

**Senate Inquiry into Charities
and Public Benefit**

**An Inquiry arising from
Tax Laws Amendment (Public
Benefit Test) Bill 2010**

Submitted on 3rd June 2010

A Submission for common sense, part 2.

Introduction

You have recently received a submission arguing that the public benefit test is flawed for the following reasons:

1. The church of scientology would mount a strong case for public benefit in order to pass.
2. It surely cannot be applied retrospectively as the high court says it's a religion and so eligible for tax exempt status
3. Who would devise "test test"?
4. The legislation would create "an undesirable situation of excessive state control over religious organisations and create potentially onerous requirements which small groups would find difficult to comply with".
5. It can be abused.
6. It wont work anyway.
7. There aren't the resources to police the cult of scientology properly.
8. It doesn't address the very real abuses of the church of scientology, which should be address rigorously by a Royal Commission. And there should be a scientology ombudsman to deal with complaints. And lay members and ex-members of the church of scientology should have [legislative?] control over its running all paid for by the church.

I argue that while there is much to be said for the content of the submission with respect to highlighting the need for a targeted response to the cult of scientology and for a Royal Commission investigation and even for some of the suggestions regarding specific controls over the church of scientology, which I am certain it would vigorously denounce as bigoted, that the arguments against the public benefits test are over reaching and flawed.

Points of contention.

Dealing with each of the main reasons cited why the public benefits test is flawed:

1. The church of scientology would mount a strong case for public benefit in order to pass.

A religion should provide the bulk of its services to those who do not donate to it for free. Those services should be beneficial and altruistic, that is the church should not be seen to benefit from the services either. Let's look at how some of the church of scientology's supposed outreach programs work.

a) Volunteer Ministers. These people go to disaster zones to assist those in need. They always travel with a lot of the church's promotional literature and a person qualified to deal with the media, known as a "PR Hat".

The Volunteer ministers are usually well meaning and genuine people who believe the only way to help is to disseminate scientology to the victims and protect them from "the psychs", psychiatrists to you and me.

The church uses disasters to gain new recruits and to further its agenda in the local of the disaster in the form of positive media to a degree that far exceeds other aid agencies. This is not altruistic and so should not qualify the church to pass a benefits test; while they have evidence of how welcome they are there is also a lot of evidence that they are not. They are colloquially referred to as Vulture Ministers.

b) Drugs rehab. Narconon and similar services based on L Ron Hubbard's flawed theory of detoxification using high doses of vitamins, minerals and vegetable oil coupled with exercise and saunas. Like most drug rehabilitation facilities they charge for their services, either the state pays for them or individuals pay for them. Although drug rehabilitation is seen as beneficial and so often such schemes attract charity status this is moot.

The church does not pay for people to go through their drug rehab, either the state does or the individuals do. The church does not run the drug rehabs directly, merely licenses the L Ron Hubbard techniques and materials via a 3rd party entity.

Narconon and others claim to be secular anyway and not a creation of the church, although they make much of L Ron Hubbard's teachings and encourage subjects to study scientology; it acts as a recruitment front too as well as a magnet for public money.

The state subsidising such schemes must decide their effectiveness as to whether or not they use them but this is not the matter at hand; I will say the techniques don't work as well as the organisation claims.

c) Drug education. The church certainly does have an anti-drugs view and does promote anti-drugs awareness. They do circulate anti-drugs pamphlets as do a lot of

other groups although some of the materials contain glaring falsehoods and misinformation.

Drug education however is not the church's primary function. The primary function is to get more people to take up scientology services, which as has already been established they charge for either directly or by using the term "fixed donation".

The church of scientology's stance on drugs and drugs education while admirable should no more afford it tax exemption than an oil company can become tax exempt by donating to save the whale, which is a more honest, effective and direct way for a business to donate to charity than what the church of scientology does.

d) Promotion of good morals. The Way to Happiness campaign works for the church because all of the materials are produced "in house" at cost, a low cost because the labor used is so cheap, and are purchased by hapless members at retail before being distributed randomly around the world. The Way to Happiness book is secular and is not associated directly with the church. Again it is not the church's primary function, although it certainly promotes L Ron Hubbards ideologies which are meant to encourage people to follow scientology.

Taking the common sense approach none of the church of scientology's out reach programs are truly altruistic and so should not afford them passing the benefits test. At best the organisation could perhaps claim some charitable tax deductibles.

2. It surely cannot be applied retrospectively as the high court says it's a religion and so eligible for tax exempt status.

I defer to a previous submission by a law firm stating that the church of scientology's tax exempt status could be revoked now under existing common law; I argue this is perhaps too difficult to do and this benefits test would make it easier but clearly the matter of tax exemption is one for review and not subject to any kind of Grandfather effect or the lawyers are talking nonsense.

3. Who would devise "test test"?

As my previous submission stated. Common sense states that any benefit provided by a charity as its primary role must be given freely and openly to those who do not donate to it. The rest is a matter of it surviving on donations from those who do not receive the services it gives. Nothing else need be devised.

4. The legislation would create "an undesirable situation of excessive state control over religious organisations and create potentially onerous requirements which small groups would find difficult to comply with".

My understanding is that this legislation applies to all would be charities. For most charities it will be obvious, they exist to save the whale and whales do not donate to them ergo they benefit whales and if people believe that is a benefit then they will donate and the charity will survive.

The primary role of a religion is to disseminate its message, life values, life teachings and spiritual teachings. In this respect all training religions provide should be free from association with donations; i.e. you must donate at least x to receive y, y should be available for free to the needy. Exemptions may allow for nominal charges for limited traditional services such as marriage and baptism to cover costs and provide some income for the church to support itself but the rule should be services should NOT be charged for in any way shape or form and donations should not be associated with any services in any way shape or form. There should be a clear distinction between donors and recipients of services.

This is not especially onerous and a basic auditing process should be in place already that the benefits test should not add to greatly. If no such auditing takes places already something is already very wrong.

5. It can be abused.

Most legislation is open to abuse and Governments know this, why then do they insist on coming up with new legislation?

6. It wont work anyway.

I believe it will not rid the world of the church of scientology but I believe it will put the church of scientology on a proper footing in Australian society, as it is in the UK. It certainly will not address all the abuses that have been alleged against it but that is not the point of this exercise nor an excuse not to introduce a common sense piece of legislation.

7. There aren't the resources to police the cult of scientology properly.

May be if you could get more tax back from organisations such as the cult of scientology the proper resources could be afforded. That said this is not the issue at hand; would you accept the argument that you don't have enough resources to deal with child abuse to give up and not implement a new piece of legislation to help better protect children?

I will not argue with point 8 as I feel it poses some excellent ideas, although I feel it is more discriminatory to demand a "church" have a special external complaints body set up than any argument against the proposed benefits test suggests.

Conclusion.

This legislation may have been inspired by the church of scientology but it is not applicable only to them, it is applicable to all charities therefore it is not discriminatory. Done properly this test should not be onerous on charities. It is sensible and should make the ATO's job easier instead of harder.

This legislation will not stop the church of scientology from abusing its members nor will it stop it preying on the weak and vulnerable in society for recruitment. All it will do is help ensure that charities actually provide a benefit that exceeds any perceived

harm they may cause to the society that subsidises them. This is however a common sense tool.

Meanwhile I implore the Australian Government and relevant authorities to do all they reasonably can to educate their children against the harms of cults just as they might to with respects to the harm caused by drugs.