

# **AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS**

## **PRESS RELEASE 598#**

### **RELIGION COSTS AUSTRALIA \$31 BILLION**

The following is a letter to the editor penned by Max Wallace which was not printed.

DOGS note that the \$31 billion per year in taxation expenditures foregone because of 'religious' exemptions would provide Australia with public education and health systems second to none.

The *Sydney Morning Herald's* editorial (1 May) argues that everyone must pay their fair share of tax. But there are some in our society who are privileged by way of tax exemption according to what they believe. If an organisation is religious with a supernatural belief, it is tax-exempt by way of statute. Secular organisations that stand as alternatives to religion are also exempted from taxation through common law. In the case of the latter, the tax is fairly trivial. In the case of religion, Perkins and Gomez estimated in 2009 that religion costs Australia a gross \$31B per annum. The justification for the exemption is the idea of cross-subsidy, that is, the exemption can be reconciled to the value of the 'good works' religious organisations do. There are flaws with this argument. There are many thousands of religious organisations in Australia. Many do no charitable work at all because religion is legally a form of charity itself. Some only do cosmetic charitable work. Of the major religions identified with 'good works', much of their expenditure comes from government grant. It is not possible to impartially reconcile religious charity income with their charitable expenditure because, unlike its New Zealand equivalent, the Australian Charities Commission exempts religious organisations from its wealth reporting requirement, a requirement that applies to all other charities. At a personal level, ministers of religions can package their fringe benefits to lower their effective income below the tax threshold. Yes, everyone, religious or secular, should pay their fair share of

tax. But this subject, despite the scale of the missing tax, is one of the great don't-go-theres of Australian politics.

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