

# **AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS**

## **Press Release 1038**

### **Charitable Tax Exemptions for Private Religious Schools Under threat in Canada and New Zealand.**

In Australia, religious schools can qualify for charitable tax exemptions under the charity status provisions of the Australian Charities and Not-for-profits Commission (ACNC) and the Australian Taxation Office (ATO).

Charitable Status: Religious schools are generally considered charities if they advance education and/or religion, which are recognized charitable purposes under Australian law.

They are exempt from most local, State and federal tax

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As Deductible Gift Recipient (DGR) Schools that qualify as charities are exempt from paying most local, State and federal taxes like Council rates; land tax; payroll tax; income tax; GST; Fringe Benefits Tax; to name a few. Taxation exemptions for private contributors to building funds is a well known ‘rort’ for wealthy private school parents.

In Victoria private schools have been asked to pay payroll tax because the State Revenue Office considers, quite rightly, that private schools are business, not ‘charitable operations. As a result the private school interest has been very active indeed in political lobbying.

But as Australian government consider the shortfall between voter expectations and their Treasury tax take, they may wish to consider developments in both Canada and New Zealand.

#### **1. In Canada**

[The federal government’s Standing Committee on Finance quietly recommended removing charitable tax status for churches and religious and pro-life organizations in Canada.](#)

The recommendation was issued Friday, December 13 ahead of the Liberals' March 16 fall economic update.

All federal parties except for the Conservatives support the recommendation.

## **2. In New Zealand**

In December, 2024 Finance Minister Nicola Willis proposed [revising the tax rules for charitable organisations](#). The changes are set to be announced with this year's Budget.

According to data from Charities Services annual report, there was about NZ\$2 billion of "profit" in the charitable sector that was not subject to tax.

[New research – to be published later this year – looks at the integrity and fairness of the taxation framework that gives exemptions to charitable organisations competing directly with the for-profit sector.](#)

## **Conclusion**

Australia should follow Canada and New Zealand in trying to strike the right balance between supporting legitimate charitable activities and preventing the abuse of tax concessions. This is crucial for ensuring a level playing field in the tax system.

Private religious schools in Australia charge fees and conduct heavily government subsidised businesses. Their charitable status and taxation exemptions should be placed under scrutiny and in many cases, withdrawn.

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