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Not-for-profit Stewardship Group

Access information from meetings of the Not-for-profit Stewardship Group.

Not-for-profit Stewardship Group key messages 14 July 2026

Key topics discussed at the Not-for-profit Stewardship Group meeting 14 July 2026.

Not-for-profit Stewardship Group key messages 17 March 2026

Key topics discussed at the Not-for-profit Stewardship Group meeting 17 March 2026.

Not-for-profit Stewardship Group key messages 26 November 2025

Key topics discussed at the Not-for-profit Stewardship Group meeting 26 November 2025.

Not-for-profit Stewardship Group Key messages 22 and 23 July 2025

Key topics discussed at the Not-for-profit Stewardship Group meetings 22 and 23 July 2025.

Not-for-profit Stewardship Group key messages 25 March 2025

Key topics discussed at the Not-for-profit Stewardship Group meeting 25 March 2025.

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Key topics discussed at the Not-for-profit Stewardship Group meeting 17 July 2024.

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Not-for-profit Stewardship group key messages 30 November 2023

Key topics discussed at the Not-for-profit meeting 30 November 2023.

QC 43939

Not-for-profit Stewardship Group key messages 14 July 2026

Key topics discussed at the Not-for-profit Stewardship Group meeting 14 July 2026.

Last updated 14 September 2026

NFP tax administrator update

The Australian Taxation Office (ATO) provided an overview of the 2025–26 year in review, and the Australian business number (ABN) registered not-for-profit (NFP) population as of July 2026, noting ongoing transformation in the sector, including:

- movement between self-assessing income tax exempt organisations
- endorsed tax concession charities
- growing taxable cohort.

This shift is being observed through the self-review return process, with some organisations realising they may be taxable and either lodging income tax returns or a non-lodgment advice.

We acknowledged the sector's significant contribution across the tax and super system, including through employment taxes and superannuation obligations.

Members were thanked for their contribution to the Not-for-profit Stewardship Group (NFPSG) and for re-nominating, with most existing members indicating they wished to continue. A total of 29 nominations were received.

We remain keen to include an Indigenous representative on the stewardship group and invited members to draw on their networks to identify a suitable person who could contribute to the group's work. The new membership will be in place prior to the next meeting in November 2026.

Members were given an update on public advice and guidance matters that were previously raised and were invited to provide practical examples that could help shape the guidance updates currently underway.

Proof of record ownership

Proof of record ownership requirements for deductible gift recipient (DGR) and tax concession endorsement applications was discussed, particularly where applications are received via the Australian Charities and Not-for-Profits Commission (ACNC) and do not include an authorised contact on ATO systems.

We explained we are working with the ACNC to explore options to make our authorisation requirements clearer to applicants and to obtain this information earlier in the ACNC application process to avoid subsequent delays in processing.

NOTE – subsequent to the meeting, updates were implemented at Registration application checklist and guide, under both the tax concessions and DGR sections.

ABN application and process improvements

The ATO outlined work underway to improve the ABN application experience for NFPs, noting that many issues for taxpayers and administrators begin with outdated or inaccurate Australian business register (ABR) information and confusion in the options available to them in the ABN application process.

We advised the ABR platform was designed before the NFP self-review return, and isn't reflective of the distinctions between:

- taxable NFPs
- self-assessing income tax exempt NFPs
- registered charities.

Improvements considered include:

- questions regarding legal structure
- organisation type
- activity type
- key questions that effectively determine the reporting system an organisation enters.

Tailored instructions are being considered to help NFPs determine whether they are taxable, self-assessing income tax exempt or charitable before applying for an ABN.

Members raised concerns about correcting details where an organisation had incorrectly selected its entity type. We advised that, where a genuine administrative error has occurred, we will consider correcting the entity type if supporting evidence is provided and the correction is within the same entity group. Where there has been a change to the organisation's structure, a new ABN will be required. For further details see Changing your business structure.

Members will be kept informed of the progress of these changes as they develop.

Compliance

The ATO has undertaken significant education and support activities to help NFPs understand and meet their NFP self-review return obligations. These activities have included:

- targeted emails
- SMS messages
- letters
- broader communications and stakeholder engagement.

Our compliance approach is evolving from primarily support and education to also include a greater number of compliance interactions.

The compliance focus will include DGR integrity, whether organisations are correctly classified for income tax exemptions, and whether self-review return outcomes are accurate.

Will continue to support voluntary compliance, but deliberate non-compliance and higher-risk behaviour will attract greater attention. Members discussed the importance of making this change transparent to the sector so that advisers and NFPs understand compliance focus areas and can take early action to remedy any errors.

Members discussed practical challenges for advisers and NFPs where historical lodgment obligations may be unclear or significant. We encourage organisations to act and bring their affairs up to date, particularly in relation to current obligations.

ACNC

The ACNC highlighted the release of the latest Australian Charities Report – 12th Edition and noted that the data continues to provide a rich source of information about the charity sector, including:

- resilience issues
- inflationary pressures
- funding dynamics
- increasing pressures facing smaller charities.

The ACNC advised that its regulatory focus areas for 2026–27 will be supporting charities to understand the value of maintaining strong governing documents and managing relationships with partners effectively. The ACNC's regulatory activities will continue to emphasise using a proportionate, risk-based approach that prioritises education and guidance for minor issues and escalate to targeted compliance reviews and use of enforcement powers in response to serious risks.

Looking back, the ACNC shared insights into its regulatory work in 2025–26, noting increases in the number of closed investigations, a slight increase in revocations of registration for serious matters, and the first use of the power to suspend a responsible person. Compliance and enforcement powers were used where charities demonstrated significant financial record-keeping deficiencies, unaddressed safeguarding concerns, substantial activities for private rather than public benefit, or charities pursuing unlawful activities or disqualifying purposes.

Payday Super

Payday Super commenced on 1 July 2026, with the first 2 weeks of transition operating broadly as expected. Employers, intermediaries and super funds are engaging with the new requirements and raising implementation questions as they begin adapting to the changes.

Key points included:

- The ATO's first-year approach is focused on supporting employers who are making a genuine effort to comply. Employers who attempt to meet their obligations, make mistakes and promptly correct them will generally be considered low risk.
- Compliance activities will focus on higher-risk employers, particularly those that were not meeting their previous quarterly

super obligations or are not making a genuine attempt to comply with Payday Super requirements.

- To support the transition, we have expanded our communications and guidance materials, including updated web content, fact sheets, checklists, videos, webinars and a new compliance guide. The guide outlines common mistakes, how to correct errors and our compliance focus areas.
- July is a critical transition period, as many employers may need to manage obligations under both the former quarterly super guarantee arrangements and the new Payday Super requirements.
- The **super guarantee voluntary disclosure statement process**, including that a short-form statement has been published for the first year and work is underway with digital service providers on a software-based process for later years.

Payday Super resources:

- **Legislative Instrument LI 2026/20** – *Superannuation Guarantee (Administration) (Out-of-Cycle Qualifying Earnings) Determination 2026* was published on 24 June 2026.
- **Payday Super resources**
- On the 24th of June, Deputy Commissioner, Emma Rosenzweig presented to the Charity Lawyers Association of Australia and New Zealand about Payday Super and other requirements relevant to charities and not-for-profits. The webinar, From Incident to Insights: Key Privacy Lessons for Charities is available.

ATO strategy update and discussion

The ATO discussed the **ATO Strategy 2026–30**, noting that while it applies across the tax and superannuation system, including the NFP sector, it has been intentionally designed as a whole-of-system strategy rather than an NFP-specific framework.

The strategy's vision is 'an Australia where every taxpayer meets their obligations because complying is easy, help is tailored, and deliberate non-compliance has consequences'.

The strategy is underpinned by 5 strategic shifts:

- simplifying the tax experience

- closing the payment gap
- strengthening the system so it works fairly and as intended
- partnering across the ecosystem
- building a future-ready workforce.

It was noted that while digital self-service will play an increasingly important role in improving the client experience, the strategy also recognises the ongoing need for tailored support where it is most needed.

Sector reflections and future priorities

Members discussed emerging issues across the sector, including hybrid structures involving:

- NFP and for-profit entities
- private benefit
- public benevolent institution arrangements
- related party transactions.

Members noted the value of practical guidance and examples that help organisations understand key risk areas and governance considerations.

Members emphasised that hybrid structures are not inherently inappropriate and can support charitable and community outcomes when appropriately governed. Discussion focused on:

- the importance of purpose
- managing private benefit and related party arrangements
- ensuring that activities and benefits remain directed towards charitable objectives.

Members discussed increasing sector pressures, particularly for smaller NFPs and volunteer-led organisations. Challenges raised included:

- financial sustainability
- difficulties recruiting and retaining board members and treasurers

- growing reliance on bookkeepers
- insurance costs
- regulatory obligations
- broader administrative demands.

Members noted the risk that these pressures may affect the viability of some grassroots organisations.

Members highlighted the importance of designing systems, processes and guidance that are accessible and practical for small, volunteer-run and resource-constrained organisations. Suggestions included:

- clearer guidance during ABN registration
- practical support for newly established organisations
- reminders to keep authorised contact details up to date
- stronger alignment between tax obligations, governance practices and board-level responsibilities.

Treasury

Treasury provided a budget and legislative update, including discussion of announced trust and capital gains trust changes relevant to the sector. They advised that consultation on Minimum tax on discretionary trusts remains open until 31 July 2026.

Members discussed the potential impact of trust changes on philanthropic giving. Treasury noted that government's broader focus is improving equity and fairness in the tax system.

Treasury also advised that the government intends to remove the ministerial declaration step from the community charity DGR category, while leaving the category itself and the role of the ACNC and the ATO's endorsement role unchanged. Treasury noted that this change is not yet law and that the existing ministerial declaration process remains in place until legislative change occurs.

Other legislative updates included:

- royal assent for the removal of the minimum $2 deductibility threshold for deductible gifts

- passage of registry stabilisation and uplift changes enabling Australian Securities and Investments Commission to use information from other regulators
- introduction of legislation to rename ancillary funds to giving funds as a precursor to further giving fund reforms.

New measures update

The ATO provided the following updates on the **Philanthropy – support to double philanthropic giving by 2030**.

Removal of the $2 minimum threshold for deductible gifts to DGRs from 1 July 2024:

- **Gifts and donations** guidance has been updated to remove references to the $2 threshold, including updates to the gifts and donations poster and Tax Time Toolkit.
- Donation-related material is being consolidated into the main gifts and donations page to provide a single source of truth for donors and DGRs.
- Renaming ancillary funds to giving funds, allowing ancillary funds to smooth distributions over 3 years, and resetting and aligning minimum distribution rates at 6% for public and private ancillary funds.
- System and administrative design work is continuing in anticipation of legislative changes, including communications planning to help ancillary funds understand the reforms as they become law.
- The proposed communications approach includes staged messaging after legislation passes, when guidelines are updated, and close to the end of the transition period for minimum distribution rate changes.

Members noted that smoothing will require particular focus because it is new and will need to be explained clearly, including when and how it applies and how the ATO will understand whether funds are applying smoothing correctly.

Community charities DGR category

An update on consultation for the proposed community charity return was provided. Feedback from sector participants received to date included, broad recognition of the need for reporting that helps demonstrate community charities are meeting their obligations, while ensuring the return remains proportionate, practical and easy to understand; that the return should generally be modelled on the ancillary fund return, recognising that community charities have similar governance and distribution considerations, while differing in their purposes, activities and distribution requirements.

Members highlighted the importance of clear guidance and reporting prompts to help organisations distinguish between reporting distributions and activities more broadly.

We advised that, if the ministerial declaration requirement is removed, a broader range of organisations may consider the community charity category. Members emphasised the importance of providing clear guidance on the intent of the category, eligible purposes and distribution requirements to support organisations in understanding and meeting their obligations.

We will continue consultation with community charities and the stewardship group to refine the design of the new return and consider practical guidance and examples to support understanding of permitted purposes and distribution principles.

Attendees

Attendees list

Organisation	Attendee
ATO	Rowan Fox (Co-chair), Small Business
ATO	Tom Wheeler, Small Business
Australian Charities and Not-for-profits Commission	Cate Bennett
Charitas Law	Jae Yang

Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang
Clubs Australia	Simon Sawday
HWL Ebsworth	Timothy Stokes (Co-chair)
Institute of Certified Bookkeepers	Rob Marshall
Justice Connect	Geraldine Menere
KPMG	Kaylene Hubbard
Not for Profit Accounting Specialists	Ellie Patterson
Philanthropy Australia	Krystian Seibert
Queensland Muslims Inc	Habib Jamal
Saward Dawson	Cathy Braun
SW Accountants and Advisors	Stephen O'Flynn
The Salvation Army Australia	John McIntosh
The Tax Institute	Morag Ingham
Treasury	Peter Robjent
University of South Australia	Kristian Thoroughgood
World Vision Australia	Ben Scuteri

Guests

Guest attendees list

Organisation	Attendee
ATO	Marisa Hewitt, Small Business

ATO	Matthew Faltas, Small Business
ATO	Melinda Knight, Small Business
ATO	Richard Robinson, Small Business
ATO	Sourina Simmalavong, Small Business
ATO	Usha Narian, Superannuation and Employer Obligations
ATO	Virginia Hernandez, Small Business

Apologies

Apologies list

Organisation	Member
Arnold Bloch Leibler	Jessica Wills

QC 108032

Not-for-profit Stewardship Group key messages 17 March 2026

Key topics discussed at the Not-for-profit Stewardship Group meeting 17 March 2026.

Published 25 June 2026

Group refresh

The Not-for-profit Stewardship Group (NFPSG) will be undergoing a membership refresh this year. Further information on the refresh, including how to nominate, will be shared via the not-for-profit (NFP) newsletter.

ATO strategy

An overview of the ATO draft strategy was provided, which outlines our strategic direction to 2030. Members provided feedback on the draft document, including how the strategy supports their work, the language for NFPs, and the overall design. Members also acknowledged and supported the direction of an overarching strategy.

General administrator update

An update was provided on matters the NFP branch has been progressing since the last stewardship group meeting in November 2025. This included increased attention and queries directed to the Australian Taxation Office (ATO) in relation to deductible gift recipients (DGRs) following the tragic Bondi incident in December, as well as an update on the progress of NFP self-review return lodgments.

NFP self-review return update:

- Targeted campaigns are being used to encourage taxpayers who have not lodged their self-review return to do so, with each campaign resulting in increased client engagement.
- Lodgments continue to show NFPs identifying as taxable, as well as NFPs that are charitable and likely to be eligible to register with the Australian Charities and Not-for-profits Commission (ACNC) as a charity and be endorsed as income tax exempt by the ATO.
- A significant number of taxpayers have also cancelled their Australian Business Number (ABNs), reflecting that they are no longer operating.
- Analysis is underway to identify sub-populations with lower lodgment rates, with a focus on reinforcing obligations, addressing misconceptions about taxable NFPs, and encouraging non-operating entities to cancel their ABNs.

Statement of tax record

An update on the Statement of Tax Record (STR) and the NFP self-review return was provided, including how these requirements may apply to NFPs:

- NFPs may be required to provide a STR to government agencies as evidence of satisfactory engagement with the tax system when tendering for Commonwealth procurements valued at $4 million or more, or when applying to administer the Child Care Subsidy (CCS) program.
- To obtain a satisfactory STR, entities must be up to date with registration requirements, have lodged at least 90% of obligations over the previous 4 years, and have no overdue undisputed debts of $10,000 or more (or have an agreed payment plan in place).
- From 1 July 2026 (subject to system updates), the NFP self-review return will be included in the 90% lodgment requirement.
- NFPs should ensure any outstanding self-review returns are lodged to maintain a satisfactory STR and avoid impacts on government contracts or CCS eligibility.
- Further information is available at **Statement of tax record**.

Payday super

The following update on Payday super was provided noting:

- Current activity is focused on raising employer awareness through targeted communications across multiple channels
  - updated web guidance has been released, including refreshed content and fact sheets developed in consultation with the sector
  - webinars are being delivered to support employer understanding and assist with practical preparation for commencement
  - direct communications, including letters to be issued in April, are raising awareness of upcoming changes and directing employers to available support and guidance.
- It is working closely with digital service providers to support delivery and assist employers with the transition.
- Employers are encouraged to begin preparing now to ensure they are ready for commencement on 1 July 2026, helping to support a smooth transition and minimise potential cash flow impacts arising from the new payment timing.

- The Payday Super Communications Toolkit (PDF, 589KB) has been developed, which includes key messages and content to support stakeholders in sharing consistent information with their networks.

Compliance update

ATO compliance approach and focus areas

The What attracts our attention section of the Helping not-for-profits get it right presentation outlines key risk areas and ATO's compliance focus.

Planning for 2026–27 is underway, with the compliance approach forming a key component. There will be an increased emphasis on deductible gift recipients (DGR) compliance, including a risk-based assessment of the new community charity DGR category and consideration of appropriate oversight to ensure DGRs operate for purpose and apply funds in line with their charitable objectives.

NFP self-review return

Administration of the NFP self-review return will be transitioned into a business-as-usual environment, with a gradual shift from education and support to a stronger compliance focus.

While non-lodgment has been an initial focus, improving transparency and confidence in the system remains a key objective, with lodgment data providing greater visibility and assurance across the NFP population.

Insights from lodgment data will inform engagement strategies, including supporting timely lodgment by larger and more established NFPs, and identifying organisations that may be unaware of their obligations.

Focus will also include transitions in entity status, ensuring organisations appropriately move to charitable or taxable status and meet their corresponding obligations including lodging income tax returns (where relevant).

Emerging risks

Taxpayer Alert 2025/3 *Arrangements to improperly access deductions for donations of 'barter credits'* was published in November 2025, highlighting concerns with arrangements involving the donation of artificial barter credits to DGRs to claim inflated deductions.

Public guidance

An overview of the public guidance and review process was provided highlighting:

- The ATO values the insights and feedback provided by members and considers all suggestions for public advice and guidance.
- Not all proposals progress to formal guidance products, with decisions informed by a structured prioritisation and risk assessment process.
- Prioritisation considers factors such as community need, prevalence, revenue and reputational impacts, alignment with ATO strategy, and links to government initiatives or compliance activity.
- While some guidance products are currently under development, other matters may be addressed through alternative channels outside the formal process. These may include website updates, targeted communications, or newsletters, where appropriate.
- The ATO is committed to providing clearer feedback to members on how suggestions are considered, including where further evidence or examples would assist in progressing an issue.

An update on Draft Taxation Determination TD 2025/D3 *Income tax: when does a private or public ancillary fund 'provide' a 'benefit'?* was provided including:

- Consultation has closed, and the ATO is considering extensive stakeholder feedback.
- Members were provided an overview of key themes emerging from the feedback received. Submissions raised policy, interpretative and practical issues for the sector.
- The ATO will continue refining the draft and keep members informed of progress.

Australian Charities Not-for-profits Commission

The ACNC was pleased to see 74% of charities required to submit an Annual Information Statement by 31 January did so on time, which represents a 2% increase on the previous year, and captures a substantial number of newly registered charities reporting for the first time.

The ACNC has been contributing technical advice to support the mutual evaluation of Australia's compliance with the Financial Action Taskforce Recommendations, which is a whole of government undertaking coordinated by the Department of Home Affairs.

The ACNC recently completed compliance reviews and a program of mandatory self-audits with around 270 charities, seeking to understand how well charities understand and meet their obligations to manage financial risks associated with operating overseas in different contexts.

The first authorised disclosure of an investigation into a charity following amendments made in December 2025 to the secrecy provisions set out in the ACNC Act.

A range of new guidance and educational tools published on the ACNC website, along with planning sector engagement through webinars, forums and other means.

Roundtable

The member-led session offered opportunity for members to raise insights and perspectives beyond the formal agenda, with key themes including:

- Public advice and guidance – members identified topics that may benefit from a review. The ATO acknowledged the feedback and will consider the items raised and provide an update on progress.
- Community charity DGR category – members noted the category is still being understood and continues to generate queries regarding purpose and activities. Further guidance and clarification were suggested by members.
- Fringe benefits tax – members highlighted ongoing areas of misunderstanding despite existing guidance. Suggestions included

focusing on common issues such as director remuneration, entertainment fringe benefits and GST interactions.

Treasury

Treasury provided an update on Minister Leigh's announcement on 26 February 2026, which included the addition of 34 organisations to the ministerial declaration for community charities.

New measures

An update was on recent and upcoming measures was presented including:

- Community charities
  - Community charities must submit a proposal to Treasury, register as a charity with the ACNC, and then apply to the ATO for DGR endorsement. Community charities can apply for DGR endorsement at the time of ACNC registration.
  - To date, 5 community charities have been endorsed. A further 34 organisations were added to the ministerial declaration on 26 February 2026 (as noted in the Treasury update).
  - Inclusion on the ministerial declaration alone does not give community charities DGR status. Community charities must also be registered with the ACNC and apply to the ATO for DGR endorsement.
  - Guidance is currently focused on endorsement requirements and will be progressively updated to provide further clarity on purposes, activities and minimum annual distribution requirements.
  - Development of the community charity return is at an early stage. The ATO will consult with the sector, including Community Foundations Australia and the NFPSG.
- DGR and ancillary fund reforms
  - Proposed reforms include removal of the $2 minimum threshold for deductible gifts (intended to apply from 1 July 2024, subject to enactment).

    - Current administrative practice will continue, including reporting donations in whole dollars and assessing deductibility based on total annual donations rather than individual transactions.
    - Substantiation requirements vary by entity type, with specific receipt requirements for ancillary funds and some charities, and alternative records acceptable for other DGRs.
    - The ATO will continue to work with the sector on implementation of reforms and is seeking insights from members on sector understanding, emerging issues (including low-value and digital donations), and whether further guidance or support is required.
  - Additional proposed reforms relate to ancillary funds, including renaming, smoothing of distributions over a three-year period, and an increase to the minimum annual distribution rate to 6%. Transitional arrangements are expected to apply. The ATO will update guidance, systems and products progressively, with consultation on implementation to support a smooth transition.

Australian Institute of Company Directors

Australian Institute of Company Directors (AICD) provided an update on developing practical guidance on NFP director remuneration noting:

- There is an increase in governance expectations, rising director time commitments, and stronger board engagement.
- Financial pressures remain uneven, with some organisations drawing on reserves, although overall sentiment remains positive.
- Director remuneration continues to evolve, with around 27% of organisations remunerating directors and others actively considering it.
- AICD guidance will support boards, including a structured decision-making framework covering purpose, risk, stakeholder engagement and implementation, supported by case studies and examples.
- Feedback highlighted demand for clearer guidance on tax, superannuation and legal considerations, as well as improved benchmarking data.

- The resource is expected to be released mid-year, with further opportunities for engagement.

ATO app

The ATO provided an update on enhancements to the ATO app as a key digital channel supporting improved client experience and self-service.

The app enables individuals (including NFP staff and volunteers) to securely access tax and super information, track lodgments and refunds, and manage records such as deductions and receipts.

Ongoing enhancements are focused on improving usability and accessibility, expanding functionality, and strengthening security.

Stakeholders are encouraged to promote the app within their networks, with further updates and demonstrations to be provided through stakeholder forums.

Attendees

Attendees list

Organisation	Attendee
ATO	Rowan Fox (Co-chair), Small Business
ATO	Tom Wheeler, Small Business
Arnold Bloch Leibler	Jessica Wills
Australian Charities and Not-for-profits Commission	Cate Bennett
Charitas Law	Jae Yang
Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang

Giuntabell	Nunzio Giunta
HWL Ebsworth	Timothy Stokes (Co-chair)
Institute of Certified Bookkeepers	Rob Marshall
KPMG	Kaylene Hubbard
Not for Profit Accounting Specialists	Ellie Patterson
Philanthropy Australia	Krystian Seibert
Saward Dawson	Cathy Braun
SW Accountants and Advisors	Stephen O'Flynn
The Salvation Army Australia	John McIntosh
The Tax Institute	Morag Ingham
Treasury	Peter Robjent
University of South Australia	Kristian Thoroughgood
World Vision Australia	Ben Scuteri

Guests

Guest attendees list

Organisation	Attendee
ATO	Alison Cone, Australian Charities and Not for Profit
ATO	David Allen, ATO Executive
ATO	Fran Gobel, Small Business
ATO	Glenn Cooper, Private Wealth

ATO	Marisa Hewitt, Small Business
ATO	Matthew Faltas, Small Business
ATO	Naomi Westwood, Superannuation and Employer Obligations
ATO	Richard Robinson, Small Business
Australian Institute of Company Directors	Phil Butler
Australian Institute of Company Directors	Sean Dondas
Clubs Australia	Emily Brennan
Justice Connect	Amy Williams

Apologies

Apologies list

Organisation	Member
Clubs Australia	Simon Sawday
Justice Connect	Geraldine Menere
Queensland Muslims Inc	Habib Jamal

QC 107599

Not-for-profit Stewardship Group key messages 26 November 2025

Key topics discussed at the Not-for-profit Stewardship Group meeting 26 November 2025.

Published 30 March 2026

NFP self-review return and population update

Two annual NFP self-review return (SRR) lodgment cycles have now been completed, and lodgment rates have improved compared to the same time in 2024.

We continue to see shifts in the tax status of the NFP population, including NFPs registering as a charity or lodging income tax returns, as they are not eligible to self-assess as income tax exempt.

Engagement campaigns to prompt lodgment have had immediate responses, with an uplift in lodgments received following the campaigns.

The automated self-serve phone service continues to be a preferred lodgment channel.

Some of the compliance risks identified include:

- entities failing to lodge the return annually
- incorrect tax status, for example NFPs remaining as self-assessing when they are ineligible for income tax exemption
- registration details for Australian business numbers (ABN) that have not been updated and are incorrect, hindering digital onboarding and online lodgment.

Targeted engagement campaigns will continue in 2026.

Public guidance and forward program

Draft Tax Determination TD 2025/D3 *Income tax: when does a private or public ancillary fund 'provide' a 'benefit'?* was released providing guidance on the meaning of a benefit for ancillary funds. Consultation is open to 30 January 2026.

The ATO view has not changed, and the intention is to provide improved clarity, with additional examples to support ancillary funds

with compliance.

A refresh of Taxation Determination TD 93/190 *Income tax: what is the scope of the exemption from income tax provided by subparagraph 23(g)(v) of the Income Tax Assessment Act 1936?* is underway, with the update aiming to clarify the types of organisations considered to have community service purposes.

Members are invited to provide suggested examples for inclusion in the updated guidance.

The ATO will work with the Australian Charities and Not-for-profits Commission (ACNC) on contemporary examples and alignment to legislative requirements, as community service organisations can also be charitable.

New measures and shaping future NFP tax and super administration

We are in the early stages of working through implementation of government announced reforms to support doubling philanthropy by 2030 which includes the removal of $2 gift deduction threshold, renaming ancillary funds to giving funds, changes to minimum annual distribution rates and introducing smoothing provisions. These measures are not law yet and we will seek sector engagement as these measures progress.

Eligible NFPs have started to be deductible gift recipient (DGR) endorsed under the new community charity category. As the design of the annual return progresses in 2026, the group will be consulted for feedback and insights.

Legislation amended in September 2021 required non-government DGRs to be a registered charity from 14 December 2021. A 3-year transitional arrangement was available to eligible DGRs (in limited circumstances). This 3-year extension expires on 14 December 2025, and DGRs that have not registered as a charity will not be eligible for endorsement and will be revoked.

Insights from stakeholder interviews, desktop research and the July 2025 NFPSG workshop, is being consolidated to shape the NFP tax administration roadmap. We will continue to test and validate identified opportunities with members in 2026.

Cross agency briefing

Treasury

Treasury is working closely with the ACNC and ATO on the community charities DGR category. Treasury is the first stop for community charities, to submit a proposal for listing in a Ministerial Declaration. They then engage with the ACNC for charity registration and ATO for DGR endorsement. All 3 steps are required for DGR endorsement as a community charity.

It was observed that enabling community charities to apply for DGR endorsement via the ACNC registration form, with a link to ATO guidance, was an improvement that streamlined the process with the ATO and a good outcome.

The Treasury Laws Amendment, Strengthening Financial Systems Bill is not yet law and before parliament.

Post meeting update – The Bill passed in late 2025, which included:

- amendments to the ACNC's secrecy provisions, more information on Protected ACNC information
- changes to ensure that when a director of a company registered with the ACNC notifies the Commissioner of the ACNC that they have ceased to be a responsible entity, that notification will also be taken to have been lodged with Australian Securities and Investments Commission that they have resigned as a director.

ACNC

The ACNC released details about their regulatory focus areas for the next 12 months including record-keeping and risks associated with terrorist funding (help charities identify risks and practical mitigation steps).

Updates to the Commissioner's Interpretation Statement, Public Benevolent Institutions have been finalised and published to reflect the decision in *Equality Australia Ltd v Commissioner of the Australian Charities and Not-for-profits Commission [2024] FCAFC 115*.

Current focus is reviewing and updating the Commissioner's Interpretation Statement: Provision of Housing by Charities and publishing 3 new de-identified registration decisions.

There are approximately 64,500 charities on the ACNC register, which is an increase from 2024. Charity applications from NFPs previously self-assessing as income tax exempt, make up a large proportion of new applications.

The ACNC is continuing to support newly registered charities with first-time reporting. A recent webinar for this cohort of charities had over 400 attendees.

Round table

NFP self-review return

The ATO noted supporting NFPs with lodgment obligations and improving SRR compliance will remain a key focus area for 2026 and we welcome suggestions from members on how to better support NFPs to meet their reporting obligations and improve the ABN registration process. Consultation with the sector will continue as this work progresses.

Members noted that additional guidance to help taxable NFPs will help support compliance for taxable NFPs.

The ATO advised that approving BAS agents to provide services to support lodgment for the SRR is for the Tax Practitioners Board (TPB) to consider, and discussions with them are continuing.

If the community is concerned about NFPs not operating for purpose they can **make a tip-off** about community members who gain an unfair advantage by intentionally doing the wrong thing

Public guidance

The ATO has several guidance products listed for a review in the forward work program. Members are encouraged to continue sharing topics that require more clarity or additional guidance.

Members noted the NFP sector has unique challenges, and guidance should be tailored and simple, rather than overly complex. Tools and worksheets that support users to work through calculations and outcomes are particularly useful.

The ATO discussed the issues faced when considering which languages to prioritise. The increasing prevalence of AI translation

tools requires a careful balance between producing translations and understanding taxpayer use of auto translation tools.

While not specific to the NFP sector, the ATO is piloting additional support for Culturally and Linguistically Diverse taxpayers in small business, and a similar approach is also offered to Aboriginal and Torres Strait Islander communities through the Reach Out program.

Useful links include:

- **Information in your language**
- **Contact us** Translating and Interpreting Service.

NFPSG effectiveness

A member commented that in his experience, and as a member of a few different groups over many years, the NFPSG is the most effective and outcomes focused group he has been part of.

Compliance landscape

The ATO shared insights from the 2025 GST NFP Risk Assessment, including:

- identified key risk areas impacting the NFP sector
- treatment strategies to address GST compliance and improve sector understanding.

The current compliance landscape for NFPs was discussed, including key priorities and focus areas under the 2026 Compliance Program:

- Key and emerging risks impacting the sector include, not operating for purpose – NFPs not operating for purpose means they are not meeting the legislative requirements to maintain their NFP status, including access to income tax exemption and other concessions.
- Not meeting obligations – while most NFPs are income tax exempt they must comply with all tax and employer obligations, including annual lodgments.
- Fraud and evasion – NFP income tax exempt vehicles are attractive to fraudsters who deliberately establish their own NFPs, or misuse vulnerable NFPs, to gain a tax advantage or financial benefit. The benefit can be to the broader group, an individual in the NFP or related parties.

Payday Super

From 1 July 2026 an employer must pay an employees' super guarantee (SG) on payday.

SG payments must be paid to an employees' super fund at the same time as paying qualifying earnings (QE), on payday, and received by the super fund within 7 business days.

Employers need to report both qualifying earnings and super liability through Single Touch Payroll.

The payment deadline is extended for the first eligible SG contribution you are making:

- for a new employee
- to a new complying super fund for an existing employee, after you have stopped making contributions to another super fund.

In these situations, the contribution must be received by the super fund within 20 business days after the relevant QE day. A QE day is the day you pay your SG employees, that is, payday.

Small Business Superannuation Clearing House will no longer be available to existing users, from 1 July 2026.

For more information visit **About Payday Super**.

Attendees

Attendees list

Organisation	Attendee
ATO	Rowan Fox (Co-chair), Small Business
ATO	Tom Wheeler, Small Business
Arnold Bloch Leibler	Jessica Wills
Australian Charities and Not-for-profits Commission	Cate Bennett

Charitas Law	Jae Yang
Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang
Giuntabell	Nunzio Giunta
HWL Ebsworth	Timothy Stokes (Co-chair)
Institute of Certified Bookkeepers	Rob Marshall
Justice Connect	Geraldine Menere
KPMG	Kaylene Hubbard
Not for Profit Accounting Specialists	Ellie Patterson
Philanthropy Australia	Krystian Seibert
Queensland Muslims Inc	Habib Jamal
Saward Dawson	Cathy Braun
SW Accountants and Advisors	Stephen O'Flynn
The Salvation Army Australia	John McIntosh
The Tax Institute	Morag Ingham
Treasury	Peter Robjent
University of South Australia	Kristian Thoroughgood
World Vision Australia	Ben Scuteri

Guests

Guest attendees list

Organisation	Attendee

ATO	Dora Jain, Small Business
ATO	Fran Gobel, Small Business
ATO	Gary Issar, Small Business
ATO	Glenn Cooper, Private Wealth
ATO	Marisa Hewitt, Small Business
ATO	Matthew Faltas, Small Business
ATO	Richard Robinson, Small Business
ATO	Sourina Simmalavong, Small Business
ATO	Usha Narain, Superannuation and Employer Obligations

Apologies

Apologies list

Organisation	Member
Clubs Australia	Simon Sawday

QC 106321

Not-for-profit Stewardship Group Key messages 22 and 23 July 2025

Key topics discussed at the Not-for-profit Stewardship Group meetings 22 and 23 July 2025.

Published 10 November 2025

Opening address

The meeting focused on workshopping ideas for developing a strategic administrative roadmap for the not-for-profit (NFP) sector.

The co-chair extended thanks to all members and special guests for attending in person in Canberra, including colleagues fromNew Zealand Inland Revenue. Attendees considered the challenges NFPs have in getting it right and collaboratively generated ideas for how tax, super and registry administration may be strengthened toward 2030.

NFP sector 2025–26 objective for a strategic roadmap

The roadmap is being developed as part of Australian Tax Office (ATO) 2025–26 strategic priorities, to guide the evolution of tax and superannuation administration for the NFP sector to 2030 and beyond.

The focus is on developing an administrative system that is streamlined, fit for purpose, and aligned with the government's goals of transparency, integrity and doubling philanthropy by 2030. The roadmap will outline a coordinated set of projects and activities designed to:

- Align administrative tax and super frameworks with sector growth and innovation, to support long-term sustainability of NFPs.
- Enhance compliance through simplified processes, targeted support, and eased digital set-up experience.
- Uphold public trust by increasing transparency, accountability, and visibility of the sector's value to the community.

A series of facilitated discussions and breakout design sessions brought together government and sector representatives in a collaborative exploration of key challenges, opportunities, and future directions for the NFP sector. Discussions focused on:

- sustainability
- simplification
- digital transformation
- sector resilience.

Facilitated panel discussions included:

- How we work together to support NFPs get it right, now and towards 2030.
- Deep dive into the emerging risk landscape and common mistakes.
- Looking beyond the horizon – doubling philanthropy, environmental shifts and emerging trends impacting NFPs.
- Emerging technology and digitalisation – are we ready?

The following high-level messages reflect the key themes that emerged during the discussions.

Strengthening governance and transparency

The NFP self-review return (SRR) has driven improved governance, with over 32,000 lodgments prompting many NFPs to review their registration and governing rules.

Maintaining accurate Australian business number (ABN) and Australian business register data is essential for transparency and fraud prevention, especially as hundreds of regulators and administrators rely on this data.

Key message – strong governance and accurate registration data are foundational to sector integrity and public trust.

Addressing compliance barriers

Common issues include outdated ABN registration details, limited awareness of obligations, outdated legislation or tax products, access to practical guidance, digital literacy gaps, and high volunteer turnover.

Culturally and linguistically diverse (CALD) organisations face additional challenges, including reliance on AI-generated content that may be inaccurate or misleading.

Key message – consideration to legislative reform and more tailored support, practical guidance, education, and digital capability building are essential to overcoming compliance barriers and ensuring equitable access across the sector.

Evolving risk and regulatory expectations

The ATO's simplified risk framework focuses on operating for purpose, meeting obligations, and preventing fraud and evasion.

NFPs must demonstrate reasonable care, especially when using AI tools, which can confidently produce incorrect outputs.

Key message – good governance and awareness of obligations are essential to protect the sector's integrity and meet regulatory expectations.

Employer obligations and workforce risk

While most NFPs are income tax exempt, they are not exempt from other taxes and must comply with tax and super obligations.

Charities employ 10% of the Australian workforce, and there have been instances where they show risk of non-compliance, due to unmet employer obligations such as super guarantee and pay as you go withholding.

Key message – NFPs must maintain accurate records, meet deadlines, and engage early with the ATO to manage employer obligations.

Digital identity and system access

Tools like myID are central to securely accessing government systems.

Volunteer led organisations need support to navigate digital identity requirements.

Key message – digital capability is essential for secure and efficient engagement with government systems.

Strategic prioritisation and sector growth

The sector must focus on high impact initiatives and avoid spreading efforts too thin.

Growth is a shared responsibility and government, business, and NFPs must collaborate to drive innovation and sustainability.

Key message – strategic prioritisation and collective action are critical to building a resilient, future-ready sector.

Adapting to structural and technological change

Funding pressures and consolidation are reshaping service models, raising questions about governance, purpose, and community connection.

AI and digital tools offer opportunities but require strong governance, human oversight and data capability.

Key message – NFPs should prepare for structural and technological shifts by strengthening governance, digital resilience, and purpose alignment.

Role of advisors and intermediaries

Trusted intermediaries help translate complex guidance into practical support, especially for small or volunteer led organisations. Particularly navigating inconsistent legislative terminology applied across the NFP regulators.

There is a strong case for better funding of intermediaries to support education and compliance.

Key message – empowering trusted intermediaries to deliver tailored guidance improves sector outcomes and reduces regulatory burden.

Digital tools and software partnerships

Software providers are partnering with regulators to deliver cost-effective, user-friendly tools that support compliance.

Integrated platforms and strong aftercare support are increasingly valued by NFPs.

Key message – purpose built digital tools and strong aftercare support help NFPs meet obligations and streamline operations.

Digital inclusion and equity

Digitisation offers efficiency but risks excluding CALD, remote, ageing, and digitally overwhelmed communities.

Regulators and intermediaries are considering multilingual AI tools, phone-based support, and inclusive design.

Key message – a digital-by-default approach must be matched with inclusive support strategies to ensure equitable access across the NFP sector.

Cybersecurity and fraud risk

AI is being used globally to detect fraud and improve operational efficiency, but also enables fraud-as-a-service.

Many NFPs lack the cyber awareness and infrastructure to manage these risks.

Key message – as AI accelerates service delivery, NFPs should strengthen their cybersecurity awareness and governance to protect data and trust.

International and regional perspectives

New Zealand shares goals in exploring new ideas for philanthropic donation tax incentives and transparency.

There is also international interest in Australia's reforms in the sector, including deductible gift recipient changes and the NFP SRR.

Key message – regional alignment on integrity and transparency reinforces trust in the sector. Ongoing reform must balance simplicity, regulatory confidence, and sector sustainability.

Summary statement

The diversity and complexity of the NFP sector requires a coordinated, user centred approach to regulation and communication. By harmonising legislation, improving system design, and supporting NFPs the leaders across the government and sector can reduce compliance burden, strengthen integrity, and enable NFPs to focus on delivering meaningful community impact. This is particularly important for smaller organisations, those led by volunteers or serving CALD or indigenous communities.

The ATO will continue working with the NFP Stewardship Group to progress priority items. Smaller working groups may be established to

gain traction on key initiatives. Ongoing collaboration will focus on improving communication, reducing burden, and supporting sector resilience.

Through collaboration with the sector, we will continue to build the strategic roadmap and share findings, progress and solutions as they emerge.

Attendees

Attendees list

Organisation	Attendee
ATO	Will Day (Co-chair), Small Business
ATO	Jennifer Moltisanti, Small Business
Arnold Bloch Leibler	Jessica Wills
Australian Charities and Not-for-profits Commission	Natasha Sekulic
Charitas Law	Jae Yang
Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang
Clubs Australia	Simon Sawday
HWL Ebsworth	Timothy Stokes (Co-chair)
Institute of Certified Bookkeepers	Rob Marshall
Justice Connect	Geraldine Menere
KPMG	Kaylene Hubbard
Not for Profit Accounting Specialists	Ellie Patterson

Philanthropy Australia	Krystian Seibert
Queensland Muslims Inc	Habib Jamal
Saward Dawson	Cathy Braun
SW Accountants and Advisors	Stephen O'Flynn
The Salvation Army Australia	John McIntosh
The Tax Institute	Morag Ingham
Treasury	Peter Robjent
University of South Australia	Kristian Thoroughgood

Guests

Guest attendees list

Organisation	Attendee
ATO	Anu Duggirala, Enterprise Solutions and Technology
ATO	Fran Gobel, Small Business
ATO	Gary Issar, Small Business
ATO	Glenn Cooper, Private Wealth
ATO	Hope Tulk, Small Business
ATO	John Churchill, Office of the Chief Tax Counsel
ATO	Katie Yeats, Enterprise Strategy and Design
ATO	Luke Greenfield, Small Business

ATO	Marielle Delgado, Frontline Compliance
ATO	Marisa Hewitt, Small Business
ATO	Matthew Faltas, Small Business
ATO	Mitchell Dunn, Small Business
ATO	Nick von Sanden, Smarter Data Program
ATO	Richard Robinson, Small Business
ATO	Sourina Simmalavong, Small Business
ATO	Tony Goding, Small Business
Inland Revenue New Zealand	Anette Stenberg
Inland Revenue New Zealand	Jacob Hawker
Inland Revenue New Zealand	Jay Casey
Inland Revenue New Zealand	Philip Marshall
Inland Revenue New Zealand	Sasha Irvine
Inland Revenue New Zealand	Stewart Donaldson
McKinsey & Company	Roland Dillon
Reckon	Alex Alexandrou

Apologies

Apologies list

Organisation	Member
Community Foundations Australia	Jane Hawthorne
Giuntabell	Nunzio Giunta
World Vision Australia	Ben Scuteri

QC 105829

Not-for-profit Stewardship Group key messages 25 March 2025

Key topics discussed at the Not-for-profit Stewardship Group meeting 25 March 2025.

Published 25 June 2025

Opening and welcome

The ATO thanked members for attending the meeting and for their ongoing support and collaboration on the not-for-profit (NFP) self-review return. The self-review return is due on 31 March 2025. The ATO acknowledged there is still a lot of work to be done, especially for NFPs with out-of-date Australian business number (ABN) registration details. This reinforces the need for integrity and transparency.

Not-for-profit centre

General update

The ATO shared key highlights from the Helping NFPs get it right keynote presentation. The presentation focused on income tax status and reporting obligations, GST and employer obligations, what attracts the ATO's attention, and what NFPs can do to mitigate risks.

The ATO noted rising debt levels are an emerging risk. NFPs are not exempt from debt collection and should engage with the ATO early. The ATO also shared links to essential guidance and to the ATO **Tip off form**. Members were encouraged to share the presentation slides with their networks.

Operational update

The ATO advised work has doubled compared to this time last year, with an increase in calls and activities leading up to the NFP self-review return due date. Tax concession charity applications and deductible gift recipient (DGR) applications have increased significantly compared to last year.

Additional schedules are being developed as part of streamlining the DGR application process for categories administered by the ATO. Schedules help clients understand the category requirements clearly, which reduces the service standard for processing applications.

DGR risk is an important area of focus, as it is the gateway to exemptions. To ATO will continue work to strengthen that gateway to ensure compliance. A NFP purpose enables access to concessions. Therefore, DGR endorsement, and endorsed NFPs operating for purpose, are important focus areas as part of the ATO's enterprise risks.

Member comments

Members asked if there will be a schedule for school building fund DGR endorsement. There will be a schedule and the ATO will work with the Australian Charities and Not-for-profits Commission (ACNC) to make it accessible, as part of the ACNC application process.

Members asked about the ATO's DGR compliance focus. The ATO's compliance focus is preventative to ensure DGRs are operating for purpose. For this reason, there is a strong focus on guidance to ensure NFPs and advisers get it right from the start. The ATO will undertake compliance when necessary.

Member's discussed Philanthropy Australia's feedback on the specific listing review the importance of thinking about how questions are framed. The ATO is mindful of sensitivity and the need to collaborate with members and the sector to ensure the messages and tone are right.

Technical update

The primary legislation implementing the Global Anti-Base Erosion Model Rules (GloBE Rules) framework in Australia has received Royal Assent. The rules include provisions which define what constitutes a ‘non-profit organisation’ and ‘excluded service entity’ for GloBE purposes.

The subordinate legislation containing the detailed computational rules that underpin the GloBE framework has been registered as a legislative instrument. It is subject to disallowance. Notably, it contains provisions that define what constitutes an ‘excluded exempt income entity’ and ‘excluded non-profit subsidiary’ for GloBE purposes.

NFPs and intermediaries with queries relating to the implementation of this new measure can contact the Pillar 2 project team at Pillar2Project@ato.gov.au.

Emerging issues – compliance and anti-avoidance

PBI employment entities

A member raised issues relating to employment entities, including public benevolent institution (PBI) structures and uncertainty in the sector surrounding compliance. Members agreed clear guidance with practical examples would be beneficial.

If someone is employed by a PBI undertaking PBI activities, they should be able to access the concessions. However, the ATO is concerned about contrived arrangements where fringe benefits tax (FBT) exemptions are provided to workers employed under labour hire arrangements. Employees are hired to perform work for non-PBI entities and are not directly employed to undertake activities to further the purpose of the PBI. The ATO is aware of these arrangements and is working through compliance implications and signals to market.

The ATO takes an unfavourable view when NFP vehicles are used this way.

Member comments

A member asked if there are plans to publish formal guidance or taxpayer alerts on this topic. The ACNC's view of a PBI was recently

reviewed and published. The ATO will consider what further guidance may be needed to ensure that only eligible NFPs access the relevant concessions and apply them correctly.

A member noted some social enterprises and smaller entities evolve over time. They may have received initial advice, but not reviewed their entitlement to tax concessions as their structure and operations develop. Additionally, some advisers are unsure of how to guide NFPs. The ATO will support and work with NFPs trying to do the right thing. Trying to get it right and deliberate non-compliance are different things, and it is the latter that attracts the ATO's attention. There are situations where NFPs are not operating for purpose and have only been created to take advantage of concessions.

Members highlighted that when clients set up a hybrid group with a charitable element, there is often no issue if it is set up correctly at arm's length. Organisations want to remain competitive but also want to ensure they are complying. Guidance with practical examples will help to address uncertainty. The ACNC is undertaking a review of charities with complex structures and expects to update guidance on this topic. Complex structures don't always indicate non-compliance, but organisations don't always need a complex structure to be sustainable.

DGR integrity issues

A member asked if the ATO is still considering DGR pre-filling for income tax deductions as an integrity measure. The ATO project team worked with the Not-for-profit Stewardship Group on the pilot. Based on preliminary results the pilot was placed on hold. The ATO will follow up with the project team for an update.

General compliance observations

The ATO provided an overview of general compliance observations in the NFP sector, including:

- internal restructures and sales of assets by subsidiaries to NFP entities and franking credits
- ancillary fund governance including distributions to non-eligible recipients, not making the minimum distributions, not meeting audit requirements, and not complying with investment strategy requirements

- ensuring NFPs are operating for purpose and meeting all requirements, the ATO noted NFPs accumulating large surplus funds will need to show their accumulation is consistent with the purpose for which it was established
- schools entering arrangements to restructure parent payments, the ATO noted payments made to DGR endorsed school building funds in lieu of school fees are not gifts and are not tax deductible. It is important to ensure school building fund guidelines are met.

Member comments

Members noted auditors raise the accumulated profit issue regularly. The sector would welcome more advice and guidance on this topic. The ATO will review public advice and guidance.

The ATO will consider how to address the issue of school building funds and restructuring parent payments. The ATO will consider meeting with the school sector to ensure there is sufficient, clear guidance on purposes of a school building fund, including meeting gift guidelines. These scenarios highlight the importance of transparency and integrity.

The Helping NFPs get it right presentation will be updated in July and refreshed with the ATO's key messages. It is important for advisers to work with the ATO to address concerns and send appropriate signals to market.

Compliance approach and signals to market

The ATO provided an overview of its risk approach and areas of focus.

Most NFPs are doing the right thing. Therefore, the ATO is focused on front-end compliance as a preventative measure. Whilst the focus is on supporting taxpayers, the ATO must maintain integrity and transparency in the sector. NFPs are like any other taxpayer, they make mistakes, can be non-complaint, and sometimes use their NFP status to access tax concessions inappropriately.

The NFP self-review return has highlighted compliance issues. There is a shift from self-assessment to other taxable positions, both charitable and taxable. The ATO is committed to supporting NFPs through this transition and acknowledged that transitioning to a taxable position

may be significant for many NFPs. The ATO has provided extensive guidance for NFPs that require additional support, including on how to assess taxable income and apply mutuality, which can be complex.

Rising debt levels for some NFPs raises concerns around viability, especially when a NFP that has entered a payment arrangement, defaults on that arrangement. The key message is for NFPs to seek early support from the ATO when they are struggling to meet their reporting and/or payment obligations.

Employer obligations is a significant focus area, given the sector employs 10% of Australia's workforce.

Member comments

Members asked if the ATO has observed instances of insolvent trading. The ATO's focus on transparency and integrity has enabled the increased identification of NFPs that may be having difficulty and need additional support.

A member highlighted an instance where the ATO assisted their client to address issues, without taking a heavy handed approach. The ATO works closely with the debt team to engage NFPs and help them get back on track.

When taxpayers don't engage early, it can be difficult for the ATO to get them back on track. There have been cases where taxpayers have not met their reporting and payment arrangements because of cashflow restrictions, only to see the debt spiral out of control.

The ATO reinforced its focus on risk prevention and tailored treatment options. Most NFPs want to comply, and the ATO wants to support them to do so.

NFP self-review return

The ATO provided an update on NFP self-review return lodgment based on category type, entity size, and lodgment method. While there is an increase in lodgments, the due date of 31 March 2025 is approaching and there is still a long way to go.

Some NFPs will realise they have charitable purposes. These NFPs can still lodge the self-review return for 2023–24, then apply for charity registration with the ACNC. The ATO will work with the ACNC to support NFPs transitioning to their correct taxable status.

The ATO has run targeted campaigns to support NFPs to update their governing documents for the 2024–25 income year. The ATO has assisted many NFPs with lodgment of the self-review return and has made a significant investment in outreach activities to help NFPs lodge.

The ATO gave members an overview of the self-review return communications strategy, activities and results.

Member comments

Some NFPs do not understand what makes up turnover. This question is raised in seminars and sometimes requires additional support to work through. The ATO advised that the question asks for an estimate of the turnover and not the exact figure. The ATO will consider providing further clarification on this topic.

Updating ABN registration details is likely to impact lodgment. There is still uncertainty around the change of registration details form, including who can sign. Additionally, volunteers are reluctant to provide personal details and NFPs are not receiving confirmation when the form is processed. The ATO acknowledged outdated ABN registration details impact a streamlined lodgment process. To assist NFPs, a step-by-step lodgment approach has been published.

There is still some confusion about whether ACNC registered NFPs need to lodge the NFP-self-review return. The ATO confirmed that a registered charity is not required to lodge. However, where a charitable NFP has mistakenly self-assessed as income tax exempt, and realises they are not eligible, they can still complete the return and select the question that asks whether they have charitable purposes. The ATO will work with these NFPs and the ACNC to transition them to the correct taxable status.

ACNC

The ACNC recently undertook a review of charities with complex structures. Learnings from the review will provide further clarification on when these structures are acceptable. Once the process is finalised, the ACNC will consider publishing guidance on complex structures.

The ACNC provided the following operational update:

- There has been a steady increase in applications. Last week saw the highest number of applications for the year.
- There has been an increase in charities using the bulk application process leading up to 31 March 2025.
- There has been increase in calls, primarily from charities that are not registered but should be registered.
- A backlog of bulk applications at the end of last year is now resolved.

Treasury

Due to caretaker conventions, any ancillary fund consultations will happen after the election.

The ACNC advisory board was refreshed, with an increase in representatives to ensure all states and territories are represented.

Community charities guidelines are out for consultation. The guidelines include what is required to maintain compliance. Community charities are a hybrid ATO endorsed category. Steps to endorsement include ACNC registration, compliance with guidelines, and being named in a legislative instrument. Treasury is working closely with ATO and ACNC to establish the endorsement pathway.

Places of worship within CALD communities

Places of worship run by culturally and linguistically diverse (CALD) communities are more than a place to gather for prayer, they serve as cultural and spiritual hubs for communities. For example, during the recent cyclones, local mosques delivered cooked meals, and people found shelter at places of worship. Most of the funding to run places of worship comes from community donations.

Community places of worship often need to bring qualified practitioners from overseas. This poses some challenges, including with employment conditions. Many people from CALD communities are not working in their qualified field.

Some community members have difficulty understanding their tax obligations. ATO assistance with messaging about tax file number and

ABN requirements, and the translation of guidance products, would be very helpful.

Member comments

The ATO will consider suggestions to improve engagement with CALD communities, including working with trusted community leaders. The ATO will continue discussions on how learnings from engagement with Indigenous communities can be applied to improving engagement with CALD communities.

A member noted that many universities participate in Tax Clinic programs. This might be a good option for CALD community members seeking assistance with tax advice.

Treasury highlighted that GrantConnect is a centralised publication of forecast and current Australian Government grant opportunities and grants awarded.

Roundtable

GST registration threshold

The group discussed a possible review of the NFP GST registration threshold, noting it hasn't been reviewed for a significant period.

Public advice and guidance

The group discussed which products best suit sector-based advice with a level of certainty. This could be class rulings, practical compliance guides or general web-based guidance, and is often determined on a case-by-case basis. The ATO tailors the advice and guidance product to suit the scenario.

Most NFPs are run by volunteers who often self-serve when it comes to guidance. Members noted the NFP roadmap presents an opportunity to review guidance products holistically to ensure improved services to support CALD communities.

Members and the sector would welcome a deep dive and targeted guidance on FBT concessions, given uncertainty on this topic. Guidance on ancillary funds, including discounts and loans, would also be beneficial.

NFP self-review return and ABN registration

Members noted that aligning the ABN registration process with associate requirements for the various entity types can help with registry and reporting compliance.

The NFP population is an understudied cohort. We can learn more about small, medium and large entities, through the self-review return data.

Discussions regarding structures needs to continue. NFPs are looking to structure for sustainability. Additional guidance will result in better compliance.

Publishing the DGR category on ABN Lookup would make it easier for donors to understand what area the DGR operates in.

NFPs are operating in challenging times, the global environment is impacting the sector. It is a challenge to recruit capable staff. Even larger organisations have had to reduce staff and it is a competitive space in terms of contracts.

Attendees

Attendees list

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ATO	Will Day (Co-chair), Small Business
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Australian Charities and Not-for-profits Commission	Natasha Sekulic
Charitas Law	Jae Yang
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Clubs Australia	Emily Brennan
Community Foundations Australia	Jane Hawthorne
HWL Ebsworth	Timothy Stokes (Co-chair)
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The Salvation Army Australia	John McIntosh
The Tax Institute	Morag Ingham
Treasury	Peter Robjent
University of South Australia	Kristian Thoroughgood
World Vision Australia	Ben Scuteri

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Alison Cone, ATO Corporate

ATO	Bruce Matheson, International Support and Programs
ATO	Fran Gobel, Small Business
ATO	Gary Issar, Small Business
ATO	Glenn Cooper, Private Wealth
ATO	James de Clifford, International Support and Programs
ATO	Matthew Faltas, Small Business
ATO	Richard Robinson, Small Business
ATO	Sourina Simmalavong, Small Business

Apologies list

Apologies list

Organisation	Member
Clubs Australia	Simon Sawday
Giuntabell	Nunzio Giunta

QC 105119

Not-for-profit Stewardship Group key messages 19 November 2024

Key topics discussed at the Not-for-profit Stewardship Group meeting 19 November 2024.

Published 30 January 2025

Not-for-profit centre

General update

The Australian Taxation Office (ATO) shared highlights from the keynote presentation Helping not-for-profits get it right, which will be refreshed in 2025.

The ATO also provided an overview of the 2024–25 year to date and areas of focus for 2025. In 2024, the administration of 4 deductible gift recipient (DGR) categories moved to the ATO from other government departments, and the not-for-profit (NFP) self-review return was introduced. The ATO anticipates another busy year in 2025 with the NFP self-review return and the introduction of a new DGR category for community charities.

Member comments

Members expressed interest in insights and data from the specific listing review. The ATO advised some listed by name changes have already been announced, mostly due to the entity no longer operating. The review didn't discover any significant issues with listed by name DGRs. Analysis of DGR trends is expected to be available towards the end of the financial year. Members also acknowledged the ATO's work to address DGR and tax concession charity application backlogs.

Technical update

Public advice and guidance

The ATO acknowledged member feedback on Taxation Determination TD 93/190 *Income tax: what is the scope of the exemption from income tax provided by subparagraph 23(g)(v) of the Income Tax Assessment Act 1936?* The ATO will establish a sub-working group to review TD 93/190 and is seeking feedback on whether members prefer a Taxation Ruling over a Taxation Determination.

The ATO has refreshed guidance on the authorities who can approve selected types of organisations as approved research institutes. Minor updates have also been made to Taxation Ruling TR 92/2 *Income tax: scientific research – the application of section 73A* to remove outdated references and make miscellaneous editorial updates.

A review of Practice Statement Law Administration **PSLA 2014/1** *Administration of penalties for failure to comply with Ancillary Fund Guidelines* is in progress. All ancillary funds endorsed as DGRs must comply with the mandatory guidelines to obtain and maintain DGR endorsement.

Community charities

Legislation to create the new DGR category for community charities, and to require a Treasury minister to make guidelines in respect of those categories, passed in June 2024. Initially the new framework will only apply to the 28 community foundations listed on the Treasury website.

Treasury released the exposure draft of the guidelines and accompanying explanatory material for public consultation in November 2024. See Building Community – ministerial guidelines for community foundations. Once the guidelines have been finalised, the ATO will proceed to implement the measure.

GloBE rules

Domestic legislation to implement the Pillar 2 reforms has not yet passed parliament. Interested NFPs and advisers should read the Organisation for Economic Co-operation and Development (OECD) model rules and accompanying administrative guidance to understand how the Pillar 2 regime will operate. Jurisdictions generally cannot deviate from the model rules in any substantial manner, as it would mean their domestic legislation 'unqualifies' preventing them from collecting top-up tax.

The ATO is undertaking population sizing work to understand how many NFPs could be impacted by the measure. The ATO is also interested in understanding some of the interpretational challenges for NFPs to inform its view on the administration of the measure. The ATO will establish a sub-working group to progress discussions.

NFPs and advisers who have queries, submissions or comments can email the project team at **Pillar2Project@ato.gov.au**. The ATO is limited to responding to matters relating to implementation of the measure and will refer any policy matters to Treasury.

Compliance

The ATO is focused on the refund of franking credits and eligibility to claim, noting reviews have highlighted some confusion about eligibility. The ATO has provided education on eligibility and how to self-amend if a claiming error is identified. The ATO also delivered cases looking at DGR endorsement and operating for purpose, or a DGR endorsement not being used correctly. When looking at risk, drivers and potential risk events, the ATO considers the impact of changes in environment for the NFP, which includes workforce changes and the loss of expertise.

Member comments

A member asked if the ATO has a specific focus for DGRs. The ATO takes a risk-based approach and does not have a specific focus. Community feedback and referrals when a DGR is potentially not operating for purpose is reviewed and further action taken where appropriate. NFPs who are unsure or have made a mistake should engage with the ATO to address any concerns.

GST

The group discussed GST risks in the NFP population. By focusing on these risks, the ATO gains a better understanding of how NFPs interact with the GST system, the challenges they encounter, areas where mistakes may occur, and aspects of the law that are considered complex. This helps provide tailored support and guidance.

NFPs have a GST concession under the law. This means they only need to register when their GST turnover is $150,000 or more. However, some NFPs choose to register when their turnover is below the threshold amount. If an NFP is registered for GST, they can claim credits for GST paid on purchases, but must also remit GST on sales. Most NFPs who are registered for GST use Simpler BAS to report GST. This means they only report G1 Total sales, 1A GST on sales, and 1B GST on purchases, usually on a quarterly basis.

The primary GST risks in the NFP population relate to registration and correct reporting. Key questions NFPs should consider as part of a regular review of their GST obligations include:

- What is the NFPs GST turnover?
- Does the NFP have a GST registration requirement?

- If registered for GST, are business activity statements (BAS) being correctly completed and lodged?
- Is the NFP correctly reporting GST on sales made?
- Is the NFP claiming eligible credits for GST paid?
- Is the NFP paying any net GST amounts outstanding on the BAS?
- Is the NFP correctly cancelling their GST registration in the event of winding up?

The ATO is developing tailored support and guidance to help NFPs better meet their GST obligations. This includes a governance guide incorporating GST content. The ATO is also focused on improving targeted communications and publicly available information.

Member comments

The NFP self-review return has generated questions about the GST turnover threshold for NFPs, and whether it is still appropriate. The ATO advised the annual gross revenue question in the self-review return gives added visibility of an entity's size and potential GST turnover. This allows the ATO to tailor education and support. The ATO noted that any review of the GST turnover threshold is a policy question and a matter for Treasury.

It was noted that approximately 50% of sporting clubs likely have a requirement to be registered for GST but are not registered. Team costs have gone up since the COVID-19 pandemic making it easy to go over the $150,000 threshold.

Payday Super

On 2 May 2023, the government announced that from 1 July 2026, employers will be required to pay their employees' super guarantee (SG) at the same time as their salary and wages. On 18 September 2024, the government announced further details, including that the ATO's Small Business Superannuation Clearing House (SBSCH) will be closed from 1 July 2026. See Payday superannuation design details to ensure super is paid on time.

Treasury has published a Payday Super fact sheet with further details about the implementation of the measure. Treasury and the ATO will engage with industry and stakeholders on the changes.

Member comments

Members noted NFPs lodge SG using a spreadsheet and most use digital service providers (DSP) like MYOB or Xero. The ATO confirmed it is considering these issues and working with DSPs. Several DSP products offer the ability to report ordinary time earnings (OTE).

The ATO has established the Payday Super Working Group to consult on the implementation of the Payday Super program. A member of the Not-for-profit Stewardship Group has been nominated for membership.

The ATO noted that guidance on honorariums will soon be refreshed, and it will work with members on this topic.

Commissioner of Taxation's address

Commissioner of Taxation Rob Heferen reflected on valuable contributions of stewardship groups and the important role the NFP sector plays in supporting the community and building social cohesion.

The Commissioner thanked members for their input on the design of the NFP self-review return, noting that together we have created a return that is simple to complete. The purpose of the measure is to bring increased transparency and integrity the system. The ATO appreciates this is drawing out challenges, particularly for smaller organisations that are not income tax exempt. The ATO will continue to support the sector and work with NFPs.

Member comments

Members highlighted there are a large number of NFP regulators, meaning NFPs are required to submit the same information more than once causing regulatory burden. The Commissioner raised confidentiality provisions and noted the ATO will continue to explore opportunities to 'report once, use often'. This topic will be raised at the joint regulators' meeting early next year.

The group discussed the many opportunities and challenges for NFPs to balance budgets in the current environment.

Members also expressed difficulties with updating information held on the Australian Business Register (ABR) and noted there are lengthy delays in receiving a response to requests. This has a flow on impact as ABR information is relied upon by other entities, such as the

Australian Charities and Not-for-profits Commission (ACNC) and banks. Additionally, if an entity has outdated details listed on the ABR, they must submit a paper form to change their associate details which is a lengthy process. The Commissioner acknowledged the matters raised and the need for the ATO to consider how processes can become more seamless digital transactions.

Treasury

Treasury opened public consultation on the exposure draft guidelines and accompanying explanatory material for the community charities new measure in November 2024. The consultation period closes on 3 December 2024.

As part of the 2024–25 Budget announcement, the government progressed legislation to amend the tax law to specifically list approximately 10 organisations as DGRs.

The government is continuing to consider the recommendations made in the Productivity Commission's Future foundations for giving report released in July 2024. The government will also consider the *NFP Sector Development Blueprint* once it is released by the Blueprint Expert Reference Group and the Economics References Committee's report on the implementation of the NFP self-review return.

Member comments

Members asked if the government is intending to expand eligibility for the new community charity DGR categories, beyond the 28 community foundations named on Treasury's website. Treasury advised that only the 28 community foundations listed on its website will be the subject of a ministerial declaration; however, the government may consider bringing other community foundations into scope in the future.

Members enquired about the specific process a prospective DGR applicant would need to follow to be listed as a community charity. Treasury expects that the process will operate, at least in part, in a similar fashion to the specific listing process. Treasury welcomed member feedback on how the application process should operate, via the public consultation process.

ACNC

The ACNC has experienced an increased level of registration activity throughout the year. This is expected to peak between February and March 2025 and longer wait times may arise throughout this period, depending on an application's complexity.

The ACNC has engaged with peak bodies to provide information on the bulk application process, encourage early applications, distribute educational resources, and provide general assistance in navigating the registration process. The ACNC's relationships with these peak bodies have been crucial to ensuring that NFPs are educated on applicable obligations and the benefits of ACNC registration.

The ACNC will continue to review its processes and will work closely with the ATO to identify trends and mitigate issues as they arise.

Member comments

Members asked if any concerns have been raised about the new charity application question, which asks if the NFP is applying because of the NFP self-review return. The ACNC noted this question does not impact how the application is assessed and advised is included to help the identify:

- groups of related entities the ACNC should consider engaging with, to provide education and support on the registration process
- efficiencies it may introduce in handling registration applications.

Members observed some peak bodies are facing resourcing issues helping their members navigate the ACNC’s registration process. At times, peak bodies have had to employ additional staff to provide this assistance.

The ACNC has endeavoured to ease the transition for NFPs as far as possible but observed it will generally depend on how well an NFP is organised and if any technical issues need to be resolved.

NFP self-review return

The ATO gave an update on NFP self-review return lodgments. The top 3 categories that have lodged to date are community service, cultural and sporting. Most lodgments have been made by small and medium NFPs. Where an NFP has self-assessed as taxable, it is primarily due to not falling into one of the self-assessing categories under Division 50 of *Income Tax Assessment Act 1997*.

A new advertising campaign commenced in November, in addition to approved key messages disseminated to peak bodies and government departments (local, state and national) through a public relations campaign.

The dedicated NFP self-review return web page has been refreshed. See **Reporting requirements to self-assess income tax exemption**. The page has been updated to assist with navigation, including a link to access the NFP self-review return guide.

The new **NFP company non-lodgment advice** form is designed to help NFP companies with notifying the ATO of a non-lodgment for their income tax return. A new **NFP tax, super and registry responsibilities checklist** will assist NFPs to stay on top of their tax, super and registry obligations.

Roundtable

The group discussed areas of focus for 2025. Members emphasised continued difficulties with navigating the change of registration details process. The development of the fillable and downloadable NAT 2943 form for NFPs, and accompanying website guidance is a welcome improvement. Notwithstanding this, members stressed the need for improved communication avenues between the ABR and NFPs and their advisers.

Additionally, members highlighted the importance of improving and consolidating educational resources and public advice and guidance products for NFPs on the following topics:

- GST, particularly in regard to non-commercial activities, determining market value and record keeping
- gifts and donations, particularly with respect to conditionality and the valuation of non-cash donations
- eligibility requirements and application processes for DGR endorsement, particularly for the 4 DGR categories recently transferred to ATO administration, and the new community charity DGR category
- mutuality
- eInvoicing
- ancillary funds

- employer obligations (in particular, FBT and payday superannuation).

Members noted that the NFP roadmap and the NFP self-review return presents an opportunity to ensure NFPs have a holistic understanding of their obligations.

Attendees

Attendees list

Organisation	Member
ATO	Will Day (Co-chair), Small Business
ATO	Jennifer Moltisanti, Small Business
Arnold Bloch Leibler	Jessica Wills
Charitas Law	Jae Yang
Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang
Community Foundations Australia	Jane Hawthorne
HWL Ebsworth	Timothy Stokes (Co-chair)
Institute of Certified Bookkeepers	Rob Marshall
Justice Connect	Geraldine Menere
KPMG	Kaylene Hubbard
NFPAS	Ellie Patterson
Philanthropy Australia	Krystian Seibert
Queensland Muslims Inc	Habib Jamal

Saward Dawson	Cathy Braun
SW Accountants and Advisors	Stephen O'Flynn
The Dreaming Foundation	Michael Manikas
The Salvation Army Australia	John McIntosh
The Tax Institute	Morag Ingham
Treasury	Peter Robjent
University of South Australia	Kristian Thoroughgood
World Vision Australia	Ben Scuteri

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Dora Jain, Small Business
ATO	George Grespos, Small Business
ATO	Joy Tillman, Small Business
ATO	Marisa Hewitt, Small Business
ATO	Matthew Faltas, Small Business
ATO	Michelle Allen, Superannuation and Employer Obligations
ATO	Richard Robinson, Small Business
Australian Charities and Not-for-profits Commission	Carina Mitsinikos

Community Council for Australia	David Crosbie

Apologies list

Apologies list

Organisation	Member
Australian Charities and Not-for-profits Commission	Natasha Sekulic
Clubs Australia	Simon Sawday
Giuntabell	Nunzio Giunta

QC 103752

Not-for-profit Stewardship Group key messages 17 July 2024

Key topics discussed at the Not-for-profit Stewardship Group meeting 17 July 2024.

Last updated 25 October 2024

Not-for-profit centre

General update

The Not-for-profit (NFP) centre presented its year in review, with highlights from 2023–24 and a sneak peek into 2024–25.

The NFP Stewardship Group (NFPSG), NFP directors and their teams were thanked for their contributions over the past year.

Member comments

Members asked about revocations by the Australian Charities and Not-for-profits Commission (ACNC) and the possibility of notifying NFPs early about the implications. The ATO is working with the ACNC to improve messaging about the tax implications of losing charity registration.

Members suggested the ATO should allow anonymous complaints, noting complaints are beneficial as they show the gaps in the sector help improve processes.

Deductible gift recipient reforms

DGR Registers

The ATO assumed administrative responsibility for 4 unique DGR categories from other government departments, with the changes taking effect from 1 January 2024. See **Deductible Gift Recipient Registers Reform Transitional Provisions**.

Web guidance has been updated to reflect the changes, see **DGR categories**. The ATO is now assessing DGR endorsement applications for these categories under normal business processes.

Taxation Ruling **TR 95/2** *Income tax: Overseas Aid Gift Deduction Scheme* is now withdrawn and new category descriptions have been updated on Australian business number (ABN) look-up in line with the changes.

The ATO acknowledged the contribution of the other agencies to the success of the measure's implementation, including training and smooth data exchange.

Insights from DGR specific listing review

The ATO continues to provide tailored advice to NFP administrators through a dedicated NFP advice service, phone **1300 130 248**. So far in 2023–24, the team has serviced over 4,400 calls, across a range of NFP topics including entitlement to DGR endorsement and getting started as an NFP.

Profiling has helped identify priorities and we have started action with those specific listings not registered with the ACNC. Following a streamline review has allowed quick engagement with a tailored

approach, including interviews. Most of the specific listing DGRs had never engaged with the ATO, and most were highly responsive.

No significant concerns were noted in the review, which was an opportunity to provide education on good governance and the new NFP self-review requirements for those not registered as charities.

NFP advice and guidance

Changes to web content on the refund of franking credits (REFC) are underway. The ATO is consolidating all REFC web guidance pages and providing additional information on eligibility, substituted accounting periods and rules regarding qualified person test and integrity.

No further feedback was received on Taxation Ruling TR 2013/2 *Income tax: school or college building funds* which will now move to publishing.

Consultation on Tax Determination TD 93/190 *Income tax: what is the scope of the exemption from income tax provided by subparagraph 23(g)(v) of the Income Tax Assessment Act 1936?* will open in July 2024. The ATO will seek feedback from the NFPSG and will look at establishing a sub-working group.

Member comments

Members observed information about sending the ATO statements and the timeframes listed for REFCs is inconsistent. Members also noted that links to definitions for qualified persons would be helpful.

Issues and compliance

The group discussed the ATO's privacy and secrecy powers, and emerging risks in the sector including:

- structuring and lack of transparency
- uncapped fringe benefits to religious organisations
- generous fringe benefits tax concessions for public benevolent institutions
- sovereign citizens who set up private NFP foundations and promoters.

Commercial activities were also identified as an emerging risk in the sector. NFPs could potentially enter commercial dealings unaware of their GST obligations. This needs to be considered as more NFPs are exploring alternative income streams such as the sale or development of land and may be unaware of the correct GST treatment of large one-off transactions. NFPs need to seek appropriate advice to ensure they are meeting their GST obligations and applying their income and assets to their purpose.

Entitlement to franking credits – wills and estates

Entitlement to franking credits is subject to certain rules and requirements. The ATO expects NFPs to be aware of these and how they may impact their eligibility when claiming a refund of franking credits. We have observed situations where NFPs have overlooked the rules and requirements when submitting a claim for a refund of franking credits.

Where an NFP is a beneficiary of a will and receives income from a trust estate, such as franked dividends from shares, its entitlement to franking credits depends on having a sufficient economic interest in the shares, thereby satisfying the 'qualified person rule'. In this scenario, the NFP must have a fixed interest in the capital or corpus of the trust. This normally means having a vested and indefeasible interest in the shares that generate the income.

A beneficiary of a trust estate who is entitled to income only, and not the capital or corpus of the trust, is not entitled to franking credits as they are deemed not to have sufficient economic interest in the shares that generate the franked income. This means an NFP should:

- confirm their interest under the will and whether, for example, it includes an entitlement to income and to the capital or corpus of the trust estate
- obtain advice, where necessary, on the nature of their interest under the will and whether they are eligible to claim franking credits on the income from the trust estate.

Example: When an NFP is entitled to franking credits

Under the terms of a will, NFP A receives a percentage of the income from the trust estate, and the balance of the capital or corpus of the trust estate, including any assets held, on the death of the last of the individual beneficiaries.

In this example, NFP A is regarded as having a fixed interest in the income of the trust estate in the first instance, and in the capital or corpus of the trust on the death of the last of the individual beneficiaries.

NFP A is therefore entitled to the franking credits on the income from the trust.

Example: When an NFP is not entitled to franking credits

Under the terms of a will NFP A and NFP B receive a percentage of the income from the trust. On the death of the last individual beneficiaries, the balance of the capital or corpus of the trust, including any assets held, is paid to NFP B only.

In this example:

- NFP A is regarded as having a fixed interest in the income but not the capital or corpus of the trust and so is not entitled to franking credits on the income from the trust.
- NFP B is regarded as a fixed interest in the income and capital or corpus of the trust and so is entitled to franking credits on the income from the trust.

Member comments

Members found the session informative and would like to continue to see such engagement.

More examples on ATO guidance will be helpful and the ATO will raise with Treasury the potential to redraft the REFC integrity rules.

ACNC

The updated charity registration form has been launched. There are some system issues with applications on the new form from double defaulters that are being resolved.

Charity applications continue to increase compared with last year. The ACNC is taking a proactive approach, including working with peak bodies, running a one-to-many webinar, and implementing a bulk registration application form.

The 2024 Annual Information Statement will be launched in September. Analysis of 2022 financial reporting now available on the ACNC website.

The ACNC learning platform is changing, with 12 governance modules are being updated. Additionally, a new interactive tool for charities will help them assess if they are doing the right thing. For those not yet registered, it will enable them to assess if they meet the requirements.

Enquiries regarding the self-assessment of income tax exemption have been low, indicating improved messaging.

Treasury

Ministerial Guidelines are being developed on the DGR community charity hybrid model. Treasury expects conduct a 4-week consultation, aiming for release by the end of 2024.

There have been 3 new DGR specific listings and 8 removed in the recent budget. They will be removed following the bill amendment.

Productivity Commission consultation resulted in 700 submissions. These must be tabled in Parliament by 21 August 2024 and will be published before that date.

Enhancing the transparency of income tax exemption

The ATO provided an update on the implementation of the measure and the progress of NFP self-review return lodgments. The ATO is continuing to engage with associations.

A pre-lodgment mail campaign commences on 29 July 2024, with information on Online services, the Self-help phone service, and transitional due date on 31 March 2025. Updates to **Taxable NFP organisations** web content includes information on how to notify the ATO of a non-lodgment advice.

The Tax Practitioners Board is still considering if BAS agents can lodge the NFP self-review return.

A webinar for Indigenous organisations was held on 22 August 2024 and is available online, see ATO and ORIC webinar – does your NFP need to lodge.

Tax time messages include:

- The NFP self-review is now live and can be lodged through online services or using the Self-help phone service.
- Get ready to lodge by setting up myGov and linking to your NFP's ABN in Online services for business in Relationship Authorisation Manager (RAM).
- Watch ATO webinars at Not-for-profit ATOtv

Members received a live demonstration of how to lodge a NFP self-review return using the Self-help phone lodgment service. Members were also given an overview of non-lodgment advice and governance proof of concepts documents with the opportunity for feedback.

Roundtable

Key points discussed included:

- an aligned system approach for charities reporting to the ACNC, ATO and ASIC
- significant compliance and regulatory costs, including
  - the need to consider ways to reduce compliance burden and make compliance easy for NFPs
  - lack of understanding by FBT rebatable organisations resulting in potential non-compliance
- donations and government funding appear to be reducing, including
  - the need for additional guidance on what commercial activities NFPs can engage in and how to best structure donations from wealthy donors
  - pressure on revenue streams resulting in joint ventures occurring
  - the trend of organisations overcomplicating their structures
  - the need to keep the gift ruling refresh on track

- tight budgets, rapid staff turnover, leadership from outside of the sector and a reduction in volunteers putting pressure on NFPs
- the NFP roadmap focus on tax and super obligations, with members expressing interest in the inclusion of justified trusts and noting the need to clarify the definition of an NFP
- the complex environment clubs operate in, including
  - the gambling reform agenda
  - difficulty attracting directors and board members
  - lack of diversity.

Attendees

Attendees list

Organisation	Member
ATO	Will Day (Co-chair)
ATO	Jennifer Moltisanti, Small Business
Arnold Bloch Leibler	Joey Borensztajn
Australian Council for International Development	Jocelyn Condon
Charitas Law	Jae Yang
Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang
Giuntabell	Nunzio Giunta
Community Council for Australia	David Crosbie
HWL Ebsworth	Timothy Stokes (Co-chair)

Justice Connect	Geraldine Menere
KPMG	Kaylene Hubbard
The Salvation Army Australia	John McIntosh
The Tax Institute	Morag Ingham
World Vision Australia	Ben Scuteri

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	David Stuart, Enterprise Solutions and Technology
ATO	Frances Gobel, Small Business
ATO	Glenn Cooper, Private Wealth
ATO	Joy Tillman, Small Business
ATO	Marissa Hewitt, Small Business
ATO	Melinda Knight, Small Business
ATO	Nella DiBenedetto, Small Business
ATO	Richard Robinson, Small Business
ATO	Sourina Simmalavong, Small Business

Australian Charities and Not-for-profits Commission	Sallyanne Stonier
Clubs Australia	Alison Tehan
Philanthropy Australia	Krystian Seibert
The Dreaming Foundation	Michael Manikas
Treasury	Tianna Rehwinkel

Apologies list

Apologies list

Organisation	Member
Australian Institute of Company Directors	Phil Butler
Australian Charities and Not-for-profits Commission	Natasha Sekulic
Chartered Accountants Australia and New Zealand	Susan Franks
Clubs Australia	Simon Sawday
Philanthropy Australia	Sam Rosevear
The Dreaming Foundation	Anthony Ward
Treasury	Rachael McCririck

Not-for-profit Stewardship Group key messages 19 March 2024

Key topics discussed at the Not-for Profit Stewardship Group meeting 19 March 2024.

Published 4 September 2024

Not-for-profit centre

General update

The Australian Taxation Office (ATO) has dedicated teams working on deductible gift recipient (DGR) reforms and the Enhancing the transparency of income tax exemption measure.

The ATO has an initial report on GST reporting compliance in government and the not-for-profit (NFP) sector and will provide updates once further analysis is conducted.

Key updates on the Enhancing the transparency of income tax exemption measure include:

- The self-assessing population has dropped from approximately 157,000 to 155,000 as some not-for-profits (NFPs) are taxable, charitable, or no longer operating.
- A webinar on New reporting requirements for not-for-profits is now available on ATOtv under the NFP channel. The webinar covers how to update Australian business number (ABN) registration details, registering for Online services for business, and how to lodge the NFP self-review return.
- Additional webinars are scheduled on the following topics:
  - what to do if your entity is charitable
  - taxable status following the NFP self-review return
  - Indigenous organisations.
- The first tranche of letters regarding the NFP self-review return will be sent to approximately 150,000 non-charitable NFPs by the end of the month.

Issues and compliance

The growing debt profile of certain NFP entities is concerning, but even more concerning are their responses to this debt and inability to their meet tax and super obligations. The failure to engage early with the ATO or tax advisers can result in more complex situations.

Passion for the cause can result in some directors, boards and committees not focusing on their liabilities such as withholding tax or super because they want to continue to operate for the sake of members.

Ultimately these issues don't resolve themselves. NFPs should consider their financial position as part of their annual general meeting (AGM) and, where necessary, engage with the ATO or consult a tax adviser. Early intervention can provide NFPs with options to allow them to continue to operate.

Directors who fail to act in accordance with their responsibilities can be held accountable for debts and associated penalties.

Member comments included:

- NFPs across the sector are facing financial challenges. As a result, many are looking at new ways of raising income, and dipping into reserves due to funding pressures.
- When NFPs have a debt, sometimes directors are the last to find out. If directors are informed early, they can help address debt issues. Directors should ensure they are aware of their NFP's financial position and discuss it at each AGM.
- Commercial risks are emerging in the sector, with NFPs potentially engaging in commercial dealings without being aware of the GST risks. This needs to be considered as more NFPs try different ways to produce income, often unaware of the GST consequences.

Advice and endorsements team

The ATO provides tailored advice to NFP administrators through a dedicated NFP Premium Advice Service, phone **1300 130 248**. So far in 2023–24, the team has handled over 4,400 calls across a range of topics including entitlement to DGR endorsement and initial steps to establish an NFP. Call numbers are trending upward, which is expected with the income tax and DGR measures underway.

In the 2023–24 financial year, 2,000 applications for DGR endorsement and tax concession charity endorsement have been completed. The team is working through a backlog of applications, prioritising those received from other government departments under the **transitional provisions**. A significant improvement is expected by the end of May.

DGR Registers Reform

New DGR endorsement measures came into effect on 1 January 2024. The ATO has published guidance, see **Deductible Gift Recipient Registers Reform Transitional Provisions**, and has issued communications to affected entities.

Members observed that, although the transitional provisions do not require changes to governing documents for already endorsed entities, many are seeking to make changes due to the new law.

Integrity and governance

Work is continuing on the addendum to Taxation Ruling TR 2013/2 *Income tax: school or college building funds* to reflect the expanded definition of 'schools' following decision in *The Buddhist Society of Western Australia Inc v Commissioner of Taxation (No 2)*. The ATO will undertake consultation once a draft is ready.

Work is underway on several important updates to guidance on ato.gov.au, including:

- expanding information on income tax exempt organisations to include examples of what is and what isn't an exempt organisation under each category
- guidance for taxable NFPs to help classify mutual and non-mutual receipts
- NFP refund of franking credit web content to address gaps regarding eligibility.

The ATO is also currently working on the following public advice and guidance products:

- Taxation Determination TD 93/190 *Income tax: what is the scope of the exemption from income tax provided by subparagraph 23(g)(v) of the Income Tax Assessment Act 1936?* will be updated with current legislative references and examples.

- Taxation Ruling TR 2000/10 *Income tax: public libraries, public museums and public art galleries* will be reviewed to include contemporary scenarios such as virtual museums and galleries.
- Practical Compliance Guideline PCG 2022/12 *GST and Residential Colleges* will be reviewed post-implementation.

DGR-specific listing reviews are progressing with completion expected in July or August 2024.

Treasury

The Blueprint Expert Reference Group continues work on the NFP Blueprint (Blueprint). They have been meeting on a monthly basis with minutes available at The Blueprint Expert Reference Group.

The ATO is reviewing specific listings with work expected to be completed by around mid–2024.

Members requested an update on the 2022 discussion paper on private and public ancillary funds. Treasury advised this is still in progress and noted there is some overlap with the Productivity Commission's work.

Members suggested more resources should be dedicated to the Blueprint to ensure a quality product and expressed their concern that it is not on track and progressing as it should be.

Australian Charities and Not-for-profits Commission (ACNC)

The ACNC has seen an increase in applications for charity registration in recent months, leading to a backlog. To address this, additional staff have been recruited to work on registrations. Additionally, a bulk registration is being developed to streamline applications from some peak organisations.

The ACNC will undertake analysis using data on related party transactions.

Enhancing the transparency of income tax exemption

Members were given a live demonstration of the NFP self-review return. Transitional lodgment arrangements are in development and there is a **Self-help phone service** for NFPs who cannot lodge using Online services for business. It is also now easier for NFPs to update their contact details, see **Notifying us of changes to your not-for-profit**.

The ATO will issue 2 letters to approximately 150,000 NFPs with an active ABN currently self-assessing as income tax exempt. The first letter will inform NFPs of their annual NFP self-review obligation and will be issued in 5 tranches from March 2024 to May 2024. The second letter will inform NFPs that the NFP self-review return is available for lodgment and will be issued after 1 July 2024.

Roundtable

Key points for consideration included:

- Member associations and professional organisations are self-assessing as income tax exempt and there needs to be clear messaging to these entities. The definition of an NFP needs to be clarified, especially regarding the differences between how the ACNC and the ATO determine this status. It's particularly important to address what happens if they are not a charity – are they self-assessing as NFPs or taxable NFPs?
- Clients have difficulty interpreting Taxation Ruling 2005/13 *Income tax: tax deductible gifts – what is a gift*. The Taxation Ruling is difficult to understand, and it would be beneficial to consider an article to get organisations thinking about what they can and can’t do.
- Member benefits is a topic that causes uncertainty and better messaging around this issue would be useful.
- There is significant focus on the Productivity Commission's report on philanthropic giving and the Blueprint and some frustration that these reviews don’t go far enough.
- Cost of living pressures have a twofold impact in terms of reduced donations and increased reliance on services of NFPs.
- Financial and staffing pressures on NFPs are forcing them to be more creative to develop new income streams which in turn can increase opportunities to stray from operating for purpose, make

compliance errors or otherwise expose the NFP to additional financial risk. It can also see restructuring to access tax concessions for example, FBT exemption across multiple entities or related party transactions.

Attendees

Attendees list

Organisation	Member or Attendee
ATO	Will Day (Co-chair), Small Business
ATO	Jennifer Moltisanti, Small Business
Arnold Bloch Leibler	Joey Borensztajn
Australian Charities and Not-for-profits Commission	Natasha Sekulic
Australian Institute of Company Directors	Phil Butler
Charitas Law	Jae Yang
Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang
Clubs Australia	Simon Sawday
Giuntabell	Nunzio Giunta
HWL Ebsworth	Timothy Stokes (Co-chair)
Justice Connect	Geraldine Menere
KPMG	Kaylene Hubbard
Philanthropy Australia	Sam Rosevear

The Dreaming Foundation	Michael Manikas
The Tax Institute	Bridgid Cowling
Treasury	Rachael McCririck
World Vision Australia	Ben Scuteri

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Dora Jain, Small Business
ATO	Frances Gobel, Small Business
ATO	Joy Tillman, Small Business
ATO	Marisa Hewitt, Small Business
ATO	Nella DiBenedetto, Small Business
ATO	Richard Robinson, Small Business
ATO	Sourina Simmalavong, Small Business
ATO	Stella Lahanas, Enterprise Solutions and Technology

Apologies list

Apologies list

Organisation	Member
Australian Council for International Development	Jocelyn Condon

Community Council for Australia	David Crosbie
The Dreaming Foundation	Anthony Ward

QC 102986

Not-for-profit Stewardship group key messages 30 November 2023

Key topics discussed at the Not-for-profit meeting 30 November 2023.

Published 5 May 2024

Membership updates

Jacky Rowbotham has retired from Treasury, and we welcome Emma Baudinette and Rachael McCririck.

Joe Zabar and Ross Joyce have resigned, and this will be Bridgid Cowling's last meeting as the Tax Institute representative.

Morag Ingham from Findex will be joining as Chair of the (not-for-profit) NFP Technical Committee at the Tax Institute and Kaylene Hubbard from KPMG will join as a member from July 2023.

I thank all departing members for their commitment and contribution to the sector and for working with the ATO on many important NFP matters over the years.

There will be a membership refresh in 2024 with a similar format to the last refresh. Expressions of interest will be called in early 2024 and interested members will be provided the opportunity to re-apply for their position with the group.

Not-for-profit centre

New measures - Deductible gift recipient (DGR) Registers Reform

The Australian Taxation Office (ATO) administers 48 of 52 DGR categories set out in Division 30 of the *Income Tax Assessment Act 1997*. On 28 June 2023, the Treasury Laws Amendment (Refining and Improving our Tax System) Act 2023 became law. The amendments to the *Income Tax Assessment Act 1997* transfer administrative responsibility of 4 unique DGR categories from other government departments to the ATO.

The changes take effect from 1 January 2024 and repeal provisions that require each of the 4 departments to maintain a separate register.

The new law contains transitional provisions to ensure organisations currently endorsed as DGRs under the 4 unique categories continue to be endorsed if they continue to meet eligibility criteria.

We have worked with each government department to ensure a smooth transition in administration.

Refreshed guidance on the eligibility requirements for the 4 unique categories will be available from 2 January 2024.

Technical updates

Approximately 25 pieces of technical guidance to be reviewed and planned for NFP.

One of the key pieces is the School Building Fund addendum to **Taxation Ruling TR 2013/2 Income tax: school or college building funds**.

Community sheds guide has been released but minimal feedback was received from the sector.

We are working towards a 2024 release for the updated Mutuality Guide focussing on simplified guidance and examples, for sporting organisations and other NFPs.

Treasury

Treasury's focus recently includes:

- Work to ensure a smooth transfer of administrative responsibility of 4 unique DGR categories from 4 other government departments to the ATO. We worked to ensure as many Registers briefs as possible

were progressed before 30 November to minimise backlogs and delays in Registers applications during the transition period.

- Progressing legislation
  - Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023 containing amendments to the Australian Charities and Not-for-profits Commission (ACNC) Act to enact Area 2 reforms to the Secrecy provisions before Parliament on 30 November 2023.
  - Further policy work on the Area 3 secrecy provisions is ongoing within Treasury.
  - Remake of the Charities (State or Territory Government Entity) Instrument 2023 is out for consultation until 15 December 2023.
  - Treasury Laws Amendment (Support for Small Business and Charities and Other Measures) Bill 2023 containing the measure to facilitate certain community charities to achieve DGR status has passed through the house and is now before the senate.
  - The Ministerial Guidelines have yet to be put out for consultation, Treasury hopes to be able to publish those for feedback sometime in the new year.
- Engagement with the Blueprint Expert Reference Group (BERG) ahead of the issues papers release
  - While BERG's work has a slightly different scope and aim to the Productivity Commission's Inquiry into Philanthropy, Treasury is an observer on the BERG committee. Treasury is working closely with the Department of Social Services (DSS) to ensure that any government response to both measures is coherent and consistent across the 2 processes.
- Specific listings
  - Work continues on progressing proposals for specific listings ahead of the release of Mid-year economical and fiscal outlook.
  - Treasury is eager to see the findings of the review work the ATO is conducting in early 2024 to survey all organisations that are specifically listed, as visibility of these organisations and their activities is currently low.

ACNC

ACNC are aware of the current delay in processing charity registration applications, and we are working through the work on hand.

To address the delay staff are being upskilled, there is a focus on recruitment, and we are exploring the possibility of streamlining application assessment processes.

Work continues with peak bodies to explore streamlined processes, including bulk registration of applications in certain circumstances, to support the increase in applications expected from the self-assessing income tax exempt measure.

We are considering the possibility of capturing self-assessing income tax exempt measure information through the ACNC registration application to identify NFPs applying because of the measure.

Registration application changes are being made because of the DGR reforms involving the 4 registers coming into effect from 1 January 2024.

First de-identified registration decision has been published:

- Background and context - ACNC Secrecy Reforms ProjectExternal Link
- De-identified Reasons For Registration Decision – Proprietary Company Limited By Shares (Pty Ltd) decision.

We are working on an interactive online self-assessment tool that has been user tested through our consultation forums for review and feedback.

Multi factor authentication for the ACNC charity portal is progressing and will start to be enabled in 2024.

The 2023 Annual Information Statement is now available to charities including new questions on related party transactions.

ACNC webinar on Related Party Transactions and the Annual Information Statement is available.

Public Advice and Guidance

TR 2013/2 review update – Income tax: school or college building funds (PDF 164KB)

Update on the School Building Fund addendum to Taxation Ruling **TR 2013/2 Income tax: school or college building funds** to account for the outcome of the Buddhist Society case:

- 'School' will have its ordinary meaning – removing different assessment of recreational and vocational education.
- Updating the language around the term 'substantially used' as a school.
- Discussions on the changes progressing with the public advice and guidance unit.
- Aim is to clarify the Commissioner of Taxation's view and hoping addendum can be finalised early in the new calendar year.
- We will keep the group updated on the progress.

The Blueprint Expert Reference Group presentation

In the 2022–23 October Budget the government announced the measure to develop the NFP Sector Development Blueprint (the NFP Blueprint) and doubling philanthropic giving by 2030.

To deliver the measure the DSS is working with the Community Services Advisory Group (CSAG) to develop the NFP Blueprint.

The Productivity Commission will review the current framework to incentivise philanthropy in the NFP sector.

The development of the NFP Blueprint is expected to provide a roadmap for government reforms and sector led initiatives to boost the sector's capacity to support and reconnect Australian communities.

The Productivity Commission has been tasked with delivering an inquiry into philanthropy by May 2024.

Development of the NFP Blueprint will complement other strategies and government policy development processes related to the NFP sector. A well-functioning Australia needs a strong NFP sector.

The NFP Blueprint Issues Paper provides you with information on the background and the purpose of the NFP Blueprint and asks specific questions for you to respond to.

Visit the BERG site on dss.gov.au at The Blueprint Expert Reference Group (BERG) for updates.

New ato.gov.au

The ato.gov.au website has been in place for nearly a decade and is coming to the end of its service life.

Research, user consultation and concept testing has supported the development of the new, updated website.

Testing during Private Beta with external participants was very positive and supportive of the work undertaken on the updated website design.

Public Beta commenced early November 2023. Users have been able to access the Beta website by clicking the link in the banner at the top of ato.gov.au

In late November 2023, the new, updated ato.gov.au will become the 'default' website when a user navigates to ato.gov.au. Users can still access the legacy website via a link in the banner on the top of the page.

Your feedback is welcome during Public Beta. The feedback survey is in the banner at the top of new, updated ato.gov.au

The new website will have improved navigation, a refreshed design and enhanced search. Audience segments will be reduced from 6 to 3, Individuals and Families, Business and Organisations and Tax and Super Professionals.

Web content, tools and calculators, Quick codes (QCs), redirects, how user's login to portals and location of the search bar will all remain the same.

Enhancing transparency of income tax exemption

Members were provided a myGovID and Relationship Authorisation Manager (RAM) walk-through by the ATO Digital Experience team.

It is important have up-to-date details and **notify us of changes** before accessing Online services for business. This is to ensure the correct

people are authorised to access government online services on behalf of NFPs. See **Set up myGovID and RAM** for more information.

Critical updates

How to prepare a NFP self-review return questions were published to assist NFPs with preparing their answers before the return is available on 1 July 2024.

Updating Australian business number registration details including address, associates and authorised contacts remains a key message for NFPs, and we are exploring options to streamline this process for NFPs. Guidance on **notifying us of your changes to your not for profit** will be updated.

Members were provided the opportunity to review the content and language in correspondence that will be issued to NFPs regarding their new reporting obligation. Insights received around draft correspondence and suggested inclusions will be incorporated into revised drafts or be considered for new public guidance and fact sheet resources.

Other business

Significant NFP reporting obligations and DGR reforms were introduced in 2023 to:

- establish sector visibility across the community
- maintain system integrity
- support a level playing field.

Members worked across several working groups to shape new public advice and guidance products. Members contributed valuable insights on the development of a new NFP self-review return and reporting framework for NFPs who self-assess as income tax exempt.

Key highlights included:

- input and feedback on the design of the return questions and administrative pathways for implementation of the NFP self-review return – member feedback supported a streamlined, effective and easy-to-use return that has tested well

- the review of public advice and guidance products including the development of the new NFP self-review return reporting page, return guide webpage, and contemporary examples of grants and sponsorships for NFPs
- input on Treasury consultations on new legislation and key changes impacting the NFP sector to help shape the implementation of legislative and administrative changes
- collaboration on strategies throughout the implementation of DGR reforms
- the cascading of messages to ensure NFPs are informed and supported.

Focus for 2024:

- 2024 will see the most significant change to the sector since the introduction of the ACNC in 2012.
- From the 2023–24 income year, non-charitable NFPs with an active ABN who self-assess as income tax exempt will be required to lodge an annual NFP self-review return to self-assess as income tax exempt. The first return for the 2023–24 income year is due from 1 July 2024.
- Working collaboratively with members, broader networks and peak bodies to digitally onboard NFPs so they can meet the new reporting obligations will be a major focus including
  - the review of public advice and guidance to ensure products are fit for purpose, input has already been requested on *TR 2013/2 Income tax: school or college building funds* and at least 25 products have been identified for review in 2024
  - the cascading of key messages potentially via joint webinars, podcasts and social media posts – the group's co-chair will facilitate a Tax Institute session with Jennifer Moltisanti in March
  - the development of the NFP roadmap given the government's announcement on doubling philanthropic giving by 2030, and the Productivity Commission's review of philanthropy policy settings.

Attendees

Attendees list

Organisation	Attendee
ATO	Will Day (Co-chair), Small Business
ATO	Jennifer Moltisanti, Small Business
Arnold Bloch Leibler	Joey Borensztajn
Australian Charities and Not-for-profits Commission	Melville Yates
Australian Council for International Development	Jocelyn Condon
Australian Institute of Company Directors	Phil Butler
Charitas Law	Jae Yang
Charities and Not-for-profits Committee, Law Council of Australia	Seak-King Huang
Clubs Australia	Simon Sawday
Giuntabell	Nunzio Giunta
HWL Ebsworth	Timothy Stokes (Co-chair)
Justice Connect	Geraldine Menere
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Philanthropy Australia	Sam Rosevear
The Tax Institute	Bridgid Cowling
Treasury	Rachael McCririck

Worlds Vision Australia	Ben Scuteri

Guest attendees

Guest list

Organisation	Attendee
ATO	Belinda Clear, Enterprise Solutions and Technology
ATO	Frances Gobel, Small Business
ATO	Ilana Quirke, Enterprise Solutions and Technology
ATO	Joy Tillman, Small Business
ATO	Luke Rimmelzwaan, Office of the Chief Tax Counsel
ATO	Marisa Hewitt, Small Business
ATO	Nella Di Benedetto
ATO	Sean Beven, ATO Corporate
ATO	Richard Robinson, Small Business
Anglicare	Kasy Chambers
Australian Council of Social Service	Robert Sturrock
Department of Social Services	Rose Beatty
The Tax Institute	Morag Ingham
University of WA	David Gilchrist

Apologies

Apologies list

Organisation	Member
Australian Charities and Not-for-profits Commission	Natasha Sekulic
Chartered Accountants Australia and New Zealand	Susan Franks
Community Council for Australia	David Crosbie
The Dreaming Foundation	Anthony Ward
The Salvation Army Australia	John McIntosh
Treasury	Emma Baudinette

QC 101843

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