



9 August 2011

**Submission regarding: Exposure Draft – 'In Australia' Special Conditions for Tax Concession Entities**

The Christian & Missionary Alliance of Australia presently supports seven full-time workers overseas in three countries. As a Christian Missionary organisation we are naturally committed to communicating the gospel of Jesus Christ, however as an integral part of our work, we provide services to people in a whole range of areas such as:

- teaching English as a foreign language in a country where the Government is very appreciative of the service we provide
- serving refugees who have been tragically ignored by the Government of their new country. We provide:
  - health support
  - schooling for children
  - medical assistance
- in another country:
  - schooling for underprivileged children
  - microeconomic livelihood projects amongst squatter communities
  - housing for street kids
  - other community services

We have received professional advice that suggests that the Exposure Draft will have the following impact on the Christian & Missionary Alliance:

1. **Loss of income tax exempt status** under 50-50(d) of the Income Tax Assessment Act as a member of Australian Evangelical Alliance Inc (Missions Interlink) which is prescribed by law under regulation 50.50.02. This would put at risk all the good things our organisation is doing as noted above. All of our work overseas has a very strong element of development and social benefit to the people we are working with, so if we lose our tax exempt status this will limit our ability to continue these services. We would also be impacted from an administrative point of view due to the additional administration required to fulfill ATO requirements and the impact of point 2 below.
2. **Donor organisations would lose their income tax exempt status.** We receive support from local churches to assist us in carrying out the work specified above. These local churches are also tax exempt so if we lose our income tax exempt status, the churches that support us would also lose their own tax exemption. This would have a huge impact on our organisation and substantially reduce the donations we receive, severely affecting our ability to carry out the services listed above. Another possible consequence could be that the donor organisations may send money directly overseas which would mean less control by the Australian government.

**Recommendation**

The new law to retain exemptions for all prescribed institutions listed in the current regulations.

A minimum threshold for donations to entities without income tax exempt status should be introduced into the legislation.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Rod Russell-Brown", with a long horizontal flourish extending to the right.

Rev Rod Russell-Brown  
President