

Cost of Living Inquiry

# THE REVERSE ROBIN HOOD PARADOX OF CORPORATE RELIGION



Submission by Lara Kaput

5th February 2024

Chair, Senator the Hon Jane Hume  
Deputy Chair, Senator Penny Allman-Payne  
Committee Members  
and Participating Members

### **Submission to Cost of Living Inquiry**

I thank the Cost of Living Committee for allowing me the opportunity to provide a submission to the committee's Cost of Living Inquiry.

How bad is the cost-of-living crisis really?

This submission advises the government on ways to help Australians to meet the cost of living and on charity concerns as they may relate to corporate religion like the Jehovah's Witnesses institution, and by extension other similar religious-corporate entities; and builds on concerns raised in previous inquiries, some of which are referred to in this submission.

**This submission puts forward a brave but simple solution.**

Australia has approximately 15,000 religious charities - which are privileged with exemptions from corporate tax, but also income tax, GST, payroll tax, council rates, land tax, state government taxes and local council taxes – and without effective regulation, of not just the charities but also their adverse treatment of congregants, some of which have been described in over a dozen submissions to federal, state and territory inquiries.

**To be fiscally responsible, consider taxing corporate religion.**

Yours sincerely,

Lara Kaput

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"No other organisation receives a tax preference for contemplation or wishful thinking."

Max Wallace, Author of *The Purple Economy: Supernatural Charities, Tax and the State*.

## Background

I'm a survivor of the Jehovah's Witnesses religion, and I advocate for fellow exploited and vulnerable Jehovah's Witness victims and survivors. I'm also an Australian with Ukrainian, German and Polish ancestry.

Since 2016 I have provided up-to-date factual and unique information to local and international law enforcement agencies, government bodies, politicians, inquiries, royal commissions, law firms, and the media in relation to Jehovah's Witnesses and the Watch Tower Society. I have made written submissions to, or appeared before, the Submission to the Inquiry into the Voluntary Assisted Dying Bill 2023, the Submission to the Review of the Modern Slavery Act 2018 (NSW), the Joint Select Committee on Operation of the National Redress Scheme, the German Independent Inquiry into Child Sexual Abuse, the Productivity Commission's Review of Philanthropy, Inquiry into the extent and nature of Poverty in Australia, the Disability Royal Commission, the Joint Select Committee on Implementation of the National Redress Scheme, the Royal Commission into Victoria's Mental Health System, the NSW Inquiry into Modern Slavery Act 2018 and Associated Matters, and the Royal Commission into Institutional Responses to Child Sexual Abuse.

## Introduction

I don't believe that we are serious about resolving our cost of living "crisis". But, if we are, I believe that the Committee must recommend ceasing the financial privileges of corporate religions.

"The Robin Hood effect gets its name from the English folkloric outlaw Robin Hood, who, according to legend, stole from the rich to give to the poor. A reverse Robin Hood effect occurs when the **better-off gain at the expense of the less well-off.**"<sup>1</sup> I argue that this is the case in Australia as we claim to be secular country, yet we honour corporate religious entities with tax exemptions, based on the outdated assumption that religion is inherently "for the public benefit".



*Figure 1 - Corporate religions do not necessarily behave financially like Robin Hood as some may believe*

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<sup>1</sup> <<https://www.investopedia.com/terms/r/robin-hood-effect.asp>>

The Committee should keep in mind that the Australian Royal Commission into Institutional Responses to Child Sexual Abuse, and constant media on it ever since, clearly demonstrate that: “Absolute power corrupts absolutely” (Lord Acton, 1857).

**“Almost 10 million Australians reported having no religion.”<sup>2</sup>**

## The Government’s fiscal policy response to the cost of living

To help Australians with the cost-of-living, consider ceasing tax benefits for our corporate religious businesses. With Australians increasingly secular rather than religious, being courageous and responsible leaders makes sense in 2024.

### **Recommendation 1**

Cease taxation exemptions for our corporate religious businesses from corporate tax, income tax, GST, payroll tax, council rates, land tax, state government taxes and local council taxes.

### **Recommendation 2**

Investigate corporate coercion / financial abuse by religious charities and entities.

### **Recommendation 3**

Increased regulation of religions to prevent the use of religious coercive control, and ongoing educational awareness relating to elder (financial) abuse.

## Measures to ease the cost of living through the provision of Government services

Instead of continuing the outsourcing of secular services like education and health to religious entities, analyse and review the Australian Charity and Not-for-Profit data and consider areas to insource these into government services. For example, education and health services.

### **Recommendation 4**

Greater financial transparency of corporate religion so that government can review religious cash flow and make informed decisions about what scope should move from religious services to government services.

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<sup>2</sup> <<https://www.abs.gov.au/articles/religious-affiliation-australia>>

## Ways to ease cost of living pressures through the tax and transfer system

My submission is a simple premise: remove all tax exemptions for religion.

Here are some varied opinions, over many years, on the value that might be returned to taxpayers:

- Churches are business and should pay tax<sup>3</sup>
- Churches reap the benefits of belief: \$500 million in tax exemptions<sup>4</sup>
- Why churches don't pay taxes and how much money the public could gain if they did?<sup>5</sup>
- Reason, religion and tax: should churches still be considered charities?<sup>6</sup>
- Catholic Church's massive wealth revealed<sup>7</sup>

### Religious Charities

For charity and tax specific information relating to high control religion, please refer to the [submission to the Productivity Commission's Philanthropy Inquiry](#) by Say Sorry, and attachments, [Attachment 1](#), [Attachment 2](#), and [Attachment 3](#).

**“Australia is missing out on about \$10 billion a year in taxes.”<sup>8</sup>**

A succinct summary of plainly incorrect assumptions of corporate religious behaviour was succinctly articulated by Neil Francis in *Part 4: Religion and charity* of the *Religiosity in Australia* series:

“In summary, Australia's religious don't personally on average contribute more than Nones to helping different others. While non-Christian religionists demonstrate less self-interest than Nones in their donations to non-religion sectors, Christians show greater average self-interest as well as hostility toward First Nations people in need. Coercion in the religion sector deserves attention.”

And

“This new evidence militates against Basic Religious Charities enjoying easy and privileged charitable status compared with all other charity types. Indeed, it suggests they warrant

<sup>3</sup> <<https://canberradaily.com.au/to-the-editor-churches-are-business-and-should-pay-tax/>>

<sup>4</sup> <<https://www.theage.com.au/national/churches-reap-the-benefits-of-belief-500-million-in-tax-exemptions-20060429-ge27vs.html>>

<sup>5</sup> <<https://bigthink.com/culture-religion/why-churches-dont-pay-taxes/>>

<sup>6</sup> <<https://www.smh.com.au/national/reason-religion-and-tax-should-churches-still-be-considered-charities-20220715-p5b1w0.html>>

<sup>7</sup> <<https://www.smh.com.au/national/catholic-church-s-massive-wealth-revealed-20180209-p4yzus.html>>

<sup>8</sup> <<https://canberradaily.com.au/to-the-editor-churches-are-business-and-should-pay-tax/>>

greater, not less, oversight by the Charities and Not-for-profits Commission and by parliament.”<sup>9</sup>

#### **Recommendation 5**

A prohibition or restriction on small religions, operating as collection agencies, for larger religions.

#### **Recommendation 6**

The introduction of legislation that would prevent religions from donating to, or collecting donations for, offshore religions.

#### **Recommendation 7**

Create greater financial transparency, accountability and taxation governance standards for religions.

## Any other related matter

Religion as a driver of Modern Slavery

For policy mechanisms to address and reduce forced labour within high control religion, please refer to the [submission to the Review of the Modern Slavery Act 2018 \(NSW\) by Larissa Kaput](#).

Religion as a driver of Poverty

For policy mechanisms to address and reduce poverty within high control religion, please refer to the [Extent and Nature of Poverty in Australia submission by Larissa Kaput](#).

## Conclusion

To alleviate the cost-of-living crisis, and to be fiscally responsible, the Committee should bravely recommend the ceasing of financial privileges for corporate religions. This may provide an approximate \$10 billion a year into the economy. Australians like me are wondering why – in the year 2024 - it hasn't been done already.

**Be courageous. Be fiscally responsible. Be modern.**

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<sup>9</sup> <<https://rationalist.com.au/wp-content/uploads/2023/06/Religiosity-In-Australia-Part-4-final.pdf>>