AGRICULTURAL SHOWS AUSTRALIA

Inquiry into Not-for-profit Entities – Tax Assessments

Senate Economics References Committee

Contributing Organisations

- Agricultural Shows Australia
- AgShows NSW
- QLD AgShows
- SA Country Shows
- Tasmanian Agricultural Shows
- Victorian Agricultural Shows
- Royal Agricultural Society of Western Australia
- NT Show Council

Introduction

Agricultural Shows Australia (ASA) represents over 580 agricultural shows nationwide, working to promote the essential value of Australian agriculture. ASA's mission is to engage, influence, and provide vital resources to show committees, ensuring the continued success of agricultural shows across Australia.

Agricultural Shows are integral to the identity of regional communities. While retaining their historical role of showcasing agricultural excellence and innovation, shows today continue to promote and preserve Australian rural culture and unite communities, as well as educate the public about the importance of agriculture in Australia's economy. There are approximately 50,000 volunteers who work in Show Societies around Australia, over a quarter of the population visiting Shows around the country contributing to $1 billion annual economic value nationally.

This submission, developed in collaboration with the state bodies representing agricultural shows across Australia, provides a united perspective on the implications of the new ATO reporting requirements on Agricultural Shows, 75% of which will be impacted by the changes. This submission highlights the collective concerns of these organisations and offers recommendations to address the challenges posed by the new compliance framework.

We acknowledge that the new reporting requirements are intended to foster trust in the NFP sector, uphold its integrity, and ensure that funds are managed responsibly for their intended purposes. However, the complexity and rapid implementation of these changes have placed additional strain on Shows, who for hundreds of years have managed their affairs effectively. For Agricultural Shows around Australia, with dwindling volunteer numbers and rising compliance demands, these changes divert resources away from the hard work they are committed to delivering in communities in regional, rural and remote Australia.

Agricultural Shows vary in size and previous Federal Government categorisation (2021 Covid Support Funding) used was Large – attendance over 5,000, Medium – attendance between 2,000 and 4,999, Small - attendance less than 2000, However the Small category can be further broken down into Small – attendance between 1,000 and 1,999 and Micro – attendance less than 1,000. Capital city Royals also constitute their own category because of their unique size and position. The number of Shows

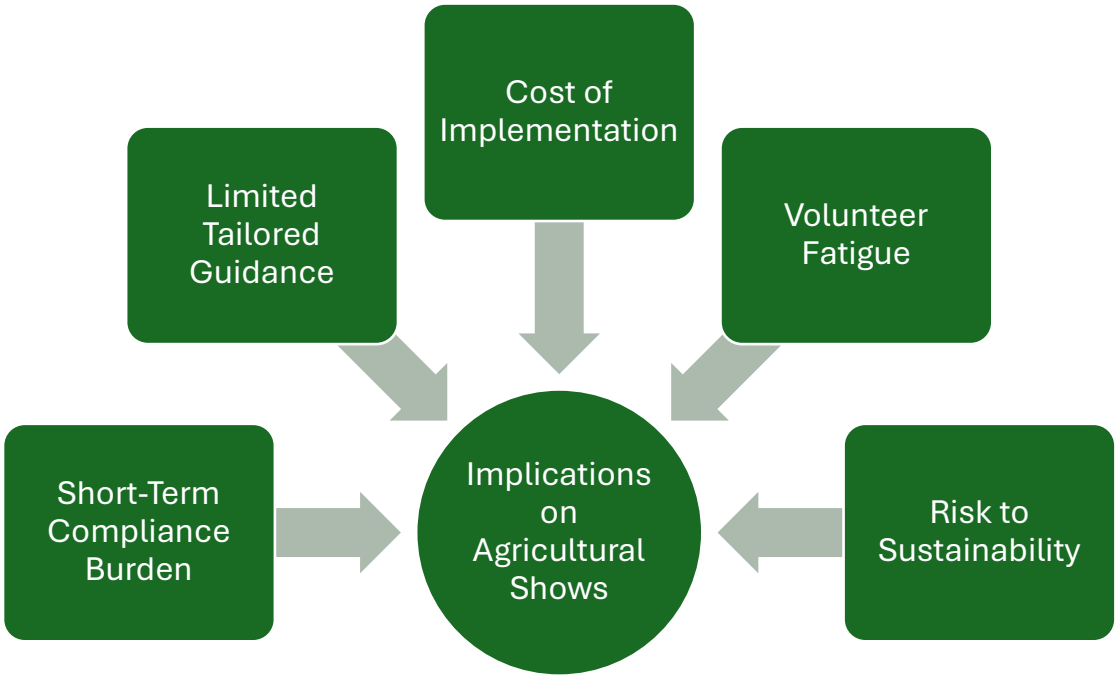
constituting each category can be broken down as follows Large 33%, Medium 22%, Small 44% (Small 21%, Micro 23%) this does not vary significantly from state to state.

The Medium and Small/Micro Shows are exactly that, small community enterprises that have basic reporting systems that are relatively unsophisticated due to the sheer type of their operation. In most cases these are one day community events that only use volunteers to meet any of the growing number of administrative requirements. In most cases they are well meaning community members who just want to "help out" on the day so that the event can happen. In addition, a good percentage of the Medium Shows similarly operate. These do progress from being one day events to possibly two days but the underlying principles of community engagement remain. These organisations do not have elaborate organisational structures to facilitate their annual event. Using these categories as an indicator, a minimum of 44% (Small/Micro Shows) and if you include Medium Shows. Currently, 66% of Shows are being asked to comply with a reporting regime that feels excessive and unnecessary. It's a case of applying a heavy-handed approach to an issue that could be managed with simpler and more appropriate measures.

Another critical issue is the high rate of volunteer turnover, particularly in administrative roles. The increasing complexity of reporting and compliance requirements has accelerated this churn, as many volunteers either lack the necessary skills, cannot commit additional time, or are deterred by the growing responsibilities. Formal volunteering has declined significantly—from 36% in 2019 to 26.7% in 2022—resulting in 1.86 million fewer volunteers. This trend creates a heightened risk of non-compliance, as new volunteers may not be fully aware of reporting obligations, potentially leading to penalties for the organisation or, in extreme cases, deregistration.

Moreover, organisations are struggling to retain volunteers for long-term administrative roles, as the shift towards episodic, short-term volunteering has become more prevalent. This instability further complicates compliance and continuity. Sectors like aged care and mental health, which rely heavily on volunteers (8.8% and 4.4% respectively), are particularly impacted by this decline. Targeted strategies are urgently needed to support recruitment and retention, ensuring that volunteer-led organisations can sustain their operations and remain compliant.

Five Implications for Country Agricultural Shows



Key Points and Issues at a National Level

1. Short Term Compliance Burden

The new reporting requirements for NFPs, introduced by the ATO, significantly increase the administrative burden on volunteer-run agricultural shows in the short term. Namely:

- **Navigate New ATO Reporting Requirements** (by 31 March 2025), with most shows anticipated to be 'quarantined' as they have a charitable purpose and directed to register with the ACNC. Learn to file reports with the ATO one year, only to then avoid reporting the same information to the ACNC the following year, leading to inefficiencies and duplication in the reporting process.
- **Duplicate Reporting:** Continue annual reporting to state department while also submitting to the ATO, resulting in redundant work and potential confusion for volunteer-run organisations. This issue is further exacerbated by the fact that multiple governmental agencies require the same information in different formats to suit their data needs. An example is the range of different ways in which wages information is required by different agencies depending whether it is ATO, Department of Housing, Children's Services, Workcover, Bureau of Statistics etc.
- **Understand ACNC Registration**: Shows must navigate a multi-step process to prepare for ACNC registration, including reviewing and updating their constitution, ensuring compliance with charitable purposes, and understanding ongoing obligations to maintain tax-exempt status. This requires legal, financial, and governance adjustments, adding layers of complexity for volunteer-run organisations unfamiliar with such regulatory requirements.
- **Constitutional and Communication Updates:** Most shows will need to revise their constitutions and governing documents to comply with ACNC standards. This process is time-intensive, requiring thorough communication with members to explain the changes, gain approval, and ensure successful adoption at AGMs or Special General Meetings. Clear, ongoing

communication campaigns are essential to help members understand the necessity of these updates and to secure the required votes for the changes to take effect.

- **ACNC Registration Process**: The process is skill dependent[1] and may require addressing queries or resolving application issues if submissions are incomplete or unclear. This often involves additional time, resources, and support to complete the process.

- **Engage Professional Support:** Many shows will need assistance from legal professionals or registered tax agents to update constitutions, comply with ACNC standards, and manage reporting obligations. This expertise is essential to avoid errors, streamline registration, and ensure the show's governance and tax-exempt status are secure, helping prevent costly delays or issues in transitioning to ACNC compliance.

- **Ongoing ACNC Reporting:** as with the ACNC Registration Process it is skills dependent and will require ongoing professional support to meet the ongoing requirements.

- **Compounding effect of Compliance:** as time goes on, we are seeing a significant increase in the compliance burden being imposed on organisations. July this year saw a significant number of compliance changes that State Associations needed to be aware of in order to advise and update their members on. This increased the risk that something could be missed and therefore expose Shows to risk

The complexity and time required to comply in the short-term is overwhelming for volunteer-run organisations. Without adequate resources, many societies could risk losing their tax-exempt status, which threatens their financial viability.

With 400 agricultural shows among 150,000 NFPs affected by these changes, we have concerns about the burden this will place on the ATO and ACNC staff, potentially leading to delays in responses. This will create additional pressure on state bodies to support their members if timely feedback from the regulatory bodies is not provided. The strain on state-level resources may complicate the compliance process for volunteer-run shows, further exacerbating the challenges they face.

The National Body & State Affiliates, with their mission to strengthen and support agricultural shows, would face significant pressure due to the new reporting requirements:

- **Increased Workload:** They will need to assist hundreds of shows to navigate ATO and ACNC reporting requirements, leading to a heightened demand for guidance and resources.
- **Administrative Strain:** As shows seek help with constitutional updates, and ACNC registration, state bodies will likely need to provide more direct support, communication materials, and professional referrals.
- **Risk of Delays:** With the ATO and ACNC likely to experience heavy workloads, state bodies may have to step in more frequently to provide timely support, stretching their capacity.
- **Increased Demand for Expertise & Costs**: Supporting shows in legal, governance, and financial areas will necessitate additional resources and expertise, potentially requiring state bodies to invest in external consultants to handle the complexity of compliance.

[1] Note the average age for an AgShow volunteer is mid 60's and many aren't technically literate.

2. Limited Tailored Guidance

Although the changes were flagged in advance, many volunteers underestimated their complexity until formal notices from the ATO were received, causing urgency, stress, and uncertainty about the next steps. ASA and State bodies, similarly, caught off guard, have had to quickly learn the intricacies of the new regulations and understand the options available for members. We are still working with the ATO and ACNC to grasp the nuances specific to the agricultural sector and have fallen behind in creating tailored communication and tools to support these unique circumstances. While federal support exists, a one-size-fits-all approach does not adequately address the specific needs of volunteer-run agricultural shows.

Agricultural Societies, predominantly managed by volunteers with limited regulatory expertise, are now required to meet complex ACNC registration standards, such as revising constitutions and ensuring compliance with charitable purposes. Without clear, structured guidance from federal authorities, many shows struggle to navigate these changes, risking non-compliance and overwhelming their already limited resources. The gap in bespoke guidance and support exacerbates the challenges, making compliance even more difficult for these volunteer-dependent organisations.

3. Cost of Implementation

The cost of compliance for agricultural shows under the new ATO and ACNC requirements is expected to rise significantly, as many shows will need to hire legal and financial experts to handle complex tasks such as constitution revisions and ACNC registration. This will add financial strain to already constrained budgets, potentially threatening the financial viability of some shows that operate on a break-even basis.

Beyond the financial burden on individual shows, state bodies will also face increased costs as they work to support their members. The growing demand for assistance may require state bodies to hire additional staff or engage external consultants to provide essential legal and compliance guidance. This heightened workload and rising expenses could lead to delays in providing the timely support that shows depend on, further intensifying the financial and operational pressures across the sector. It also means that state bodies are distracted from their primary purpose of supporting Shows in non-compliance areas such as developing programs to enrich community engagement and education and thus ensure sustainable Shows.

4. Volunteer Fatigue

The increased administrative burden from the new compliance requirements is adding to an already significant issue of volunteer fatigue in rural communities. Agricultural shows, which rely heavily on volunteers, are now tasked with meeting ATO and ACNC regulations that require substantial time and knowledge. Volunteers are often stretched across multiple responsibilities, and this additional layer of complexity is creating stress and uncertainty. The ever-increasing documentation and compliance requirements are further discouraging volunteers, making it harder to attract new ones and plan for succession, particularly among younger generations. The skill sets now expected of volunteers is becoming more complex and most volunteers consider that if they do not possess the requisite skills they will not volunteer, particularly if there are penalties – financial or reputational – involved.

This issue is compounded by the dwindling numbers of volunteers across Australia. Recent statistics show that volunteer participation has been declining, with only 25% of Australians over 15 participating in voluntary work in 2020, down from 30% in previous years.

Additionally, many shows are run by older volunteers who lack the digital expertise needed to navigate online compliance platforms. This technological gap adds to the strain, as these volunteers struggle with the increasing reliance on digital tools for reporting and communication, further hindering the ability to meet regulatory requirements efficiently.

5. Risk to Sustainability of Small, Remote Shows

The new compliance requirements add to the already complex task of running a small agricultural show, which involves coordinating multiple competitions, securing rides, managing traffic flow, monitoring livestock movements, ensuring safety protocols, and complying with licensing and security regulations. These shows require meticulous planning and operational management, from risk assessments to animal movement monitoring, all underpinned by a growing set of governance burdens. The additional layers of administrative compliance only increase the pressure on volunteers, who are already stretched thin managing the logistical and regulatory demands of these events. The combination of these operational and governance challenges threatens the long-term sustainability of small shows, which are crucial to rural community life.

The critical question is: who will step in to fill the gap when volunteers are no longer able or willing to provide these essential community services and organise events? Many shows are already precariously balanced, and declining volunteer numbers could lead to the collapse of smaller events, reducing opportunities for community engagement and diminishing local identity. Shows are often the heart of their communities, providing a unique space for connection, celebration, and pride. If they disappear, it would not just be a loss of entertainment but would weaken the social fabric and shared sense of purpose that these events foster.

The online link and the information on the ATO website is insanely hard to follow and to the best of my understanding outlines an insanely time consuming and confusing process. I spent hours trying to work it out. I consider myself to be fairly technology and information competent. But in exasperation I called the self-help number. I strongly recommend anyone else having problems start there. You will be talking to a computer however, the process is fairly painless.

Aaron Kemp, Treasurer, Bundarra Show (Bundarra P & A & Rodeo Society).

Benefits of Shows to the Community

Agricultural Shows generate multiple social and community benefits including:

- The community coming together to form and express a sense of communal identity.
- Families having fun and increasing their family happiness and wellbeing.
- Children and young people gaining life skills and confidence.
- Children and young people feeling part of the community.
- Volunteers helping their community.
- Showmen entertaining the community.
- Competitors having an opportunity to showcase their talent and livestock.

Agricultural shows also generate additional spillover effects including:

- Connecting people.
- Connecting the country with the city.
- Improving community morale by creating a sense of purpose.
- Creating a hub where community activities are centred through the facilities that are available.
- Maintaining showgrounds, yards and animal pavilions that can be used as evacuation centres in times of emergency.
- Additional spending by show stakeholders external to that community which is a significant component of revenue contribution in these communities.

Shows also generate multiple benefits that align and promote key objectives and goals of Government. A key benefit is providing clear evidence of Government supporting regional, rural and remote communities. Other ways that agriculture show positively contribute to the goals and aims of the Government include:

Economic Development

- Funding supports the economic growth of regional and rural areas, aligning with government priorities for balanced regional development.
- Agricultural shows enhance the attractiveness of rural areas as vibrant, economically viable places to live and work.

Social and Community Benefits

- Agricultural shows promote social inclusion and community well-being by supporting events that bring people together.
- Agricultural shows strengthen community resilience, particularly in times of economic downturn or natural disasters.

Educational and Youth Engagement

- Shows provide educational programs and competitions, fostering interest in agriculture among young people.
- Shows support the development of future leaders in the agricultural and rural sector through initiatives such as Young Judges and Junior Handling, leadership programmes such as Rural

Ambassador awards. Young Judges and Paraders Competition are extremely prestigious events and positions at the Nationals are keenly contested. Competition entry is a coveted opportunity to grow personally and professionally by practising skills and challenging entrants, fostering youth to be the next generation of breeders and exhibitors, and having a positive impact on the community.

- Shows provide platforms and opportunities, such as Next Generation/Emerging Leader Committees, for young people to become engaged in the community, developing and growing them to become the next generation of leaders.

These programs and initiatives directly contribute to the building of sustainable and healthy communities and regions. In turn, this builds confidence within communities to tackle problems and become strong and resilient. It also provides strong role models for younger competitors and adds a sense of purpose and direction to the competitions. Strong communities are places where local government, community organisations and individuals work in ways that make a positive contribution to the economic, social and environmental health and sustainability of the community.

Recommendations to reduce impact:

1. **Reporting/Registration Threshold**: An income or revenue threshold be established, below which organisations would not be required to register with the ACNC to retain their Tax Exempt Status. This would reduce the administrative burden on smaller organisations and prevent them from unnecessarily adding to the system's workload. An annual declaration process, similar to that used by Companies Limited by Guarantee, could be introduced whereby organisations simply confirm that their income or revenue remains below the threshold, ensuring that compliance requirements remain proportionate to the size and capacity of each entity.
2. **Extend Compliance Deadlines:** Allow more time beyond March 2025 for volunteer-run shows to meet ATO and ACNC requirements.
3. **Simplify Reporting**: Permit NFPs transitioning to ACNC registration within two years to indicate this to the ATO without completing a full self-review.
4. **Offer Financial Grants:** Provide targeted financial support to smaller shows, enabling them to manage compliance costs and administrative burdens. Additionally, allocate funding to member-based bodies to develop and distribute tailored resources, training, and tools that assist volunteer-run shows in navigating these complex requirements efficiently.
5. **Boost ACNC and ATO Capacity**: Increase staffing to manage the influx of inquiries from 150,000 NFPs.
6. **Fund Communication Initiatives:** Provide grants to help industry bodies develop educational communication strategies.
7. **Simplify Small NFP Process:** Develop an easier ACNC registration and reporting system for small, volunteer-run shows.
8. **Allow Interim Compliance:** Enable shows to submit interim reports while working toward full ACNC compliance.
9. **Streamline Data Sharing Between State Bodies and ACNC**: The government could collaborate with state agencies, like Fair Trading, to create a two-way data flow between state bodies and the ACNC. This would reduce duplicate reporting by allowing information submitted to state regulators to transfer automatically to the ACNC. Improved integration between state and federal systems would ease the administrative load on volunteer-run organisations and enhance compliance efficiency.

Key Points and Issues at a State Level

The following points are in addition to the challenges listed above but on a state basis.

State	# Shows Impacted	Volunteers	Visitors
NSW & ACT	145 of 192 Shows	16,000	1.343 million excluding Sydney Royal

State Issues and Points

- Many shows are confused about their reporting obligations, with some now registered with the ACNC but have still continued to report to NSW Fair Trading at an annual cost. Clearer communication and coordination between state and federal bodies recommended to streamline processes and reduce unnecessary duplication and expense.

State	# Shows Impacted	Volunteers	Visitors
Queensland	99 of 129 Shows	15,000	1.333 million including Ekka

Key Issues and Points

- We are noticing a very high turnover in Management Committees, particularly in the role of Secretary, many of who are saying that the reason they are not prepared to continue in the role is because of the additional time and complexity of meeting the ever increasing compliance requirements. As the position of Secretary is one of the required roles for incorporation this can jeopardise the future of the organisation.
- Being able to convince our Shows and more to the point their members why any of this is necessary and why they have to change their constitution just to put on the same event they always have. It is the lack of understanding as to why it is necessary.

State	# Shows Impacted	Volunteers	Visitors
Victoria			

Key Issues and Points

- Concerns with requiring all shows to report annually as there are various levels of administration supporting the shows and as a state body we struggle to collate affiliations paperwork from all shows on an annual basis.
- Small & large community organisation's work tirelessly to conduct their annual events including managing crown land reserves voluntary and adding more administrative work is a concern.

State	# Shows Impacted	Volunteers	Visitors
Western Australia	64 Shows affected	2200	Over 550,000

Key Issues and Points

- A number of smaller shows now held every second year - since Covid
- No state body to support regional shows or regular funding. RASWA provides limited support and networking.
- Many shows change volunteers regularly eg.secretary may change each year.
- Outside of the Perth Royal, there is only 3 shows (of 63) with paid staff.
- A number of shows have not acknowledged they have even received the ATO notices despite attempts to gain confirmation

Territory	# Shows Impacted	Volunteers	Visitors
Northern Territory	4 of 7 Shows	500	120,500
Key Issues and Points			
• Three shows are already ACNC registered. The peak body will have to help the other three shows to register as they do not have the skillset. • The fourth show is a larger show and intends to register themselves for ACNC registration.			

State	# Shows Impacted	Volunteers	Visitors
Tasmania	18 out of 21	2400	224,000
Key Issues and Points			
• Similar challenges as NSW with TAS Department of Justice.			

State	# Shows Impacted	Volunteers	Visitors
South Australia	30 out of 48	4,800	160,000
Key Issues and Points			
• SA Country Shows would like to see the process of becoming registered with ACNC vastly simplified • SA Country Shows would like the ATO and ACNC to acknowledge the history of many societies, and that these are long standing organisations with well documented financial histories, rather than a new start-up with no financial footprint. Societies should be able to bypass some steps due to their history. • SA Country Shows would like to highlight that there is an assumption of knowledge and skills to be able to become ACNC registered (e.g. competent use of tech), as well as internet service in rural & remote areas. Relevant technical knowledge, skills and resources should not be assumed from volunteers. • SA Country Shows would like the length of time to become ACNC registered extended – what is the rush?			

Conclusion

Agricultural shows are an integral part of rural Australia, providing education, promoting agriculture, and fostering community. The new reporting requirements, while well-intentioned, pose additional burdens to country Shows. We urge the Senate to consider these implications and adopt the recommendations outlined above to support Australia's NFP community through this transition.

We recognise that the changes introduced by the ATO aim to ensure good governance and accountability across the not-for-profit sector, helping eliminate any untoward companies from benefiting unfairly from tax-exempt status. However, without additional time, financial support, and tailored resources for volunteer-run organisations, these well-intentioned reforms could inadvertently harm genuine community-based organisations like agricultural shows. We believe our recommendations can help achieve the objectives of the reforms while preserving the viability of these vital community institutions.

We would also like to extend our gratitude to the ATO and ACNC for their support to date. Their guidance has been crucial in helping us navigate the changes, communicate effectively with our members, and address their concerns. The professionalism and responsiveness of their teams, particularly during a time when they are likely inundated with queries from across the NFP sector, has been greatly appreciated.

We appreciate the opportunity to provide input to this important inquiry and would be happy to discuss at any time.

Signatories

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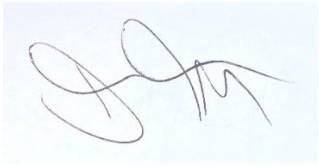
Queensland Ag Shows		
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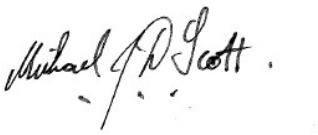
SA COUNTRY SHOWS		
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