

18th June 2010

Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Tax Laws Amendment (Public Benefit Test) Bill 2010

Dear Sir,

This submission is made by The Salvation Army Australia Eastern Territory to the Senate Standing Committee on Economics in relation to the Tax Laws Amendment (Public Benefit Test) Bill 2010 ("the Bill").

It is our submission that the Bill should not be passed.

Rather, it is considered that the appropriate process to review the relevance of any 'public benefit test' for charitable organisations is in the context of the Federal Government's detailed response (as yet not released) to the reports provided by the Australian Government Productivity Commission into the contribution of the not-for-profit sector and the Australia's Future Tax System Review (commonly referred to as the 'Henry Review').

These reviews contained a number of recommendations that could possibly affect the charitable and not-for-profit sector and in this light it is prudent not to introduce new legislation that has not been considered in conjunction with any recommendations or debates relating to these reviews.

Having said this, the public benefit of charitable organizations in Australia is extensive and well documented. For example, The Salvation Army has been providing these benefits to the public in Australia for over 125 years. The areas of public benefit include:

- The advancement the gospel message of Jesus Christ which transforms individuals and has positive practical effects on individuals, families and communities. The Salvation Army can give documented evidence and multiple testimonies of how changed lives benefit society, both as citizens and as carers;
- The manifold areas of assistance provided to individuals covered by The Salvation Army include:
 - Aged care
 - Chaplaincy
 - Counseling
 - Crisis support
 - Drug, alcohol and gambling addiction rehabilitation
 - Emergency and disaster services
 - Family support including family tracing
 - Sale of donated goods
 - Youth, employment and training programs

- The Salvation Army provides these services of public benefit holistically as a service to the community because we are driven by the Christian gospel message encapsulated in the message that "The love of Christ compels us" (2 Corinthians 5:14).

Should you have further questions please do not hesitate to contact Mr Ian Minnett Chief Financial Officer (02) 9266 9563.

Yours sincerely



Colonel James Condon
Chief Secretary

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