

Submission to the Senate Economics Committee.

Dear Sirs,

I write re the "Tax Laws Amendment (Public Benefit Test) Bill 2010.

This Bill proposes that "there must be an identifiable benefit arising from the aims and activities of an entity; ----- and the benefit must be to the public or a significant section of the public, not merely to individuals with a material connection to the entity."

Much of the work of 'religious and charitable organisations' in the general community would be very difficult to quantify. Often the benefits of this type of work are not even immediately identifiable. Troubled youth who are mentored, encouraged and/or given renewed hope by some religious or charitable group may not immediately show the results. Single mothers in Playgroups are often befriended and given examples of mothering which are invaluable in coming years.

These organisations would be forced to waste much time and money in an effort to justify their 'tax exempt status'. Some of these groups, small sporting clubs or parent run kindergartens/playgroups, which are at present given this status might conceivably be forced to close - because they do not have sufficient finances, or people among their volunteers to complete this task.

If this law is passed, further uncertainties will be created and the appropriate minister will have greater power to follow his individual values system. The ATO already assesses such groups to see if they qualify to receive this exemption. This should be sufficient.

I am not advocating that any religious organisation or charity which acts illegally should be given this exemption, but that the ATO is the appropriate body to make these decisions according to the current regulations.

Yours faithfully,
Mrs D. Soffe.