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From: AFLS [AFLS@bigpond.com]
Sent: Monday, 29 September 2003 8:28 PM
To: charitydefinition@taxboard.gov.au
Subject: CHARITIES DEFINITION

Consultation on the Definition of a Charity

The Board Taxation

C/- The Treasury

Langton Cresvent

PARKES ACT 2600

29th September 2003

I wish to tender my opinion that churches and all other non tax paying charitable institutions be required to pay all Local, State and Federal taxes, fringe Benefits taxes, GST, on all revenues associated with all their business enterprises.

In my view it is totally inappropriate to give Churches, Charities Foundations or other Charitable Trusts or other quasi Church Charities any free tax status or financial advantage whatsoever which cannot be similarly be available to all other Australian business enterprises.

To continue doing so only serves to disadvantage the general business community in the market place and which has the effect of handing over an unfair competitive advantage over the majority of taxpayers who are required to comply with a myriad of taxation imposts. The other effect is that tax paying businesses and the general public are indirectly subsidising all groups not paying their full and equitable share of government imposts.

There are now so many flourishing Church Home Stores in shopping strips across the country

competing with struggling retailers which are being grossly disadvantaged which apart from having to pay for the goods sold in their stores they have to comply with all GST requirements, crippling State land taxes, full commercial rents and council rates, company taxes and fringe benefit taxes. Commercial businesses are also disadvantaged when offering remuneration to potential staff against Business Charities Stores who often offered free use of cars or free goods and furniture from home stores without the need for paying fringe benefit taxes. Whilst the act of donating goods at no cost to a charity to help the needy might be regarded as a charitable act by the donor; the act of selling donated goods by a charitable institution is not in itself a charitable activity and thus should not be treated as an activity which offers a comprehensive public benefit, unless the goods are directly given to the needy for free and without conditions. In my opinion, the sale of donated goods has effect of converting all such charitable institutions into a multi \$million business enterprises and where employees are paid either in wages or a free helping to in-store goods as a fringe benefit. The charitable public benefit chain is broken in the sale process.

One Church which has discriminatory membership rules and established by the William Booth family trust has only 20,000 members yet has an annual income of over \$400 Million and recently given an Award as one of Australia's best run businesses along with the likes of Qantas.

Yours faithfully

G. Boffa

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Last year Salvation Army, Qantas and Telstra were named among the country's most successful companies. [Source MX Newspaper pg 13 7/11/2002]

