

As a taxpayer I am a stakeholder in the legislation regarding the gifting of Tax Exemption for groups within our country.

I support the Tax Laws Amendment (Public Benefit Test) Bill 2010  
And request that it include the following key principles:

- (a) there must be an identifiable benefit arising from the aims and activities of an entity;
- (b) the benefit must be balanced against any detriment or harm;
- (c) the benefit must be to the public or a significant section of the public, and not merely to individuals with a material connection to the entity.
- (d) the word 'benefit' be defined to include measurable benefit and to exclude immeasurable benefit such as spiritual gain.

My reasons include:

- By granting tax-exempt status to an organisation, the Australian Government is in fact endorsing and supporting this organisation financially, morally and publicly. People often choose to donate to an organisation because it has the "stamp of approval" from the government as evidenced by its tax exempt status. Therefore, tax-exempt status needs to be given only to those organisations fully aligned to the values, priorities and benefit of Australia and its people.
- As Australia moves into the oncoming decades of an aging population, a heavier than ever before welfare bill, and a shrinking proportion of tax payers, we must take a tougher stand on entities attempting to escape their communal responsibilities, including those who seek tax exemption on the claim that they are already contributing all that they can to the community.
- When we *do* grant tax exemption we are stating that we trust that organisation to make choices about where the money they collect is spent. In fact we are saying that these organisations will make better choices than our elected government. And, while money spent by the government is tracked and can be reviewed and scrutinized, money spent by these tax exempt organisations not only can be used in ways that the Australian people would not condone, or even sent overseas and thus out of our economy, but there is no way for us to know about it.
- It is clear that some currently tax exempt organisations are an indispensable sector of our community. They directly and immediately disburse on-the-ground charity to house, feed, clothe and support the disadvantaged in a way that is efficient, laudable and a necessary compliment to our government welfare system. They

provide affordable sports activities for children or inclusion activities for the disadvantaged that would not be able to be provided on a full fee-for-service basis. But not all currently tax-exempt organisations fill a community need, not all are efficient or provide services that the majority of Australians would knowingly support.

- In today's financial climate we cannot afford to confer tax exempt status without confirming that the organisation is *capable of* and *does* provide a needed service with efficiency, compatibility and quality in a way that compliments our existing welfare system. For example I don't want to grant tax exemption to an organisation that provides people with spiritual services while the country is struggling to find an extra \$30 a week for our aged pensioners or to provide houses for people in need. Or even an organisation that provides food vouchers to the hungry and pays its executives' overblown salaries.
- Self-assessment for tax exemption is a luxury we cannot afford and an open invitation to the unscrupulous to avoid paying for the roads, public services, and the community in which they live and make their income. A PBT will eliminate those who are unscrupulous and confirm those who are actually supporting the community in ways that we value and with standards that are appropriate.
- Thus far it has been sufficient for an organisation to claim it is a religion in order to gain tax exempt status. In alignment with not discriminating *against* anyone for matters of religious belief, it would be preferable if our government did not *favor* any groups solely because of their beliefs either. A Public Benefits Test needs to determine eligibility based on providing benefit we can see and assess, not on benefits at a spiritual level, or after this life or according to a religious authority.

Therefore I submit that the Tax Laws Amendment (Public Benefit Test) Bill 2010 be passed into law.

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