

Charities and Not-for-profit: Charity Health Check

as of 12 August 2025

Getting a Charity Health Check

We have prepared this Health Check to assist with a high-level review of your compliance and operational issues.

This Health Check sets out some of the issues that charities should be reviewing.

Following your health check, if there are any issues that you require legal assistance, our Dentons teams would be delighted to assist.

Structuring and governance issues

1. If your organisation has a complex structure, has your organisation reviewed its corporate structure to see if it is fit-for-purpose (and to see whether your organisation's structure could be simplified)?
2. Does your organisation's governing body need to be refreshed, in order to encourage board renewal, to encourage board diversity, or to fill skills gaps amongst your board?
3. Your charity may be too small to carry on by itself. Does your charity need to undergo a merger with a larger charity – in order to ensure that your charity's mission can continue in a sustainable manner?
4. Is your current corporate structure fit-for-purpose for your organisation? Should your organisation change its structure (say, from an unincorporated association to an incorporated association; from an incorporated association to a company)?
5. Is your company in financial trouble? Has your organisation considered implementing a safe harbour better outcomes plan, as an alternative to voluntary administration?
6. Changes to the Corporations Act (from 2022) have let companies engage in electronic governance, by sending and receiving documents electronically, signing documents electronically, and holding virtual director and member meetings. Has your company's constitution been amended to take advantage of these changes?
7. If your organisation is a sporting organisation, does its constitution and governance need to be reviewed in order to better meet the requirements of the Sport Governance Standards?

Day-to-day operational issues: your contracts, privacy, AI, employment

8. Does your organisation need to update its service agreements, to ensure that they meet your organisation's operational needs and the Unfair Contract Terms regime?
9. Is your organisation subject to sector-specific regulatory obligations? Commonwealth and State Governments are proposing and implementing ongoing changes to education, disability services, and aged care regulatory obligations. Are you across these changes?
10. Is your organisation using AI? Does your organisation have an AI governance policy?

11. Australian privacy law is changing. Does your organisation need to update its privacy policy, to reflect these changes?
12. Does your organisation engage volunteers? Does your organisation have a volunteer agreement that is fit-for-purpose for your organisation's needs?
13. Has your organisation been named in a National Redress Scheme application? There may be a rush for organisations to be named in applications and then participate in the Scheme, because the Scheme ends on 30 June 2028 and the last applications for the Scheme must be provided before 30 June 2027.

Tax issues

14. Does your organisation self-assess as exempt from income tax (say, as a sporting club)? If so, is your organisation still eligible in this way?
15. Does your charity want to offer tax-deductible donations to its donors? If so, is your charity eligible for Deductible Gift Recipient endorsement?
16. If your charity is registered with the subtype 'advancing religion', does its employees access Fringe Benefits Tax exempt benefits that are available to certain employees of registered religious institutions?
17. If your charity is an environmental organisation, a cultural organisation, a harm prevention charity, or the operator of an overseas aid fund, does it still operate a public fund or has it taken advantage of the simpler tax rules applying to it from 1 January 2024?
18. If your charity is an existing Deductible Gift Recipient, have you reviewed your charity's ongoing eligibility for endorsement as a Deductible Gift Recipient – so that your charity complies with specific tax rules applying to particular endorsements? The rules around some types of Deductible Gift Recipient endorsement – such as school building funds – have recently changed.
19. If your charity is a Public Benevolent Institution, are you aware of the recent changes to law and ACNC guidance on how your Public Benevolent Institution can provide “*indirect*” relief?
20. Does your charity own property? If so, is it eligible for a State / Territory transfer duty or land tax exemption for any property that it owns?

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