> <li>ii. <b>Dane Gambrill</b> (current)</li> </ul>

	iii. <b>Don Cooper-Williams</b> (former) iv. <b>Melinda Dwight</b> (former) v. <b>Leigh Howard Smith</b> (former) vi. <b>Nabi Saleh</b> (current) vii. <b>Phillip Denton</b> (current) viii. <b>Stephen Crouch</b> (current) –Hillsong Australia board and Hillsong Global board
<i>Past and Present Directors and Trustees of Shiloh Ministries Australia, Shiloh Ministries LLC, Leadership Ministries Inc (Australia) and Maximised Leadership Australia</i>	<u>Non-Executive Directors</u> i. Peter Ridley (former) ii. George Aghajanian (former) iii. Nabi Saleh (current) iv. Darren Kitto (former)
<i>Private Beneficiaries of Shiloh Ministries Australia, Shiloh Ministries LLC, Leadership Ministries Inc (Australia) and Maximised Leadership Australia</i>	i. Brian Houston ii. Bobbie Houston iii. Laura Toginavalu iv. Peter Toginavalu
Trustee of Hillsong Church Fiji	i. Kent Medwin (current) – current Strategic Finance Officer for the Hillsong Church Australia Group

This disclosure contains a detailed summary document outlining the improper state of affairs mentioned above along with the associated evidence substantiating each individual claim.

All documents included are essential to this disclosure so that an effective forensic investigation into Hillsong's misconduct can be undertaken. This is because Hillsong's global corporate structure is so complex and hidden under several veils both in Australia and other countries, that some wrongdoing cannot be identified in isolation. That is, some of Hillsong's financial actions which relate to one entity in one financial year, in one country, may initially, on face value, seem to comply with the law. However, the misconduct can only be uncovered when an investigation extends across multiple related entities globally, different categories of documents, and several years. There are multiple examples of this in the Summary document – for a simple example, see point 50.

The visibility is even more crucial because several technical obstacles exist which block the Australian Charities and Not for Profit Commission (ACNC), as well as the Internal Revenue Service (IRS) in the USA, from conducting thorough investigations into Hillsong. Thus, neither the ACNC or the IRS have the legislative power, resources or holistic insight required to fully uncover Hillsong's misconduct and bring them to full account.

For example:

- Australian legislation allows 'Basic Religious Charities' (BRCs) to operate under a 'veil of secrecy' where they do not need to make their financials visible to the public or the ACNC. Because the majority of Hillsong's wrongdoing is conducted within its BRC entities – The Trustee for Hillsong Church Australia, The Trustee for Hillsong International Ltd, HC Australia Property Trust and The Trustee for Community Venues - the ACNC cannot request nor investigate the financials or governance particulars of these entities.
- Brian and Bobbie Houston's personal charities – Shiloh Ministries (current) and Leadership Ministries Inc (past) – which, prior to the resignation of Brian Houston, were governed and managed by Hillsong staff as part of their Hillsong-remunerated employment, are also BRCs.
- Australian legislation allows 'small' charities to not publicly report their financials. The charity's size is determined by their annual income, not assets. A substantial amount of Hillsong's assets are held in property entities that do not earn income and are therefore deemed small charities. Thus, neither the ACNC nor the public has visibility into the extent of Hillsong's assets including cash reserves and property.

- The ACNC has no jurisdiction to revoke the charity status of any entity that is not federally regulated. Hillsong's main entities are 'trusts' registered in NSW. For the ACNC to be able to take serious action against a state-registered trust, they need to prove that Hillsong's entities are federally regulated. To do this, the ACNC must obtain constitutional advice through a government solicitor. This is an expensive and time-consuming exercise which is unlikely to happen.
- The ACNC operates under a strict law of secrecy and cannot provide any information whatsoever to the public on findings from an investigation. The only method by which the public will come to know about Hillsong's past misconduct is if their financial misconduct ends up in a public court case from a means other than an ACNC investigation. Further, if the ACNC does uncover misconduct, it will work hand in hand with the charity for as long as it takes to resolve their legislative breaches. It would be incredibly unlikely that any charges or penalties would ever be laid against Hillsong or their directors for their misconduct.

Similar visibility obstacles also exist in the USA, so it is impossible for funds sent overseas from a Hillsong entity in Australia to be identified and tracked. That is, religious organizations in the USA are not required to make their financials public via a Form 990 which is required from other 501c3 charities. Large Christian Ministries with highly remunerated staff, such as Samaritan's Purse led by Franklin Graham, are starting to change their status from that of a charity to that of a religious organization/church, so they don't have to file a Form 990, as the salaries of the charity's top executives, conflicts of interest, private jet travel, and private benefits to Directors etc must be reported on the Form 990.

Further, Hillsong's non-religious entities in the USA have been established as Limited Liability Corporations (LLCs) in jurisdictions which do not require public reporting of financials. Hillsong makes it difficult for a member of the public to link the LLC to Hillsong and its directors by appointing someone as the LLC manager who is not a Hillsong board member or well known staff member.

The ACNC has recently introduced new rules which make it compulsory for charities to report the total remuneration of key personnel in their annual financial reports. However, BRCs and small charities are exempt from this requirement.

Many other mega-churches in Australia are following in the steps of Hillsong by adopting the same organizational structure Hillsong uses to conduct its fraud, money laundering and personal wealth creation. These include but are not limited to Kingdomcity and its founder Mark Varughese, Planet Shakers and its founder Russell Evans, Citipointe Church and its founder Mark Ramsey, Inspire Church, Neuma Church (previously Bridge Church) and its founder Corey Turner.

Additionally, mega-wealthy celebrity pastors from overseas are taking advantage of Australian tax-exemptions by establishing Christian religious 'ministries' in Australia that then feed income back to their overseas entities or spend the majority of their income on 'staff costs'. These pastors include but are not limited to Joyce Meyer, Kenneth Copeland, Chris Oyakhilome, Joel Osteen, Creflo Dollar, Jesse Duplantis, and Christine Caine.

A formal parliamentary enquiry and/or a Royal Commission into the financial abuse being perpetrated by Hillsong and other mega-churches and celebrity pastors like them is essential and urgently needed to stop the financial abuse of innocent Australians and the Australian Taxation system.

Further, criminal charges may be warranted as Hillsong may have engaged in illegal conduct by potentially paying for the silence of the board members involved in helping Brian Houston cover up his father's sexual abuse of minors. There also appears that over time, there may have been other 'hush-money' payments made to the people who investigated Brian Houston's 2019 sexual misconduct at the Pullman hotel.

**BEFORE PUBLISHING ANY DOCUMENTS CONTAINED IN THIS DISCLOSURE, THE MEDIA SHOULD CAREFULLY DE-IDENTIFY THE PERSONAL INFORMATION OF ANY INDIVIDUALS WHO ARE NOT PUBLIC FIGURES, WHO ARE MINORS OR WHOSE PERSONAL DETAILS (E.G. INCOME AND OTHER PAYMENTS) ARE IMMATERIAL TO THE ISSUES THAT ARE SQUARELY IN THE PUBLIC INTEREST AND IN THE INTEREST OF AUSTRALIAN GOVERNMENT LEGISLATION.**

## In the Public Interest

The information contained in this disclosure is absolutely in the public interest for reasons including but not limited to the following:

- As Australia's largest mega-church, several years ago Hillsong created its own religious denomination. This allows them to operate with very little external oversight or accountability, along with minimal transparency obligations to both the general public and its own congregation. At the same time, the Australian Charities Commission (ACNC) has little visibility into, or power over, religious charities and trusts.
- This enables Hillsong to control all public narratives pertaining to its finances, governance and general operations, ensuring that the public knows only what Hillsong wants them to think.
- The public has the right to be informed of the significant ways in which Hillsong has misled them about the integrity of its finances and governance.
- Over many years, the media and members of the public have accused Hillsong of having an improper state of affairs, including financial misconduct, but were unable to present definitive evidence to prove their claims. In response, Hillsong regularly released official statements strongly refuting the accusations – thus publicly insinuating that the accusers were lying. E.g.:
  - <https://hillsong.com/newsroom/blog/2021/02/important-message-from-pastor-brian-houston-about-hillsong-east-coast/#.YfZy1DdBxPY>
  - <https://hillsong.com/newsroom/blog/2021/07/hillsong-church-response-to-daily-telegraph-inquiries/#.YfZ4szdBxPYb>
  - [Hillsong's Heart and Soul evening on 7 June 2022. Hillsong CFO Peter Ridley stated:](#)

*"We've always valued good governance and we've always valued strong stewardship – it's always been a value of Brian and Bobbie, our board and our management as our church has grown. And it's in times where things are difficult like now that we can rely on those things, and actually they stand with us to help us to be in good stead.*

*"I just want to share with you our approach. When we look at our spending, we're very mindful of our stewardship, and in this season that is more important than ever. We're very mindful that what we're stewarding and effectively spending in ministry is what you've given and what people in our church have sacrificially tithed or given.*

*"You know, the Bible says, 'Be as innocent as doves but be as wise as snakes. In other words, do everything with integrity but be smart about it.*

*"We've been in a season where we've been consistently criticised as a church. **Never successfully has the media been able to accuse us of false dealing with finance because we try to do the right thing always.***

*"One of the things we've always operated as a church is an open book policy because we are willing to be transparent around the planning and use of our finances."*

<https://www.youtube.com/watch?v=tFup3LjXP9E> (Time Stamp 1.21.30).
- The public has a right to know that the accusations of financial and governance misconduct previously made against Hillsong are legitimate and that the accusers were being truthful.
- The public has the right to know and understand that Hillsong utilises its public ancillary fund, cultural fund and public benevolent institution predominately for the benefit of itself and not for the benefit of the public, as well as in ways that breach legislation.
- The public needs to know that the funds they sacrificially donated to Hillsong were misused for purposes that were non-charitable, not the purpose for which the money was donated, not in the best interests of the unique charitable entity, and not for the benefit of the Australian public.
- The public also has a right to know and understand that tax exempt Australian charitable income is being used by Hillsong for the private benefit of board members, executives, and their friends and families, while also making its musicians and the celebrity pastors of other mega-churches around the world mega-rich and enabling their entitled and lavish lifestyles.



- Every person who has ever given money to Hillsong needs to know that only a small percentage of their donations have provided any direct charitable benefit to the general public or even the general church community, while even less was used for the benefit of community members in desperate financial, physical or psychological need.
- Australian tax payers need to know that if the large proportion of Hillsong's income not expended on direct charitable activities was instead taxed by the Government, there would be significantly more funds available in the Federal budget for the real and urgent needs currently facing the Australian public such as aged care, public health care and disability support.
- The most recent Australian Census (2021) revealed that in the not-too-distant future, almost half of Australians will not identify as religious at all. Thus, it is in the public interest of these non-religious Australians to understand that the tax exemptions and other benefits afforded to religious charities such as Hillsong are easily abused and rorted – minimising the amount of funds available to help the vulnerable Australians who are not religious.
- Further, it is important to promote public understanding of the areas of federal and state legislation pertaining to charities, and particularly religious charities, that are allowing Hillsong and other organisations like them to conduct their activities with little visibility, transparency or accountability – which in turn facilitates their misuse of tax-exempt income. This will enable the public to advocate for legislative change.
- By understanding, as a case study, how Hillsong uses some of these 'loopholes' in the legislation, as well as the shields afforded to religious charities and small charities, the public can be equipped to advocate for the legislative changes needed to ensure that the best use of public resources can be secured, standards of public integrity can be upheld, and good decision making can be made by public bodies – for the benefit of all Australians, especially the most vulnerable. It will also help government regulators to identify similar churches and religious charities which are conducting their financial affairs in the same way as Hillsong.
- By publicly exposing definitive evidence of Hillsong's improper state of affairs, it will help educate the public to be more vigilant with their due diligence when considering donating to Hillsong and other organisations like it. Vulnerable members of the community need to know not to place unbridled trust in an organisation simply because – in fact, especially because – it is classified as a religious organisation. Techniques used by Pentecostal mega-churches such as Hillsong to solicit money from their congregation (with no reciprocal visibility into how the money was actually spent) can be considered spiritually and emotionally manipulative, often resulting in vulnerable congregation members making great sacrifices in their personal lives to financially support the church. These sacrifices have the potential of jeopardising the future security of these congregation members in important areas such as home ownership, retirement savings, education and preventative health care. This in turn has the potential of placing a greater burden on the Australian taxpayer.
- Because of the increased potential for donor manipulation by religious organisations, the public has the right to have access to information that can help them consider if religious organisations should be subject to more – not less – financial accountability and visibility than non-religious charities. This is so the public can ensure that society's most vulnerable people are being both protected and supported, while also having confidence that the subsidies and tax-exemptions their hard-earned tax dollars provide to religious charities are funding activities that legitimately benefit the public – and not activities that instead create and enable lavish and entitled lifestyles of celebrity pastors, their friends, family and mega-church board directors.
- Hillsong's new 'Spiritual Advisory Team' hand-picked by Phil and Lucinda Dooley, clearly have spiritual power and influence over Hillsong's board, staff and congregation. This is very concerning because of the significant conflicts of interests involved with several of the 'Spiritual Advisors' who earn private benefits from Hillsong such as book and music royalties, donations, speaking honorariums, and/or professional advantages. It should be investigated if Phil or Lucinda Dooley receive any reciprocal benefits from the churches of these spiritual advisors such as Cash Luna. There have been credible media reports accusing Cash Luna of corruption, with one publication [reporting](#) that Luna had received large amount of cash, a Rolex watch and Mercedes Benz a from convicted drug dealer, Marlory Chacón.

## SUMMARY DOCUMENT

### Improper State of Affairs – Hillsong Church and all its entities in Australia

1. Over many years, Hillsong has regularly stated publicly that it has a high level of integrity and transparency when it comes to how they manage their finances. Such statements have included:
  - (a) **Hillsong Church Responds to Financial Inquiries, July 19, 2021, Hillsong Newsroom:**

“Financial results are released to the public voluntarily via an Annual Report or similar to provide a transparent overview of church finances and their use.”

<https://hillsong.com/newsroom/blog/2021/07/hillsong-church-response-to-financial-inquiries/#.YtZzazdBxPY>
  - (b) **In a letter written and signed by Hillsong Global General Manager George Aghajanian and sent to the Hillsong congregation in 2010,** George states: “The fact is that Hillsong Church and its related entities have always subscribed to a high level of accountability and transparency ... We also make available an Annual Report detailing the initiatives that our church is involved ...”
  - (c) **Important Message from Pastor Brian Houston about Hillsong East Coast, 1 February 2021, Hillsong Newsroom:** “Hillsong Church strongly refutes that our culture casually allows for such gross misuse of church funds. In fact, these stories are especially troubling since Hillsong has a record of excellence in financial accountability globally and an unwavering commitment to financial integrity ... We have always placed a high value on good governance and stewardship ... Some of the ways that we uphold our commitment to financial accountability and stewardship (are) ... Annual reports are released to provide a transparent overview of church finances and their use.”

<https://hillsong.com/newsroom/blog/2021/02/important-message-from-pastor-brian-houston-about-hillsong-east-coast/#.YtZy1DdBxPY>
  - (d) **Hillsong Church Response to Daily Telegraph Inquiries, 8 July 2021, Hillsong Newsroom:**

“Hillsong Church’s financials are audited annually and posted publicly. In addition, Hillsong Church releases an annual report which is posted on its website voluntarily.

<https://hillsong.com/newsroom/blog/2021/07/hillsong-church-response-to-daily-telegraph-inquiries/#.YtZ4szdBxPY>
  - (e) During Hillsong’s **Heart and Soul evening on 7 June 2022,** Hillsong CFO Peter Ridley stated: “One of the things we’ve always operated as a church is an open book policy because we are

willing to be **transparent** around the planning and use of our finances.”

<https://www.youtube.com/watch?v=tFup3LjXP9E&t=5328s>

- (f) During Hillsong’s special **Church Update Evening on Tuesday 23 August 2022**, Hillsong’s new Global Senior Pastor Phil Dooley stated:

*“This is an employment matter ... our church is not in court about our finances – this is relating to employment of a staff member. And regarding our finances, I want to make it clear that we are audited every year by Ernst & Young, which is one of the largest global auditing firms, and we receive an unqualified audit report from them every year. They’ve just completed their most recent audit report and again it was unqualified which basically says they are clear on the fact that we are doing the right thing with our finances. And we are prepared to do all we can to ensure that those that give to our church trust how our finances are handled. We take the stewardship of our church finances very seriously and we have a very diligent and hardworking team who desire to ensure we comply with all financial regulations, and they work very hard on that. I also want to just mention that we have an open book policy and we always have done ... So, I just want to be clear about that to help you in understanding how serious we as the church and those in positions of leadership take the finances of our church.”* (Hillsong deleted this statement from the official video of the Church Update Evening they released the next day -

<https://vimeo.com/742490014/b96da9b6b9>)

2. Hillsong is not transparent in disclosing the fact that the financial statement they release publicly in their ‘Annual Report’ each year (<https://hillsong.com/australia/annualreport2021/> + **TAB 37**) is in fact a ‘Statement of Comprehensive Income’ comprising the **combined** financials of the following four Australian Hillsong entities:

- i. The Trustee for Hillsong Church Australia
- ii. Hillsong CityCare Ltd
- iii. Hillsong Child Care Ltd
- iv. Hillsong Media & Performing Arts Ltd

More detailed financials of this combined group can be seen at **TAB 57**.

3. Additionally, Hillsong is not transparent in disclosing that this ‘Statement of Comprehensive Income’ does **NOT** include the income, expenditure, surplus and assets of the following 14 Hillsong income earning entities registered in Australia:

- a) The Hillsong Foundation Trust Ltd
- b) Hillsong Church Ltd
- c) The Trustee for Hillsong International Ltd
- d) Hillsong College Ltd



- e) Hillsong Macarthur Ltd
- f) Sydney Christian Life Centre Pty Ltd
- g) Hills Christian Life Centre Pty Ltd
- h) Church 180 Pty Ltd
- i) HC Australia Property Trust
- j) The Trustee for Garden City Property Trust
- k) Hillsong Ltd
- l) Invorto Pty Ltd (for-profit entity)
- m) Festival Hall Pty Ltd
- n) The Trustee for Community Venues

4. This 'Statement of Comprehensive Income' does not comply with the level of 'transparency' required by the Australian Accounting Standards. In a statement from auditor Ernst & Young on page 85 of Hillsong Australia's report, it states: "The summary financial report does not contain all the disclosures required by Australian Accounting Standards. Reading the **summary** financial report and the auditor's report thereon, therefore, **is not** a substitute for reading the audited combined financial report and the auditor's report thereon."
5. The following table shows the actual entire income earned by all Hillsong entities registered in Australia in **2021**, along with each unique entity's expenditure, assets and surplus. The entities highlighted in green are registered with the ACNC as basic religious charities (BRCs), meaning they do not have to submit their financials to the ACNC and therefore the financials for these entities do not have to be made public.
6. The full financial accounts for these BRC entities are included in **TABS 58-66**. The full financials of the non-BRC entities can be accessed via the ACNC website [www.acnc.gov.au](http://www.acnc.gov.au)

	Total Income	Total Expenditure	Total Assets	Common Control Reserves	Retained Surplus
The Trustee for Hillsong Church Australia	\$ 60,718,418	\$ 58,937,940	\$ 59,283,428	\$ 17,451,665	\$ 11,733,541
The Trustee for Hillsong International Ltd	\$ 41,856,942	\$ 37,611,615	\$ 29,479,307	\$ -	\$ 4,541,706
Hillsong Child Care Ltd	\$ 3,204,965	\$ 2,722,508	\$ 1,959,862	\$ -	\$ 1,402,115
Hillsong Church Ltd	\$ 3,750,292	\$ 3,761,663	\$ 3,452,082	\$ 35,123,087	\$ 35,718,393
HC Australia Property Trust	\$ 5,640,370	\$ 3,293,183	\$ 67,734,466	\$ -	\$ 46,221,455
Hillsong College Ltd	\$ 10,967,424	\$ 11,814,002	\$ 2,159,607	\$ -	\$ 227,728
Sydney Christian Life Centre Pty Ltd	\$ -	\$ -	\$ -	\$ -	\$ -
Hills Christian Life Centre Pty Ltd	\$ -	\$ 120	\$ 16,634,291	\$ -	\$ 4,476,515
Church 180 Pty Ltd	\$ 1,296,831	\$ 1,555,842	\$ -	\$ -	\$ -
The Trustee for Community Venues	\$ 1,269	\$ 864,027	\$ 22,805,437	\$ -	\$ 1,703
The Hillsong Foundation Trust	\$ 18,300,509	\$ 13,503,185	\$ 21,999,092	\$ -	\$ 19,765,991
Hillsong CityCare Ltd	\$ 5,737,973	\$ 5,586,615	\$ 4,629,167	\$ -	\$ 3,109,883
Hillsong Media & Performing Arts Ltd	\$ 8,165,188	\$ 9,550,209	\$ 11,031,670	\$ -	\$ 2,182,294
<b>TOTAL</b>	<b>\$159,640,181</b>	<b>\$ 149,200,909</b>	<b>\$ 241,168,409</b>	<b>\$ 52,574,752</b>	<b>\$129,381,324</b>

**NOTES to above table:**

*\*Sydney Christian Life Centre (SCLC) had \$27,314,878 in common control reserves at the start of 2020, which was transferred out of the entity during 2020, resulting in SCLC having no income, expenditure, assets, retained surplus or common control reserve at the start of 2021. Legal action was recently taken against SCLC in the NSW Supreme Court regarding its Otto apartment development in Rosebery. Hillsong board documents show that Hillsong intends to settle the lawsuit with funds from the Hillsong Foundation.*

*\*The above income does not factor inter-company eliminations. TAB 40 shows the total income with eliminations considered for all entities except Hillsong International and Hillsong College.*

*\*Hillsong International and Hillsong College are governed by the Hillsong Global Board. The other entities are governed by the Hillsong Australia board (see TAB 3).*

*\*\$134,148,764 was transferred out of the Hills Christian Life Centre in 2020.*

7. Hills Christian Life Centre does not have to submit its financials to the ACNC because it is deemed to be a 'small charity' because it has zero income. This means its assets and retained surplus are not publicly visible.
8. Two of Hillsong's BRC entities - HC Australia Property Trust and The Trustee for Community Venues – exist solely to hold the property of Hillsong. HC Australia Property Trust owns the majority of Hillsong's property while Community Venues exists to 'hold' Festival Hall – a building it purchased in Melbourne for \$23M in 2020.
9. In 2021 and 2020 the majority of HC Australia Property Trust's expenses were 'Property Expenses'. (TAB 59)
10. In 2020 HC Australia Property Trust received \$16M in 'donations'. This \$16M consisted of a 'donation' of \$13.34M from Hillsong Church Australia Trust, a \$93k 'donation' from Hillsong Child Care for Sydney Child Care Centre, and a \$150k donation from Hillsong Child Care for Brisbane Child Care Centre (TAB 5).
11. In 2020, HC Australia Property Trust 'donated' \$100k to Hills Christian Life Centre Ltd to 'support operations' and 'donated' \$448k to Hillsong Church Australia for 'the interest on intercompany loan of \$11M'.
12. As at March 2022, HC Australia Property Trust owed Hills Christian Life Centre \$14,690,076 for a related party loan, as well as \$6,716,252 to Hillsong Church Australia as a related party loan (TAB 6).
13. It is unclear how HC Australia Property Trust and the Trustee for Community Venues, which exist solely to hold the property of Hillsong, can be classified as Basic Religious Charities by the ACNC, thus allowing them to 'hide' their financials from both the ACNC and the public.

## The Trustee for Hillsong International

14. Hillsong's largest income producing entity, not included in its 'Statement of Comprehensive Income' in Hillsong's Annual Report is the Trustee for Hillsong International Ltd (Hillsong International), which in 2021 had a total income of \$41.8M.

15. Hillsong International is the music and resources arm of Hillsong in Australia. It exists to produce, promote, distribute, and sell Christian worship music, books and training resources, while also conducting worship tours. Additionally, Hillsong International receipts income and pays expenditure for the operations of Hillsong Network, Hillsong Family and Hillsong Channel in Australia.

16. Hillsong International's 2021 income of \$41.8M was raised from the following means: (TAB 58)

	2021	2020	2019
Music Royalty Income	\$12,310,054	\$13,045,390	\$13,305,418
Training and Resource Revenue	\$692,221	\$1,411,607	\$3,079,910
Donations	\$10,956,400	\$6,736,775	\$25,027,768
Government Grant Income (Job Keeper)	\$2,429,735	\$4,664,010	-
Other Revenue	\$15,468,532	\$15,465,502	\$7,022,479
<b>TOTAL REVENUE</b>	<b>\$41,856,942</b>	<b>\$41,323,284</b>	<b>\$48,435,575</b>

17. The 'donations' Hillsong International receives are from three main sources:

- (a) Other Hillsong related entities in Australia and the USA (TAB 39 and TAB 6).
- (b) Hillsong churches globally e.g., Hillsong Germany, Hillsong Sweden, Hillsong London. Each Hillsong church globally must 'donate' 5% of their total annual tithe income to 'Hillsong Global'. Just like Hillsong Australia, these global churches also have Hillsong Church Inc as their sole member and are therefore related parties to Hillsong Australia (TAB 49).
- (c) Non-Hillsong churches around the world who are members of the 'Hillsong Family'. These churches 'donate' 3% of their total annual tithes income in 'membership fees' to Hillsong each year, capped at \$100k, in return for the privilege of being able to call themselves Hillsong Family churches and attend the exclusive Hillsong Family Gathering twice per year year at an overseas location. For example, Judah Smith's church Churchome is a member of the Hillsong Family and donates \$100k each year for their membership (TAB 49).

18. Many of the Hillsong global churches, and non-Hillsong churches which are members of the Hillsong Family, redirected their donations to the Hillsong Global LLC bank account in the USA

from 2020 onwards (TAB 50). It is possible that this redirection enabled Hillsong International to experience enough of a 'loss' in 2020 and 2021 to receive the Covid Job Keeper grants from the Australian Government.

19. Over many years, Hillsong Church in Australia and the USA has used tax-exempt income to construct and fit out multiple music recording studios, used by their on-staff musicians to write, produce and publish Hillsong music. Hillsong International uses this same tax-free income to organise and host 'song writer retreats' for the sole purpose of writing new worship 'hits'. Hillsong International also uses its tax-exempt income to market its worship music and send the musicians on worship 'tours' around the world to promote sales. This had made many Hillsong musicians very wealthy from music royalties.
20. In December 2021, Hillsong had its music catalogue (the ownership of which was previously secretly transferred from Hillsong Australia to an off-shore Hillsong entity outside of Australia), valued at between \$120M-\$150M (TAB 77) for the purpose of selling it. It is unclear if the Australian public will benefit in any way from the sale of this catalogue which was created with Australian tax-exempt income over many years or whether this income will be invested into Hillsong's new for-profit entity Invorto (IO).
21. Invorto is a group of for-profit entities domiciled in both the USA and Australia. In Australia, Hillsong International is the sole member of Invorto (TAB 3). Despite IO being a for-profit company, many of its staff are employed by Hillsong International as 'Pastors' (e.g., Ben Field) and as such receive tax-exempt income.
22. IO was the brainchild of Brian Houston's son Joel Houston and his best friend David Bagheri. Both are now co-CEOs of Invorto in Australia and Managers of several IO LLC entities in the USA. The purpose of Invorto is to produce family-friendly media content (not necessarily religious-based content) via film, music and other media. Invorto's 'artist management' division manages the solo music careers of Hillsong artists such as Taya, Benjamin Hastings and Alex Pappas. In Australia, Invorto also runs a marketing agency.
23. If someone other than Joel Houston had brought the same business proposal (requiring a \$3M investment) to the Hillsong board in the midst of a global pandemic, it's unclear if it would have been approved (TAB 74). The board had previously approved Joel's 'dream' of starting a Hillsong campus in New York in 2011 with his best friend at the time Carl Lentz (TAB 75). Hillsong's investment into that dream hasn't turned out to be so great with public scandals arising pertaining to financial and sexual misconduct meaning that Hillsong NYC is currently running at a loss, propped up by the tax-exempt income of Hillsong Church Australia.
24. Hillsong International's expenses are categorised in the table below and detailed in TAB 58.



	2021	2020	2019
Administration Expenses	\$19,243,272	\$17,504,541	\$17,156,856
Royalties Expenses	\$9,743,329	\$11,354,529	\$12,784,346
Resource Expenses	\$4,751,186	\$5,624,804	\$7,821,847
Mission Expenses	\$3,873,826	\$6,987,589	\$10,464,756

25. As at March 2022, Hillsong International owed \$3,126,699 to Hillsong Music and Resources LLC in the USA, \$1,035,394 to Hillsong Publishing LLC in the USA, and was owed \$1,636,106 from Hillsong Global LLC in the USA (TAB 5).
26. Hillsong International, along with Hillsong's other BRCs - Hillsong Church Australia, Community Venues and HC Australia Property Trust - are Charitable Trusts registered in NSW under the Charitable Trusts Act 1993. While they are also registered with the Australian Charities and Not-for-Profit Commission, due to their Basic Religious Charity status, the ACNC has no power to audit their general governance and compliance.
27. If the only 'donations' Hillsong International receives is from other Hillsong related entities, it receives no donations from the general public, and its commercial activities are material, it is possible that Hillsong International should be classified as a business, rather than a charity. At the very least, Hillsong International could be considered ineligible to be registered as a BRC with the ACNC, meaning they would need to make their financials available to the ACNC and the public.
28. In 2016 Hills Christian Life Centre assigned the ownership of all Hillsong trademarks originally created in Australia, using tax-exempt charitable income, off-shore to Hillsong Church Inc, with no payment in return (TAB 76).

#### The Trustee for Hillsong Church Australia

29. The following tables show the actual total income and expenses of the Trustee of Hillsong Church Australia Ltd (Hillsong Church Australia), as a unique entity - when not combined with other entities (see also TAB 66).

INCOME	2021	2020	2019
General Tithes and Offerings	\$47,602,479	\$51,870,446	\$56,167,039



Other donations	\$4,187,906	\$6,046,290	\$8,677,877
Conference registration income	\$1,150,775	\$2,869,590	\$8,233,673
Hospitality income	\$237,622	\$394,176	\$1,582,612
Other services and event income	\$974,746	\$1,541,391	\$2,294,514
Government grant income	\$2,405,246	\$8,284,575	-
Other revenue	\$4,159,644	\$3,882,221	\$5,342,358
<b>TOTAL REVENUE</b>	<b>\$60,718,418</b>	<b>\$74,888,689</b>	<b>\$82,298,073</b>

<b>EXPENSES</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cost of Church and Other Benevolent activities	\$40,855,017	\$41,968,374	\$43,986,422
Campus Facilities and Maintenance Expenses	\$12,210,361	\$20,578,350	\$15,647,693
Conference Expenses	\$2,150,123	\$3,508,630	\$9,219,788
Mission and overseas aid expenses	\$2,977,202	\$2,536,709	\$3,316,468
Training and resources	\$197,483	\$259,729	\$246,912
Other	\$547,754	\$1,135,748	\$2,153,395
<b>TOTAL</b>	<b>\$59,937,940</b>	<b>\$69,987,540</b>	<b>\$74,570,698</b>

30. The above table shows that in 2021 the costs of running the 'church' (church and benevolent activities plus campus facilities and maintenance expenses) outweighed the income Hillsong received from tithes by \$5.5M.
31. The table also shows that a deficit of approximately \$1M resulted from Hillsong holding its annual Colour Conference and Worship and Creative Conference in 2021. It is not uncommon for Hillsong's conferences to make a loss, even in years not affected by Covid-19 when the conference is held in person. Donations are sought from the conference attendees to help cover the cost of the conference, but what the attendees do not know is that the reason the conferences make a loss is due to the excessive amounts of honorariums Hillsong pays to the celebrity pastors they invite to speak at the conference, the excessive travel costs of these guests and other entitlements such as green room catering and gifts for guests. What the people who donate also do not know is that the money they contribute to Hillsong in the form of their weekly tithes is being used to back-fill the conference budget deficit. So, essentially, Hillsong congregation members are sacrificing things in their personal lives to pay for designer gifts and large cash honorariums for celebrity pastors who are already mega-rich.
32. **TAB 43** shows a detailed breakdown of Hillsong Church Australia's 2021 expenditure under the category of 'Church and Other Benevolent Activities' which is seemingly the costs incurred to run 'the Church', (excluding the costs of hiring or maintaining buildings and facilities). A highlight of some of these expenses are:

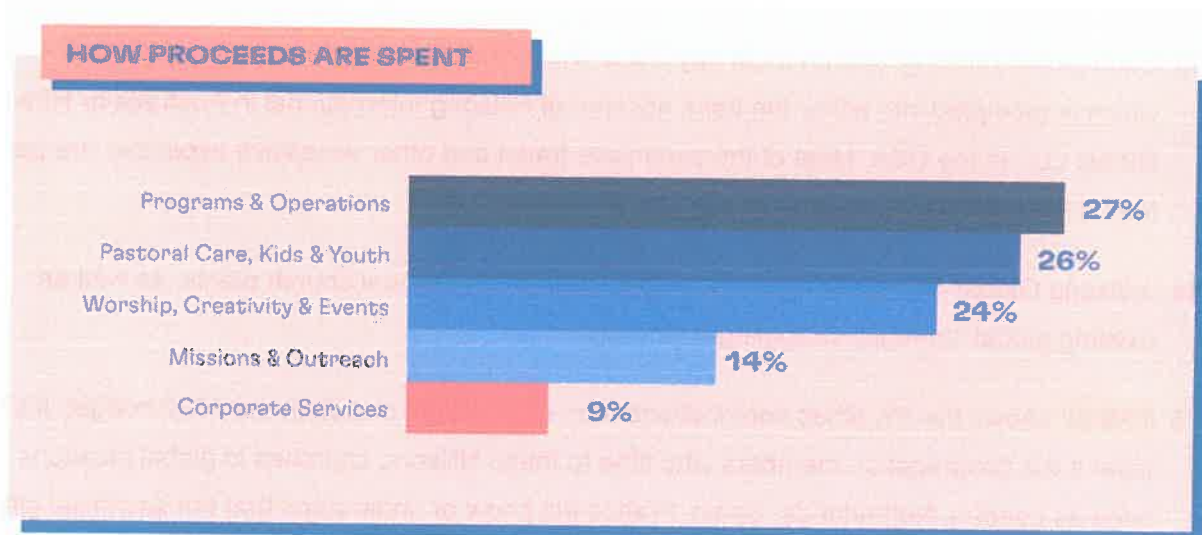
- \$82k afforded to pastors and executive staff as 'allowances' to be used to purchase meals and beverages when hosting 'meetings'.
- \$26k was spent on entertainment, \$37k on flowers, \$171k on gifts, \$9k in guest relations including gift hampers, \$288k in honorariums to guest speakers, \$23k on catering for guests, \$13k on a 'high tea' for Colour Conference, \$14.5k on the Colour Conference VIP 'Lounge' including gifts, and \$10k for the green room and creative team catering on Sundays.
- Giveaways for Father's and Mother's Day totalled over \$50k, Easter cost \$115k and Christmas Eve and Christmas Day services cost \$14.6k.
- \$228k was made in 'donations' to external parties.
- Hillsong's special 'Sunday Night Live / Sunday Night at the Movies' services cost \$28k in special production costs, while \$22.5k went to Laura Houston's 'Secret Garden'.
- Special retreats cost \$75k.

33. Conversely, the amount spent on helping 'people in need' included just \$2.9k for pastoral care direct costs, and \$1.5k on pastoral care visitations. The 'Welcome to church party' for visitors and new people to church received an investment of just \$420.

34. Despite Hillsong being a church that heavily relies on volunteers to run all its operations, only \$6.4k was invested into volunteer development.

35. At the same time, 'Staffing Costs' accounted for over \$22M (Salaries and Wages - \$21M, Personnel Cost Reimbursement - \$1M, Staff Training and Development - \$137k)

36. A full breakdown of the following categorised expenses published in Hillsong's Annual Report is detailed in **TABS 41 and 42**.



37. In November 2021, the Hillsong Australia board approved a bottom-line operating deficit of **-\$9M** for the Hillsong Church Australia 2022 budget (TAB 44).
38. At the same time, the Hillsong Global board approved a bottom-line deficit of **-\$3.4M** in the budget of the Hillsong Global Group (TAB 45).
39. By May 2022, the Hillsong Australia budget deficit had blown out to **-\$13.8M** (TAB 46a).
40. In April 2022, the Q4 2021 financials for the Hillsong Global Group were presented to the Global Board (TAB 46), along with a subsequent briefing note, informing them that the forecasted cashflow deficit had blown out to **-\$5.8M** (TAB 47). This included new costs of \$2.5M to move Hillsong College USA from Phoenix to California after Hillsong Phoenix separated from Hillsong Global due to the Brian Houston scandal in early 2022. The Brian Houston scandal also impacted the budget with a loss \$1M resulting from Hillsong Worship withdrawing from its USA tour with Casting Crowns so they could put 'the health and well-being of the people on their team first.' Still to be factored into the deficit at that time was the severance pay out to Brian and Bobbie Houston and Phil and Lucinda Dooley's salary as new Global Senior Pastors.
41. This deficit occurred even after Hillsong Global drew fully on the \$3M loan secured in the USA in 2021 by Invorto to finance its start-up operations across both the USA and Australia (TAB 53 and 47).
42. TAB 48 includes the Q1 2022 results for the Hillsong global churches and shows that the majority of Hillsong Churches globally will be trading in deficit in 2022 - operating out of their cash reserves. To enable a comparison, TAB 48A includes the financial results of the global churches as at Q4 2020.
43. Each global Hillsong Church must pay 5% of their total tithe income to 'Hillsong Global' – which is receipted into either the bank account of Hillsong International in Australia or Hillsong Global LLC in the USA. Most of the expensive travel and other excessive expenses are paid from 'Hillsong Global'.
44. 'Hillsong Global' also contributes funding to support new global church plants, as well as existing global churches struggling financially.
45. TAB 67 shows the 5% tithes contributions from each global church in the 2022 budget. It's not clear if the congregation members who tithe to these Hillsong churches in global locations such as London, Netherlands, Spain, France etc know or understand that the sacrificial gifts

they make to their 'local church' are being used to run both the operations of 'Hillsong Global' (including their luxury board retreats and other luxury travel), as well the operational deficits and start up costs of new Hillsong Church plants in other global locations such as Monterrey, Atlanta, Dallas, and Israel (TAB 68).

46. Hillsong 'invested' over \$2.8M AUD into the Dallas, USA campus from these 5% global church tithes – a campus that was eventually shuttered due to leadership issues and financial mismanagement. When Sam Collier from Hillsong Atlanta decided to separate from Hillsong in early 2022 due to the Brian Houston scandal, the \$762k USD Hillsong had invested into this fledgling campus was also lost. This included \$82.5k in venue break costs.

47. TAB 85 shows that Hillsong Atlanta's Year One budget was approved with an operating deficit of \$608,646. This included a salary of USD \$145k for Senior Pastor Sam Collier (more than twice of the salary of the COO), Sunday Catering expenses of \$60k, and executive meals, travel and accommodation totalling \$43k. Although Hillsong Atlanta was intending to commence operations with only 5 staff members, \$18.8K was allocated for the staff picnic/retreat. Yet, zero was allocated to CityCare Program Costs and zero for Bibles and Literature.

48. For reference, TAB 54 includes the 2020 and 2019 financials of the Hillsong Church USA entities including:

- a) Hillsong Channel LLC
- b) Hillsong Music and Resources LLC
- c) Hillsong Publishing LLC
- d) Hillsong Events LLC
- e) Hillsong Property Holdings LLC
- f) Hillsong Global LLC
- g) Hillsong College LLC
- h) Hillsong Foundation LLC
- i) Hillsong Phoenix LLC

Each LLC is a single member LLC of Hillsong Church USA Inc, which is a subsidiary of Hillsong Church Inc.

49. For reference, TAB 55 explains Hillsong's property holding entity in the USA - Hillsong Stewardship Fund Inc, while TAB 56 includes information on each property owned by Hillsong in the USA under this Fund.

50. **TAB 56B** demonstrates how Hillsong Church Limited provided a \$3M USD 'loan', from its tax-exempt Australian income, to a newly created entity in the USA – HC Property Holdings LLC – to purchase a building at 503 30<sup>th</sup> Street, Newport Beach, California. This building was purchased as the Hillsong 'Global Offices' comprising of a TV/sound recording studio and accommodation for people travelling through California. The loan was approved by the Hillsong Australia Board in April 2016, yet back dated retrospectively to April 2015. In 2016 Sydney Christian Life Centre 'donated' \$3,833,283 AUD to HC Property Holdings LLC from its tax-exempt Australian income, which HC Property Holdings LLC then used to 'pay off' the loan owing to Hillsong Church Limited.
51. Currently, HC Property Holdings LLC sits under the 'veil' of Hillsong Stewardship Fund Inc. If the Newport property is sold in the future, the profits from the sale are likely to remain in the USA despite having been funded from tax-exempt Australian charitable income. In 2021 the Newport Property was used as collateral to underwrite Invorto's \$3M loan in the USA (see point 41). Thus, tax-exempt income originally from Australia was used five years later to underwrite a high-risk loan to a for-profit company (**TAB 56C**).
52. For reference, **TAB 69** shows information on some of the property owned by Hillsong in Australia, including its multi-million-dollar penthouse apartment in the Esplanade unit block situated on the lake next to Hillsong's flagship Sydney Hills campus. This property is not used for 'public benefit', but rather for Hillsong's visiting VIP guests.
53. **TAB 70** shows loans the Australian entity Hillsong Church Ltd provided to Hillsong Kyiv to purchase a building in the current war-torn country of Ukraine.
54. **TAB 70A** shows samples of other loans made by Hillsong to its global campuses to cover operating and cash flow deficits. This includes the Hillsong Global Board forgiving \$3M AUD out of a \$8.5M USD loan it gave to Hillsong LA in 2016, because Hillsong LA decided to 'change the direction pursued by Hillsong LA and Global regarding the Variety Arts Centre'.
55. Each year, the boards of Hillsong Global and Hillsong Australia sign board resolutions stating that they will not call upon any intercompany loans for the next twelve months and one day (**TAB 5**). This is how Hillsong launders money throughout its different entities in Australia and overseas. As you will read below, in 2020 the Hillsong Foundation made an 'investment' into Community Venues so it could purchase and renovate the building Festival Hall in Melbourne to be used as Hillsong's Melbourne Central Church Campus. They did this via a 'loan'. However, the 2021 financials for Community Venues demonstrates that it made no loan repayments to the Hillsong Foundation in 2021. Not only did it not make any repayments on the 'investment loan' from the Foundation, but Community Venues also instead 'loaned' \$799k



to a different undisclosed Hillsong entity (TAB 62). As has been done historically by other Hillsong entities, at some point the Hillsong Foundation is likely to write off its loan to Community Venues with no one noticing.

56. Hillsong Australia supported Hillsong New York financially in its early years via paying the wages of some New York's staff as well as providing loans and gifts and funding its conferences. To demonstrate the type of New York expenditure supported by this tax-exempt income from Australia, TAB 71 shows the operating budgets of Hillsong New York from 2013 through to 2016. Take note of the expenditure for green room, guest relations, travel, and honorariums to celebrity guest speakers.
57. The current Hillsong Global Senior Pastor, Phil Dooley, was the founder and head pastor of Hillsong South Africa. Despite operating in a country experiencing significant poverty and disadvantage, Dooley also prescribed to a Hillsong culture focussed on spending significant amounts of money on guest speaker honorariums, green room catering, entertainment, gifts, meals and 'guest relations', compared to their expenditure on programs to help people in need, volunteer development or discipling new Christians (71A).
58. To demonstrate the conflicts of interest amongst Hillsong's board directors when making decisions, TAB 72 shows a list of the past and present 'responsible people' (directors, elders, public officers and LLC managers) of Hillsong's global entities sorted by the name of the person. TAB 73 shows the same information, sorted by entity. For example, when Gary Clarke was a Director of the Hillsong Global Board, he was also a voting member, executive director or board member of Hillsong Canada, Hillsong Central West, Hillsong Church Germany, Hillsong Church Israel, Hillsong Church USA, Hillsong College Ltd, and RGB Group Inc. Similarly, when George Aghajanian was a director of the Hillsong Global board and the Hillsong Australia board, he was also a 'responsible person' of 8581 Technology LLC, Association Cultuelle Hillsong (Hillsong France), Hillsong Africa Foundation Trust, Hillsong Barcelona, Hillsong Brazil, Hillsong Central West, Hillsong Church Germany, Hillsong Church Israel, Hillsong Church London, Hillsong Kiev, Hillsong Moscow, Hillsong Norway, Hillsong Portugal, Stichting Hillsong Church (Netherlands), and Yethu BLK Projects Pty Ltd (South Africa).
59. This structure enables a core group of Directors to have significant power, control and influence over all Hillsong operations globally.
60. This level of power and control enabled the significant private benefit enjoyed by Brian and Bobbie Houston during their reign at Hillsong. TABS 81 + 81A list the expenditure of Brian and Bobbie's Global Senior Pastor's budget from 2018 to 2020. Virtually every aspect of Brian and

Bobbie's lives are funded by Hillsong e.g. donations to the ministries of their friends, flowers and gifts to hand-picked friends, thousands of dollars in makeup for Bobbie, entertaining friends and family members, Soho House membership of \$4.7k, annual membership to HOAG in the USA for medical concierge services (\$5.8k Brian, \$4.5k Bobbie), a personal care physician in the USA (Brian \$2.7k), Life Insurance with MLC at an annual cost of \$29k for Brian and \$34k for Bobbie, personal security, and excessive costs for Bobbie to have her Executive Assistant Laurie Scott travel with her.

61. Hillsong paid for Brian's travel expenses for his *There is More* (TIM) book promotion tour, for which Brian personally received the royalties from book sales. In 2020, Hillsong funded Brian's brother Graeme Houston to accompany Brian on a trip to Turkey, South Africa and Europe, including a 'per diem' – at a total cost close to \$20k. Hillsong also seemingly paid for a new printer for the Bondi apartment owned by Brian and Bobbie's personal charity.
62. For over 20 years, Brian and Bobbie had a personal charity in Australia called Leadership Ministries Inc (LMI). The board members of LMI comprised individuals who were also Hillsong board members at the same time, such as George Aghajanian, Nabi Saleh, Stephen Crouch, Nick Caine, Leigh Howard Smith, and Darren Kitto, with Hillsong CFO and Global Company Secretary Peter Ridley as the Company Secretary and Accountant for LMI. Peter Ridley was also Brian and Bobbie's personal accountant (TAB 80).
63. In the early 2000s, LMI purchased two properties owned personally by Brian and Bobbie Houston at market rate (TAB 79), with proceeds from the sale going directly to Brian and Bobbie personally. The first property was a one-bedroom unit in Bondi and the second a property at Wilberforce. The Wilberforce property was sold in 2011 and once all debts were paid on the property, the surplus of \$97k was invested in LMI's interest earning account. In 2014 the LMI board approved \$142k to be used to renovate the Bondi property. Over the years, LMI was subject to an intensive ATO audit and scrutinised by the media. In 2019 Brian and Bobbie established a new personal charity in Australia named Shiloh Ministries – registered with the ACNC as a basic religious charity with the same board members as LMI. Shiloh started paying a salary to Brian and Bobbie with a 50% tax free component.
64. In 2020 the Bondi property was no longer used as a 'manse' or 'spiritual retreat' (the two purposes the ATO had previously approved for their use) and was instead rented as an Air B&B with an annual income of approximately \$50k. In March 2021, the Bondi unit was sold with all profits being receipted into LMI's bank account. At this point LMI had cash in the bank

totalling over \$1.8M. In April 2021, LMI 'donated' \$500k to Shiloh Ministries and in May 2021 it 'donated' a further \$1,383,389 to Shiloh. LMI was then closed.

65. It appears that Brian and Bobbie may have 'double-dipped' from the sale of their properties to LMI 20 years earlier. First, they received income from selling the properties to LMI at full market value and then when LMI sold the properties at a significantly higher price years later and donated the capital-gains-tax free profits to Shiloh Ministries, Brian and Bobbie can now continue to receive a salary from Shiloh's \$1.8M cash assets until the cash runs out. And who is going to say 'no' to this private benefit? The board directors now include Brian's two best friends – Casey Treat and Rick Godwin – who are both American and have no knowledge of Australian charity law. Further, they have also used church income to fund their own extravagant lifestyles and are part of the celebrity preachers circuit along with Brian Houston see - [Another Profligate Pastor Exposed – Rick Godwin | True Discernment \(truediscernment.com\)](#) [IN RE: Rick GODWIN and Eagle's Nest Christian Fellowship Church | FindLaw.](#)

### **The Hillsong Foundation**

66. The Hillsong Foundation is a Public Ancillary Fund (PuAF) (TAB 7A).
67. PuAFs are governed by specific rules, as outlined in the *Public Ancillary Funds Trustee Handbook* from Philanthropy Australia (TAB 7).
68. As a PuAF, the Hillsong Foundation is a Deductible Gift Recipient (DGR) 2 charity. Donations to the Hillsong Foundation are tax deductible.
69. As per the rules governing DGR 2 charities, the Hillsong Foundation cannot conduct its own charitable programs. It can only grant (donate) its funds to eligible organisations. Eligible organisations are those classified as DGR 1 charities.
70. DGR 2 charities cannot provide a tax-deductible receipt for donations that are ultimately granted to non-DGR 1 entities or activities.
71. The Hillsong entities which have DGR 1 status are (TAB 7A):
- Hillsong Media and Performing Arts Public Fund Account, operated by Hillsong Media and Performing Arts Ltd
  - Hillsong CityCare, a public benevolent organization
  - Hillsong International Leadership College – RTO, operated by Hillsong College Ltd
  - Hillsong College Building Fund–Hills, operated by Hills Christian Life Centre Pty Ltd

- Hillsong College Building Fund-City, operated by Sydney Christian Life Centre Pty Ltd
- International Institute of Creative Ministries Library Trust Fund, operated by Sydney Christian Life Centre Pty Ltd

72. The Hillsong Foundation regularly provides 'loans' to related party Hillsong entities which do not hold DGR 1 status. The Hillsong Foundation also borrows money from related parties. This is demonstrated in the Hillsong Foundation's audited financial accounts which can be accessed from the ACNC Website - <https://www.acnc.gov.au/charity/charities/e4fe0026-38af-e811-a963-000d3ad244fd/documents/>. Also see extracts in **TAB 2**.

73. These related party loans are summarized in the table below.

	Loans to Related Parties	Repayments from Related Parties	Loans from Related Parties	Repayments to Related Parties
2013	\$ -	\$ 139,906	\$ 47,768	\$ 17,212
2014	\$ 1,633,679	\$ 116,724	\$ 2,145,899	\$ -
2015	\$ 0	\$ 1,393,452.00	\$ 907,212	\$ 607,832
2016	\$ 0	\$ 240,227.00	\$ 661,229	\$ 2,623,073
2017	\$ 2,800,340	\$ 0	\$ 4,712,481	\$ 661,229
2018	\$ -	\$ 2,556,580	\$ 1,290,226	\$ 3,187,536
2019	\$ 338,960	\$ 0	\$ 1,271,811	\$ 1,269,577
2020	\$ 16,120,314	\$ 94,185	\$ 244,083	\$ 939,253
2021	\$ 4,255,255	\$ 896,447	\$ 854,655	\$ 1,465,069
<b>TOTAL</b>	<b>\$ 25,148,548</b>	<b>\$ 5,437,521</b>	<b>\$ 12,135,364</b>	<b>\$ 10,771,011</b>

74. The \$16.1M related party loan in 2020 comprised of a \$15,712,404 loan from the Hillsong Foundation to Community Venues to purchase Festival Hall – an iconic building in Melbourne which would become Hillsong's central Melbourne campus. The \$4.2M loan in 2021 was to Community Venues for them to use for renovations to Festival Hall. Both loans can be seen in the Hillsong Australia Intercompany Loan schedules for December 2021 and March 2022 (**TAB 6**).

75. The \$15,712,404 loan from the Hillsong Foundation to Community Venues to purchase Festival Hall was made up of from the Foundation's 2019 'surplus' funds of \$7,827,294 which the Fund retained, plus its 2020 'surplus' funds of \$7,885,110. (**TAB 2A**).

76. A 'surplus' is simply the amount of money the Foundation chooses not to distribute in grants to beneficiaries in these years.

77. The 2020 related party loan amounts shown in the Hillsong Foundation statements for 2020 were changed in the 2021 statements, with the 'loan' to Community Venues becoming an 'investment' into Hillsong related entity (**TAB 2**).

78. The specifics of Hillsong Foundation's \$15.7M loan to Community Venues are: Term of loan = 15 years. Interest rate: annual rate of 2.1%, with the first five years being interest only repayments (TAB 8).
79. Hillsong Church Australia Ltd is the sole member of the Hillsong Foundation. It is also the sole member of HC Australia Property Trust which in turn is the sole member of Community Venues which owns the Festival Hall building (TAB 3).
80. The Trustee for Hillsong Church Australia Ltd is also the sole member of Hillsong City Care and Hillsong Media and Performing Arts.
81. Members of the public may hire Festival Hall for events. This income derived from the venue hire is not received by Community Venues (the owner of the building). Instead, the income is received by the entity called Festival Hall Pty Ltd which is a 'for profit' company. Hillsong Church Australia Ltd is also the sole member of Festival Hall Pty Ltd (TAB 3).
82. Hillsong Church Australia Ltd, the Hillsong Foundation, Hillsong Media and Performing Arts, Community Venues and the HC Australia Property Trust all have the same board of directors/trustees. These boards also have 2-3 members who are common to the board of Festival Hall Pty Ltd being George Aghajanian, Stephen Crouch and Peter Ridley (who is the Company Secretary for all Hillsong Australia entities and also the Company Secretary for Festival Hall Pty Ltd) (TAB 4).
83. The Hillsong Australia Group Intercompany loan schedule (TAB 6) demonstrates that the Hillsong Foundation has loaned money to and from multiple other Hillsong entities such as Hillsong Church Limited, Hillsong Media and Performing Arts, Hillsong Church Australia, Hillsong City Care, Hillsong International, Hillsong College Limited, Hills Christian Life Centre Building Fund. In December 2020, the Hillsong Foundation had \$2,453,027 owing to it from related parties, and it owed \$3,058,394 to related parties. In March 2022 the Hillsong Foundation was owed \$20,218,739 from related parties and owed \$1,511,822 to related parties.
84. The rules governing PuAFs allow for a PuAF to 'invest' the funds of the trust under the following limitations:
- Investment transactions must be by way of **arm's length transactions** on commercial terms, or terms more favourable to the fund unless the other party is an eligible recipient (e.g. DGR 1).



- **Transactions cannot provide a material benefit directly or indirectly to any of the founder, donor, trustee, directors, employees or associates** thereof unless the party is an eligible recipient (DGR 1).
- **Directors with a conflict of interest in any transaction must excuse themselves from that decision.**
- Collectibles cannot be purchased and any donated must be sold within 12 months.
- The PuAF cannot borrow money, other than in limited circumstances for short duration.

85. Community Venues is not an eligible recipient as it is not a DGR 1. Community Venues is a related party and thus any transactions with it are not at arm's length.

86. No evidence exists in the minutes of Hillsong Foundation board meetings that discussions or considerations took place regarding the appropriateness of the Hillsong Foundation 'investing' in the purchase of Festival Hall via a 15-year loan to the Foundation's related party Community Venues at an interest rate of only 2.1%, with interest only repayment terms for the first 5 years.

87. In reality, such discussions could not have taken place because the directors of Hillsong Foundation are the same directors of Community Venues, and as per PuAF investment rules, all directors had a conflict of interest and all would have had to excuse themselves from the investment decision.

88. Community Venue's purchase of Festival Hall via the investment from Hillsong Foundation provided substantial benefits to donors to Hillsong Foundation who attend Hillsong campuses throughout Melbourne, as well as benefits to one of the Directors of the Foundation at the time the decision was made – Melinda Dwight - who attends Hillsong Melbourne.

89. Hillsong Church Australia Ltd (the 'parent' company of both the Hillsong Foundation and Community Venues) had a vested interest in the Hillsong Foundation loaning the funds to Community Venues to purchase Festival Hall, because Hillsong Church Australia's Melbourne City Campus would use Festival Hall for its church services, meaning it would no longer have to pay to rent to hire a third party venue.

90. During Hillsong's Heart and Soul evening on 7 June 2022, Hillsong CFO Peter Ridley stated that Hillsong Church made the decision to move into Festival Hall in early 2022 so Hillsong Australia's Melbourne City campus could stop paying \$750k per year in venue hire costs. <https://www.youtube.com/watch?v=tFup3LjXP9E> (Time stamp = 1.22.56). That \$750k was then freed up to use for other purposes by Hillsong Church Australia.

91. In October 2020 Global Senior Pastor of Hillsong, Ps Brian Houston, publicly announced the purchase of Festival Hall by Community Venues. He said: "These were designated funds that we planned well before the pandemic to go to buying a building. We can't use that money for general bills and the ongoing work of the church. During a pandemic we're not sort of splurging out, its something that has been planned and prepared for." (TAB 17)
92. When Ps Houston spoke to an all-staff meeting not longer after, he told the staff that there would be a large number of redundancies happening soon, but the money used to purchase Festival Hall could not be used to save jobs. These redundancies occurred in December 2020.
93. It appears that Job Keeper funds from the Australian Government were used by Hillsong to fund the purchase of Festival Hall (TAB 16).
94. The documents in TABS 11, 12, 14 and 15 demonstrate that Hillsong Church Australia (which is not a DGR 1 and therefore is not entitled to tax-deductible funds) has been regularly and consistently utilising tax-deductible funds from the Hillsong Foundation to underwrite its operating deficits as far back as 2010. Funds from the Foundation are currently being used to cover Hillsong Church Australia's \$14.8 million operating budget deficit (TABS 11 and 11A).
95. Yet, in Hillsong's 2021 Annual Report (TAB 10), Hillsong specifies that donations to the Hillsong Foundation do not fund the day-to-day running of the church: "Whilst weekly tithes and offerings fund the day-to-day running and ministry of our Australian church and the team employed to bring about these endeavours, our congregation also has the opportunity to provide for the outworking of our church through new and improved facilities and social justice vision globally by donating to the Hillsong Foundation."
96. In an email written to the church congregation on 10 July 2020, Ps Brian Houston makes the same statement: "While weekly tithes and offerings continue to fund the day-to-day running of our Church and the team employed to bring bout all our regular activities, Heart for the House enables vision for new church facilities within Australia to become reality and allows us to support ministries and charitable programs around the world that are making an imperative difference during such a critical time." (TAB 10)
97. This Hillsong Foundation's combined 'surplus' funds of \$15,712,404 from 2019 and 2020 could have been used for any purpose the board agreed on – as long as the funds were donated to a DGR 1 entity. The funds were not strictly designated to purchase Festival Hall as stated by Houston. For example, during a world-wide pandemic, this \$15.7M could have been used to help those in desperate need in developing countries such as via Vision Rescue, World Vision or Compassion. These funds could also have been donated to Hillsong CityCare to provide

welfare services for locals who had lost jobs. The minutes of Hillsong board meetings do not demonstrate any evidence that a discussion occurred about the best use of the funds during a global pandemic.

98. In November 2021, the Hillsong Foundation Company Secretary asked the directors of Hillsong Foundation to consider loaning \$5.5 million from Hillsong Foundation funds to Hillsong London to purchase a theatre in the north of London (TAB 13).

99. In June 2022, the Chair of the Board of Hillsong London, Russel Dacre, explained that the costs of running their church are far exceeding the income the church is receiving. <https://www.youtube.com/watch?v=ldKk2YINadU> (Time code = 34 mins). The financial issues experienced by Hillsong London places their ability to repay a \$5.5M loan at great risk, making the loan an unwise investment for the Hillsong Foundation.

100. Originally, Hillsong utilised Hillsong Media and Performing Arts (HMPA), a registered cultural fund, as a conduit to get the funds to from the Hillsong Foundation to Community Venues to purchase Festival Hall. This was achieved by the Hillsong Foundation 'donating' \$15,657,602 to HMPA, with Hillsong Church Australia donating a further \$2,579,602. Along with some reserves HMPA already had, HMPA then 'donated' \$18,237,213 to Community Venues. This can be seen in the April 2021 board meeting documents (TAB 21), as well as the Hillsong Financial Comptroller's notes which demonstrate that the \$18M donation from HMPA to Community Venues was reversed, and then changed to become a \$15.6M loan from Hillsong Foundation to Community Venues and a \$2.6M loan from Hillsong Church Australia to Community Venues (TAB 22). See also HMPA's DRAFT Annual Financial Statement for the Year Ended 31 December 2020 (TAB 23).

101. Hillsong justified this movement of money by claiming that the building Festival Hall is a 'cultural' building which will host 'cultural events' on the days of the week the building is not being used by Hillsong for church services and events. Hillsong's belief was that HMPA, as a registered cultural organization, could therefore donate these funds to Community Venues to purchase Festival Hall.

102. Community Venues is registered with the ACNC as a Basic Religious Charity (BRC), not a cultural organization. BRC status provides a shield to Community Venues meaning its financial statements do not have to be made public on the ACNC website and its directors do not have to comply with the ACNC's Governance Standards (TAB 25).

103. The Trust Deed of Community Venues states that the purpose of the Trust is to (a) advance the Christian Faith in accordance with the Statement of Belief, including by providing financial

and other support for Christian ministries; and (b) to do all other things incidental or ancillary to, and in furtherance or in aid of the above purpose (TAB 24).

104. It is unclear how Community Venues, as a basic religious charity, could also be considered a cultural organization. A 'building' cannot be a cultural organization.

105. As outlined in point 55 above, the key issue which points to fraud, is that Community Venues made no loan repayments to the Hillsong Foundation in 2021, despite the terms of the 'investment' loan stating that there would be interest-only repayments for the first five years with subsequent loan repayments at a rate of 2.1%. Even 2.1% interest is not a particularly attractive investment, while an interest only investment has no real benefit to the Foundation, because they will not have the advantage of any capital gains. Yet an 'investment' where there are no repayments back to the Foundation is simply fraud. This is particularly true when Community Venues used the money that should have been made in loan repayments, to instead 'loan' \$799k to a different undisclosed Hillsong entity (TAB 62). Further, as has been done historically by other Hillsong entities, at some point the Hillsong Foundation is likely to write off its loan to Community Venues with no one noticing.

### Only a small percentage of funds donated to the Hillsong Foundation makes its way to helping people in need – the rest goes to Hillsong

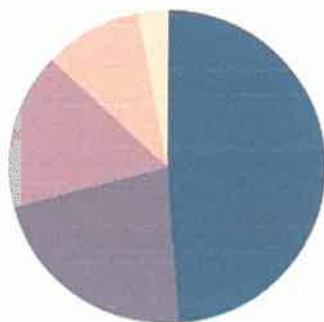
106. TAB 1 lists all income and expense transactions for the Hillsong Foundation in 2020 and 2019.

107. To create the below charts for its 2020 and 2019 annual reports, Hillsong assigns categories to each transaction. R=Revenue, A = Fundraising and Accountability Costs, B = Global & Local Benevolent Activities, C = Media & Arts, D = Missions and Church Planting.

#### From 2020 Annual Report (extract TAB 9)

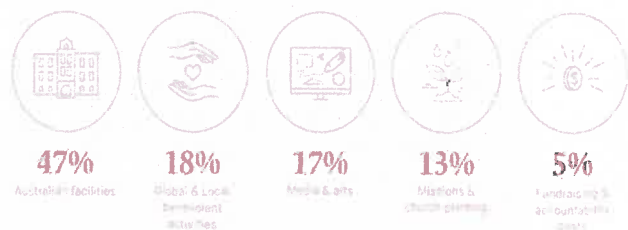
##### Hillsong Foundation Income Allocation

- 49% Australian Facilities
- 22% Global & Local Benevolent Activities
- 16% Media & Arts
- 10% Missions & Church Planting
- 3% Fundraising & Accountability Costs



#### From 2019 Annual Report (extract TAB 9)

##### The Hillsong Foundation Income Allocation





### HILLSONG FOUNDATION INCOME ALLOCATION

Category	2020 Balance		2019 Balance	
A Fundraising & Accountability Costs	576,115	3%	1,070,740	5%
B Global & Local Benevolent Activities	4,940,327	23%	4,019,489	18%
C Media & Arts	3,492,384	16%	3,776,801	17%
D Missions & Church Planting	2,152,328	10%	2,811,111	13%
E Australian Facilities	10,320,571	48%	10,208,897	47%
<b>Total HF Income Allocation</b>	<b>21,481,725</b>	<b>100%</b>	<b>21,887,039</b>	<b>100%</b>
R Revenue	- 21,953,954		- 22,415,562	
Balance is the Foundation net amount in Hillsong Church	472,228		528,524	
Note:				
Undistributed amount added to Australian Facilities	7,885,109		7,827,294	

108. The above charts show how the Hillsong Annual Report communicates what type of activities the Hillsong Foundation funds each year. It could be considered misleading.

109. Based on the transactions detailed in **TAB 1**, the following table perhaps shows a more realistic picture of who are the actual beneficiaries of the tax-deductible donations given to the Hillsong Foundation.

<b>INCOME</b>	<b>\$ 21,481,725</b>	<b>\$ 21,887,039</b>
<b>DISTRIBUTIONS</b>	<b>2020 Balance</b>	<b>2019 Balance</b>
<b>Global and Local Benevolent Activities</b>		
Hillsong City Care	\$ 1,972,312	\$ 2,629,750
Hillsong Africa Foundation	\$ 117,618	\$ 235,236
Vision Rescue India	\$ 489,078	\$ 254,356
A21	\$ 163,592	\$ 160,409
One80 TC	\$ 210,000	\$ 210,000
Bushfire Appeal	\$ 1,387,798	\$ 20,000
Sisterhood and BWC Initiatives	\$ 599,258	\$ 509,739
<b>Media &amp; Arts</b>		
Hillsong Media and Performing Arts (Cultural Fund)	\$ 3,492,384	\$ 3,776,801
<b>Missions and Church Planting</b>		
Donation - Channel	\$ 1,290,442	\$ 1,290,442
Donation - Global Churches Dallas	\$ 241,003	\$ 645,602
Donation - Global Churches Israel	\$ -	\$ 300,000
Donation - Global Churches Mexico	\$ 147,427	\$ 362,484
Donation - Global Churches San Francisco	\$ 423,455	\$ 212,584
Donation - Global Churches San Francisco	\$ 50,000	
<b>Australian Buildings</b>		
Donation - Building Fund Hills	\$ 1,011,770	\$ 550,000
Donation - Hillsong College RT	\$ 1,223,732	\$ 1,631,643
Donation - Hillsong College	\$ 199,950	\$ 199,960
Surplus (Loan to Community Venues in 2020 to buy Festival Hall)	\$ 7,885,109	\$ 7,827,294



110. The payments highlighted in pink are Hillsong entities. In 2020, 83.5% of total Foundation income was distributed to Hillsong entities. In 2019, this percentage was 89%.
111. The payments highlighted in light yellow are designated funds. This means that donors donated these funds for a specific purpose (e.g. the bushfire) and these funds cannot be used for anything else.
112. The payments highlighted in blue are the four 3<sup>rd</sup> party 'charity partners' Hillsong promotes during their Heart for the House' campaign each year in June. The Hillsong Foundation board have full discretion as to the percentage of total funds they distribute to these organisations each year. In 2020 this amount totaled \$980,288 - just 4.56% of total funds raised, and in 2019 it was \$860,000 (only 3.93%).
113. There is no competitive application process to apply for grants from the Hillsong Foundation. It is the same four 3<sup>rd</sup> party charities that have been receiving grants from the Hillsong Foundation year after year for many years. All of these charities have close ties to Hillsong board members:
- Four out of the five board directors of the Hillsong Africa Foundation are directors of the Hillsong Church Global Board (Phil Dooley, Darren Kitto, George Aghajanian and Gary Clarke.)
  - The CEO of One80TC is the father of Lauren Douglas who is the campus pastor of Hillsong Sydney City Campus. Lauren is also best friends with Brian Houston's daughter Laura and is married to Joel Houston's best friend JD.
  - Darren Kitto's brother Troy is the Centre Manager of One80TC. Multiple senior Hillsong staff participate in One80TC's annual Ride for Hope event such as Hillsong in-house legal counsel Tim Whincop.
  - Biju Thampy, the President of Vision Rescue, is also the Senior Pastor of The Gateway Church in India, which is a member of the Hillsong Family Church Network. Biju has been paid honorariums for speaking at Hillsong Church events.
  - The Founders of A21 are Nicholas and Christine Caine. Nicholas was previously a Hillsong Board Member. They are lifelong close friends with Brian and Bobbie Houston. Nick Caine is the manager of Brian Houston's property holding LLC in the USA. Kylie de Mauro, who is the Campus Pastor of Hillsong's main church campus (Hills), is also on the board of A21 in Australia.
114. Whilst the Hillsong Foundation does promote that the Hillsong Channel is one of the Foundation's beneficiaries (despite the Hillsong Channel not even being an entity in Australia

let alone a DGR 1 entity) Hillsong has never advised its congregation members in any communication material that funds donated to the Hillsong Foundation are also used to cover Hillsong's TV production costs as well as 'cultural' events such as Hillsong's annual Christmas Spectacular. See Hillsong's Heart for the House 2020 and 2021 promotional brochures (TAB 35).

115. Hillsong Foundation has also never communicated to donors that a large portion of their donations are being used to fund Hillsong College. In 2020, the Hillsong Foundation 'granted' \$1,223,772 to Hillsong College RTO. Hillsong College RTO then used these funds to form part of the \$1,831,602 they paid to Hillsong Church Australia Ltd in rent. In 2019, the amount the Hillsong Foundation granted Hillsong College was \$1,631,643 which formed part of the \$1,831,602 they paid in rent to Hillsong Church Australia Ltd (TAB 5 and 35).
116. Hills Christian Life Centre, whose parent company is HC Australia Property Trust, is the actual entity that owns the building in which Hillsong College is situated, not Hillsong Church Australia to whom Hillsong College is paying their rent (TAB 3).

### **Hillsong Media and Performing Arts**

117. Hillsong Media and Performing Arts (HMPA) is a registered cultural organization (ROCO) with the Australian Government's Ministry for the Arts (Attorney-General's Department).
118. The specific rules governing ROCOs are outlined in the handbook - *Register of Cultural Organisations Guide* (TAB 19).
119. Specific ROCO 'rules' include:
- It must be a 'public' fund, meaning that the fund must be promoted to the public, the public must be invited to contribute to the fund, the fund must promote its DGR status to the public, the public or a significant part of the public does in fact contribute to the fund, and the public participates in the administration of the fund.
  - Monies must not be distributed to members of the managing committee or trustees of the fund except as reimbursement for out-of-pocket expenses.
  - The fund must not provide any material benefit to the trustee, or a member, director, agent or officer of the trustee, or a donor to the fund or the founder of the fund. Or an associate of any of those entities.
  - To be eligible for a tax-deduction, donors may not put any condition on a gift. While a donor may state a preference as to how their gift might be used in relation to project priorities of

the recipient organization, the organization must ultimately have unfettered discretion as to how it will use the gift in accordance with its principal purpose.

- It must not pay any of its profits or financial surplus or give any of its property to its members, beneficiaries, controllers, or owners.
- A public fund may be used to fund grants ... although only to individuals, and as long as the grants are open to the public and a proper selection process is in place.
- A public fund must be able to demonstrate how it carries out cultural activities itself, not simply by making grants to another entity.
- HMPA must have a separate management committee with separate meetings and record minutes of these meetings.
- It is necessary that a cultural organization itself pursues activities for the promotion of a cultural purpose, rather than merely funding the activities of another entity.
- HMPA must clearly show that their decisions are distinct from the decisions of Hillsong more broadly and that the specific purposes and compliance requirements of HMPA are taken into account in determining the appropriate application of funds from the public fund.
- The Fund must not enter into any transaction that is uncommercial when entered into unless the transaction is with a DGR 1 AND in the course or furtherance of the fund's purpose.
- The Trustee must not give a security over or in relation to an asset of the fund.
- The fund must not acquire an asset (except by way of a gift) from, and must not make a loan or provide any other kind of financial assistance to the founder of the fund, a donor to the fund, the trustee, a director, officer, agent, member or employee of the trustee, or an associate of any of these entities except: by way of an arm's length commercial transaction on terms more favorable to the fund than would otherwise be expected under an arm's length transaction.
- The fund must not carry on a business.
- The Trustee must not borrow money or maintain an existing borrowing of money.

120. The Hillsong Foundation uses HMPA as a conduit to send designated donations through to Hillsong International for the purposes of funding the Australian operations of the Hillsong Channel. We see in **TAB 1** that in 2020 the **Hillsong Foundation** receipted \$413,457 in tax deductible donations which were designated specifically to the Hillsong Channel.

121. In **TAB 5**, we see that the **Hillsong Foundation** distributed that same amount to **Hillsong Media and Performing Arts Ltd** to 'support cultural activities'. In **TAB 5** we also see that **Hillsong Media and Performing Arts Ltd** then distributed that same amount of \$413,357 to **Hillsong International Trust** as an 'external donation received to support Hillsong Channel

operations.' A similar pattern of transactions can be seen the corresponding documents for 2019.

122. The public is not invited to donate to HMPA and the DGR 1 status of HMPA is not promoted to the public. No publicly visible means of donating to HMPA can currently be found.

123. In 2020, HMPA received a total of \$4,108,791 in 'donations' (TAB 28). Yet as shown in the table below, only \$52,808 (1%) of this amount was actually made up of donations from 'the public' via Hillsong's online giving apps. Brian and Bobbie Houston were the largest individual 'public' donors to the fund, along with Hillsong's Chairman Stephen Crouch (TAB 27).

Row Labels	2017	2018	2019	2020	2021	Grand Total
Brian Houston TV (Profiler)	\$ 265.00					\$ 265.00
Hillsong Channel	\$ 55,190.00	\$ 61,392.88				\$ 116,582
Hillsong Channel - Legacy L001023			\$ 35,962.00	\$ 23,091.00	\$ 18,602.00	\$ 78,946.00
Hillsong Channel - Recurring Giving (Paper)	\$ 34,866.00	\$ 56,566.00				\$ 91,432.00
Hillsong Channel/TV (Tax Deduct)	\$ 110,312.22	\$ 179,432.51	\$ 82,170.85	\$ 29,717.22	\$ 7,851.00	\$ 409,708.80
<b>Grand Total</b>	<b>\$ 200,633.22</b>	<b>\$ 297,391.39</b>	<b>\$ 118,132.85</b>	<b>\$ 52,808.22</b>	<b>\$ 26,453.00</b>	<b>\$ 696,934.68</b>

124. HMPA's 2020 donation income of \$4,108,791 comprised of:

- (a) \$52,808 donated online directly to HMPA but all designated to Hillsong Channel (see table above)
  - ~ \$12K FROM Brian and Bobbie Houston
  - ~ \$1.2K from Chairman Stephen Crouch
  - ~ \$6,370 from identified Hillsong employees
  - ~ \$31,948 from possible members of public
- (b) \$272,016 from Hillsong Church Australia for '25% asset acquisition' (TAB 5)
- (c) \$413,457 from the Hillsong Foundation 'to support cultural activities'. (TAB 5)
- (d) \$3,492,384 from Hillsong Foundation to 'support cultural activities and TV/Channel Production'. (TAB 5)

125. From the \$3,492,384 tax deductible funds donated from the Hillsong Foundation to HMPA in 2020, HMPA then contributed \$2,383,484 of these tax deductible funds to the Hillsong International Trust (an entity ineligible for tax deductible donations) for 'reimbursement of Australia TV Production costs'. (TAB 5)

126. HMPA runs a 'Performing Arts Academy' business where performing arts students pay fees. In 2020, these tuition fees amounted to \$101,685, yet the operating costs of the academy

totalled \$188,925 – resulting in a loss of \$87,240. In 2021 the deficit of running the Academy was \$89k (TAB 28).

127. The tuition fees generated by Hillsong's Performing Arts Academy, coupled with the \$52k donated to HMPA from the public (all of which is designated to Hillsong Channel) is not even enough to run the costs of the performing arts academy (TAB 28).

128. It is therefore the tax-deductible donations given to the Hillsong Foundation which are essentially funding the creative production aspects of Hillsong Church Australia. In 2021 this included 'musical production' costs of \$232,797, 'visual arts and media' costs of \$6,413,165, music and sound production costs of \$2,229,628, and 'other' costs of \$491,169 (TAB 28).

129. HMPA's 2021 financial accounts (TAB 28) show plant and equipment assets of \$9,098,267.

130. As at March 2022, HMPA had outstanding loans totalling \$6,821,057 which it owed to other Hillsong entities - \$3,910,594 to Hillsong Church Australia, and \$2,910,493 to Hillsong International. At the same time, it was owed \$1,901,125 from various Hillsong related entities such as Hillsong Foundation Trust, Hillsong Church Australia, HC Australia Property Trust, Festival Hall, Community Venues Ltd and Hillsong International (TAB 6).

131. In 2020, HMPA used the donations it received from the Hillsong Foundation to purchase \$1,478,533.51 in audio visual equipment for its church campuses at the Gold Coast, Sydney-Macquarie, Brisbane Central, Perth Joondalup and Church Online (TAB 29).

### **Hillsong CityCare**

132. Hillsong CityCare, a public benevolent institution, is the welfare arm of Hillsong Church.

133. CityCare's website states that its mission and vision is to build hope within vulnerable communities.

134. It states that it exists to "partner with our local communities to address poverty and its causes, through programs and partnerships that empower the next generation ... We aim to foster healthy families and create safe and inclusive communities for the peace and wellbeing of the city."

135. There are programs for 'youth, children and families, women.'

136. Each year Hillsong runs their 'Kilo of Kindness' and 'Kilo of Christmas' campaigns to raise funds to provide gift hampers of food and other welfare items to families in need.

137. CityCare's total income in 2020 was \$5,844,833 and in 2019 it was \$5,005,069 (TAB 30).



138. This income is made up from the following sources (TAB 32):

	2020	2019
Donations made directly to CityCare from the public	\$1,015,650	\$1,161,196
Other Income (Health Centre, Grant from the Dept of Families and Community Services, Rental)	\$485,266	\$574,050
<b>Sub-Total</b>	<b>\$1,500,916 (-13.5% vs 2020)</b>	<b>\$1,735,246</b>
Funding from the Hillsong Foundation	\$1,972,313	\$2,879,750
Job Keeper Covid Payment from Australian Gov	\$1,197,000	-

139. In CityCare's 2020 budget (TAB 32), the amount budgeted for the Hillsong Foundation to give to CityCare was \$3,502,388; \$1,530,075 more than the actual amount it ended up granting to CityCare. The Hillsong Foundation's total 2020 income was \$310k more than its 2019 income (\$19,179,926 vs \$18,869,192), thus there was no reason for the Hillsong Foundation to reduce the amount it had budgeted to give to CityCare. It is difficult not to believe that Hillsong consciously decreased this grant amount for the explicit purpose of reducing CityCare's overall 2020 vs 2019 income - so CityCare would be eligible for Job Keeper payments. Without the Foundation reducing its budgeted grant to CityCare from \$3.5M to \$1.97M, CityCare's 2020 income would have exceeded their 2019 income, making them ineligible for Job Keeper.

140. The \$1,530,074 difference in what the Hillsong Foundation budgeted to grant to CityCare vs what it actually granted to CityCare was therefore released into the Hillsong Foundation's 2020 'surplus' which was used to provide the 'loan' to Community Venues to purchase Festival Hall. Once again, it appears that Job Keeper funds were indirectly used to purchase Festival Hall.

141. Despite CityCare's mission to 'partner with our local communities to address poverty and its causes' and having the Hillsong Foundation as its major financial contributor, CityCare continues to roll over increased surplus year after year. At the end of 2019, CityCare had an undistributed retained surplus of \$2,514,851. At the end of 2020, the retained surplus increased to \$2,975,074. At the end of 2021, the retained surplus again increased – to \$3,109,883. (TABS 30 and 31).

142. At the same time, during a global pandemic where community and congregation members were facing serious financial struggles, CityCare chose to loan \$497,185 to a related Hillsong entity in 2020, and \$246,950 in 2021. (TABS 30 and 31).

143. In 2020, CityCare only spent 8.7% (\$510k) of its total income of \$5,844,833 on direct program funding (TABS 32 and 33).

144. Of its total \$5.36M expenditure in 2020, CityCare spent approx. 51.2% on staff salaries and staff benefits (TAB 34).

145. City Care's assets include a \$2,173,983.21 building.

**Hillsong's gross misuse of the tax-exempt funds sacrificially donated to them; Directors receiving private benefits and personal advantage - and the lies they tell to cover it up.**

146. During Hillsong's Heart and Soul evening on 7 June 2022, Hillsong CFO Peter Ridley stated:

*"We've always valued good governance and we've always valued strong stewardship – it's always been a value of Brian and Bobbie, our board and our management as our church has grown. And it's in times where things are difficult like now that we can rely on those things, and actually they stand with us to help us to be in good stead.*

*"I just want to share with you our approach. When we look at our spending, we're very mindful of our stewardship, and in this season that is more important than ever. We're very mindful that what we're stewarding and effectively spending in ministry is what you've given and what people in our church have sacrificially tithed or given.*

*"You know, the Bible says, 'Be as innocent as doves but be as wise as snakes. In other words, do everything with integrity but be smart about it.*

*"We've been in a season where we've been consistently criticised as a church. **Never successfully has the media been able to accuse us of false dealing with finance because we try to do the right thing always***

*"One of the things we've always operated as a church is an open book policy because we are willing to be transparent around the planning and use of our finances."*

<https://www.youtube.com/watch?v=tFup3LjXP9E> (Time Stamp 1.21.30).

147. The key 'catch phrase' used by Hillsong every year for the Hillsong Foundation's primary fundraising campaign – Heart for the House – is "It's not about equal giving but equal sacrifice. (TAB 36). Sadly, it seems that the congregation members are the only ones making sacrifices, as Hillsong does not seem to be making any.

148. This is especially true when we see how much these funds, which are sacrificially donated, are grossly misspent by Hillsong on travel by private jets and in first and business class travel, luxury hotels, meals at some of the world's finest restaurants, and designer gifts (see 2. Credit Card and other gross expenditure and 3. Travel).
149. Board Directors and their friends and family are the primary beneficiaries of cash and designer gifts.
150. In July 2021 *the Daily Mail* reported that Brian and Bobbie Houston had been given special permission to leave 'Fortress Australia for a trip to Mexico – while millions remained locked in their own country separated from loved ones'. Brian and Bobbie posted on Instagram that they had travelled to Mexico to speak at Hillsong's Mexico campus. What was not disclosed is that immediately prior to attending Hillsong Mexico, they travelled to a luxurious resort in Cancun, Mexico along with their sons Joel and Ben, best friends Gary and Cathy Clarke, Brian's right hand man Darren Kitto, Darren's daughter Bethany and Joel's best friend David Bagheri, plus others, for a two-day 'Global Strategy Retreat', with all expenses paid by Hillsong at a total cost close to \$100k (TAB 82).
151. When NSW Police NSW David Elliot called Brian Houston 'an ungrateful twat' for leaving Australia when the country was in lock-down, he didn't even know about their trip to the resort in Cancun, Mexico (TAB 82A).
152. In 2020, when Brian and Bobbie 'graciously accepted' a hotel quarantine room upgrade upon returning to Australia after several months in the USA, they failed to disclose that it was the tithes income from the Hillsong congregation that paid for their upgrade at a cost of \$5,389, in addition to the mandatory government quarantine fee of \$4,016 (TAB 82A).
153. However, this is not the only Private Benefit received by the Houston Family. TAB 109 (including 109 additional 1 and 2) shows just some of the private benefits afforded to the Houston family. Unlike any other Hillsong employee (except Brian's BFF Robert Fergusson), Brian, Bobbie and Joel Houston have all published books for which they personally own the copyright and thus personally receive all royalties. Yet, it is Hillsong that paid to heavily promote Brian's book 'There is More' including organising and funding his book tour across the USA. Additionally, Hillsong used church money to pay to hire on staff a personal assistant for Bobbie whose job description included: **Cleaning** - maintain the Houston residence to an appropriate standard as agreed with Bobbie; **Grocery Shopping** – Ensure that the Houston residence is adequately stocked with various grocery items as required from week to week;

**Errand running** – facilitate the efficient running of various errands as required, e.g., the dry cleaning. It's little surprise that the successful candidate for this role was Bobbie's daughter-in-law Lucille Houston.

154. Further, since the early 2000s, Brian and Bobbie Houston have had their own personal 'charities' called Leadership Ministries Inc (Australia), Maximised Leadership Inc (USA), and later Shiloh Ministries Australia and Shiloh Ministries USA. They also owned HELP Distributors - an entity they used to distribute their books, merchandise and other resources – prior to Hillsong establishing its own publishing and distribution business. These charities exist solely for the private benefit of Brian and Bobbie.
155. Every aspect of these personal charities is managed out of the Hillsong Sydney offices by personnel paid for by Hillsong. A bookkeeper was hired specifically within Hillsong's Finance Department to manage the financial and governance aspects of these charities under the supervision of Hillsong's CFO Peter Ridley and Hillsong's Company Secretary Administrator Kylee Tranter. Both Peter and Kylee acted as the Company Secretary of these Houston charities. The board directors of these charities comprised of Hillsong Directors such as Darren Kitto, Nabi Saleh and George Aghajanian and board meetings were held during work time concurrently with the Hillsong board meetings.
156. Further, Kylee Tranter, whose role was paid for by church funds, also managed most of the administrative aspects of the Houstons' personal lives including their wills, storage facility, personal superannuation funds, life insurance, USA visas, banking etc.
157. **TAB 109** also demonstrates that Brian Houston essentially made up a new highly paid, but less stressful, role for his son Ben Houston and Ben's wife Lucille following Ben's breakdown a couple of years earlier where he had to take a sabbatical from his role as Senior Pastor of Hillsong LA and eventually resign. Not bad pay for Lucille who was supposedly home-schooling her four children at the same time.
158. Brian and Bobbie's daughter Laura Toginavalu is the only Hillsong staff member for whom Hillsong employs a 'Family Assistant'/Nanny on staff.
159. **TAB 109** also demonstrates the excessive salaries provided to the Houston family members and best friends Gary Clarke and Darren Kitto (along with Brooke Ligertwood) who then claim ridiculously high tax-free housing allowances.

160. **TAB 106** shows the salaries of Hillsong's top executives and senior pastors. Fifty per cent of the pastors' salary is tax-exempt as a benefit provided to religious practitioners in Australia. Seemingly, this tax perk was introduced years ago when churches were small and pastors were barely paid enough to feed their family. It is questionable if the Australian taxpayer should still be supporting this benefit to the pastors of mega-churches whose salaries these days extend past several hundred thousands dollars. So that the non-pastoral executives don't miss out on tax-exempt benefits, Hillsong 'employs' the majority of its senior staff through its public benevolent institution CityCare, meaning these executive receive around \$16k of their salary tax free each year (a benefit the Australian government provides to PBIs).

161. It is noteworthy that the payment of Brian Houston's salary is split between a portion being paid from Australia and a portion from one of Hillsong's USA churches, Hillsong NYC LLC. Despite Hillsong Events LLC being predominately run from Australia and it having nothing to do with Church operations, it is the employing entity in the USA of Ben, Lucille and Joel Houston, Brooke Ligertwood, and Brian's other personal staff in the USA Anthony Thompson and David Simila (**106A**).

162. **'Pastors' or Musicians?** Hillsong employs 'on staff' the celebrity songwriters, singers and other musicians who write and produce all Hillsong's music. However, they are not employed as musicians, they are instead employed as 'pastors' meaning that they receive a substantial portion of their already generous salary tax-free. They are then given cool quasi pastor-operational job titles such as 'Worship Pastor – Platform Oversight', 'Worship Pastor – Conferences and Initiatives', 'Spheres Worship Pastor', 'Worship Pastor – Training Oversight', 'Worship Pastor – Sisterhood Oversight', 'Pastor – Music Tours' or just 'Music Pastor' (**TAB 106**).

163. **The key question** - Is it fair for the Australian taxpayer to support the tax-exempt salary of 'pastor musicians' who are also earning hundreds of thousands of dollars per year in music royalties. For example, it appears that one of Hillsong's 'Music Pastors' earns \$68,299 in salary from Hillsong, of which \$41,737 is tax-free. At the same time, this same musician earned \$1,390,724 in music royalties in just one year from writing hit worship songs for Hillsong. It is the 'pastor-songwriter' who receives the greatest portion of Hillsong's music royalties, not Hillsong Church. Again, is it fair for the Australian taxpayer that the tax-exempt charitable income earned by Hillsong International in Australia has been used to set up and operate world-class recording studios in Australia and overseas which are then used to make the song-writer ridiculously wealthy? (see **TAB 106** for the summary of salary + royalty income and **TAB 109A** for the royalty payment summaries for Hillsong's songwriters and publishers).



164. However, these tax-free salary benefits aren't just restricted to the celebrity musicians, it also applies to other 'pastors' who actually just have normal 9-5 'office jobs' at Hillsong e.g the Head of Film and TV, Projects and Events Coordinator, Communications Project Manager, Head of Creative Moments.

165. As a long-term Board Member, the current Hillsong Global Senior Pastor, and Brian Houston's replacement, Phil Dooley has been party to all of this misconduct. He has also been involved in this self-indulgent spending and private benefit – and still is.

166. Not only does Lucinda Dooley also fly around the world business class but Hillsong additionally pays to fly Phil and Lucinda's children around the world – and not in economy class. Just this year, the Dooley family has charged the following travel to Hillsong Australia, with amounts also probably charged to Hillsong South Africa. Overseas accommodation and high-class restaurant meals are additional as they are paid for on their corporate credit cards (TAB 86).

17/3/22	\$16,785	Phil	Flights	San Francisco to Sydney	One way
17/3/22	\$2,290	Bella	Flights	San Francisco to Miami	One way
19/5/22	\$22,378	Lucinda	Flights	Cape Town to Miami to Monterrey (Mexico) + NYC	Return
20/5/22	\$42,563	Phil	Flights	Sydney to Miami to Monterrey (Mexico) + NYC	Return
08/6/22	\$1,323	Phil	Flights	Sydney to Brisbane	Return
06/08/22	\$12,940	Phil	Flights	London to Athens for a pastor's retreat in Greece to Copenhagen	Return
16/8/22	\$25,214	Phil	Flights	Cape Town to Sydney	Return
18/6/22	\$1,873	Phil	flights	Sydney to Melbourne	Return
22/8/22	\$1,154	Lucinda	Flights	Sydney to Melbourne	Return
28/8/22	\$1,154	Phil	Flights	Sydney to Melbourne	Return
28/8/22	\$900	Bella	Flights	Sydney to Melbourne	Return
11/9/22	\$2,421	Phil	Flights	Sydney to Brisbane	Return
14/9/22	\$4,617	Phil	Flights & Accom	Sydney to Melbourne to Brisbane to Sydney	Return
14/9/22	\$2,873	Bella	Flights & Accom	Sydney to Melbourne	Return
24/09/22	\$9,892	Lucinda	Flights	Cape Town to Sydney	Return
07/10/22	\$32,914	Phil	Flights	Cape Town to Sacramento (USA) to Sydney	
07/10/22	\$8,081	Abigail	Flights	Cape Town to Sacramento	Return
26/10/22	\$43,740	Phil	Flights	Sydney to Guatemala	Return
28/10/22	\$9,411	Sanga (Phil's best mate)	Flights	Sydney to Guatemala	Return
11/22	\$13,607	Bella	Flight	Cape Town to Guatemala to Sydney	

167. Phil Dooley is flying to Guatemala at an airfare cost of \$44k, to speak at the church (Casa De Dios) of his good friend and spiritual mentor Cash Luna (TAB 86C). Considering that Hillsong does not have a church in Guatemala, and spiritual mentoring can be performed over Zoom, it would be surprising if these \$44k flights were not being used solely for Phil to earn a personal benefit honorarium for preaching at two church services – likely to be around at least \$20-\$30k. It is unfathomable why Hillsong is also paying an additional \$23k for Phil's daughter Bella and his best mate 'Sanga' Scott Samways to accompany him to Guatemala.

168. Like other Hillsong board members, Phil accepts expensive cash and designer gifts paid for by the sacrificial donations of the Hillsong congregation. TAB 86B shows that Phil accepted a \$2,335 watch from Hillsong as a 50<sup>th</sup> birthday gift in 2020 (albeit less than Darren Kitto's 50<sup>th</sup> birthday gift of \$10k USD). In 2019 Lucinda received a gift worth \$919 and in 2018 Phil and Lucinda accepted a cash gift of \$15,000 from Brian and Bobbie paid for by Hillsong. In both 2018 and 2019 Hillsong gave Phil and Lucinda \$500 cash for their Christmas gifts.

**The Celebrity Preachers Reciprocal Honorarium Rort - using tax-exempt church income sacrificially donated by the congregation to make the celebrity pastors of mega-churches in Australia and overseas mega-wealthy.**

169. Over the years, Phil Dooley has been a regular and willing participant in the reciprocal preacher's circuit whereby celebrity preachers and 'worship' pastors (i.e. musicians) earn hefty tax-free honorariums for speaking engagements at both Hillsong and non-Hillsong church campuses and events around the world – all while at the same time being paid a full-time salary from Hillsong for performing a full-time job. For the financial year July 2019 to June 2020 (where one quarter was a write-off due to Covid) Phil earned \$70k in honorarium income – banked into his personal charity **Live the Adventure**. TAB 86A shows that this amount partly comprised of tax-free honorariums of \$17,500 given to him by Hillsong Australia. He was also provided with tax-free honorariums from other Hillsong global churches and events outside of Australia. In the 2013/14 year Phil earned \$90k receipted into Live the Adventure (see <https://www.acnc.gov.au/charity/charities/68e0f131-39af-e811-a960-000d3ad24282/documents/>).

170. However, Phil has previously been somewhat of a 'small-fry' actor in this rort. Mega-church celebrity pastors can earn over one million dollars per year from this 'scam'.

171. TAB 110 explains in detail how this Celebrity Preacher's Scam works. Hillsong pastors such as Brian and Bobbie Houston and Christine Caine were some of the 'OGs' of this abuse of church funds. In essence, one mega-church pastor who is the founder and Chair from their

own church (the host church), invites a founding celebrity pastor of another mega-church to speak at their church or event. For this, the host church pays for business or first-class flights for the guest pastor, along with luxury accommodation, restaurant meals, gifts and green room comfort. The icing on the cake is the payment of a generous honorarium (around \$10k to \$20k or more) to the visiting celebrity pastor to preach a couple of 30 minute sermons. In addition, the visiting pastor receives royalties from the sale of his or her resources at the church service or event. This arrangement is then reciprocated. That is, the original celebrity preacher guest subsequently invites the celebrity pastor from the host church to come to their church or event to preach and offers all of the same benefits they had received.

172. The problem with this arrangement is that it is church money which pays for the honorarium, flights, accommodation etc, yet the pastor receives the honorarium into their **personal pocket**. This scam means that Australian tax-exempt church income is being used to make celebrity pastors personally wealthy. The mega-wealthy pastors of the world's largest mega-churches are all 'in on it' by continually inviting each other to speak at their church services and events. They are effectively lining each other's personal pockets and enabling luxurious lifestyles – all with church money sacrificially donated by the general public who are not wealthy.

173. **TABS 110A to 118** detail this scam in extensive detail using Hillsong as a case study.

- **TAB 111** details the amount of money Brian and Bobbie Houston received in tax-free honorariums over the past 10 years from speaking at the churches of their friends. Many of these honorariums have even been paid to Brian or Bobbie from Hillsong's own global churches such as those in Europe. They are already being paid a combined salary of circa \$1 million by Hillsong to work full time jobs, yet also receive honorariums from their own churches in addition to their full-time salary – simply for performing the duties you would reasonably expect them to perform in return for their generous salaries.
- **TAB 112** demonstrates that the celebrity pastors who participate in this speaker circuit scam fly business class around the world – paid for by the host church congregation. At Hillsong Australia, it's not only the Houston family – other participants in this scam include Steve Dixon, Robert Fergusson, Donna Crouch, Laura and Peter Toginavalu and Joel and Julia A'Bell.
- **TAB 113** demonstrates how pastors can use their church's money to 'buy' their way into this exclusive reciprocal speaker's circuit so they too can become wealthy from honorariums. That is, churches around the world pay up to \$100k per year to be a member of the Hillsong Family 'Club'. This entitles the senior pastors of the member church to go on retreat with the Global Senior Pastors of Hillsong a couple of times per year – usually at a luxurious

overseas resort. At this retreat, they can solidify their relationship with Hillsong so they will continue to be invited to speak at Hillsong church services or events. Thus, the senior pastors of the member churches are buying their way into, or consolidating their spot in, the celebrity preacher's circuit scam. This also works in reverse. For example, the likes of Laura and Peter Toginavalu, and Ben and Lucille Houston, attend the retreats so they can solidify their relationships with the senior pastors of other mega-churches to shore up their future speaking engagement on the preacher circuit.

- **TAB 115** outlines in great detail those pastors around the world who have benefited from this honorarium scam over the years – many of whom are part of the Hillsong Family 'Club', Brian and Bobbie's BFF gang or Hillsong's own pastors such as Phil Dooley, Mark Wilkerson, Carl Lentz, Ben Houston and Chris Mendez.
- **TAB 118** provides evidence that the host church pays for these celebrity speakers to fly business class both internationally and domestically to travel to speak at the church service or event.
- **TAB 119** shows the enormous amount of money these pastors are receiving in royalties from the sales of their book and other resource royalties when they speak at a church service or event – in addition to their generous honorarium.

174. Perhaps the most disgusting aspect of all of the above excessive spending and private benefit is that Hillsong promotes child sponsorship organisation Compassion International at its conferences and worship tours via on-stage presentations and permitting Compassion to have a display 'stand' at the event. However, Hillsong does not promote Compassion out of the 'goodness of their heart'. Instead, Hillsong charges Compassion \$1,000,000 per year for the privilege of being their child sponsorship partner (**TAB 83**). Hillsong's travel, green room, gift and honorarium expenditure is so extreme that even with the \$1M contribution from Compassion, they still make a loss in their church operations and conference budgets. This contribution from Compassion could otherwise be directly used to provide more assistance to children living in extreme poverty – rather than contributing to Hillsong's excessive spending on luxury lifestyles.

**BEFORE PUBLISHING ANY DOCUMENTS CONTAINED IN THIS DISCLOSURE, THE MEDIA SHOULD CAREFULLY DE-IDENTIFY THE PERSONAL INFORMATION OF ANY INDIVIDUALS WHO ARE NOT PUBLIC FIGURES, WHO ARE MINORS OR WHOSE PERSONAL DETAILS (E.G. INCOME AND OTHER PAYMENTS) ARE IMMATERIAL TO THE ISSUES THAT ARE SQUARELY IN THE PUBLIC INTEREST AND IN THE INTEREST OF AUSTRALIAN GOVERNMENT LEGISLATION.**