# EXPLANATORY STATEMENT

## Issued by authority of the Assistant Treasurer

*Income Tax Assessment Act 1997*

*Income Tax Assessment Amendment (Kiribati Phoenix Islands Protected Area Conservation Trust) Regulations 2019*

The *Income Tax Assessment Act 1997* (the Act) provides for various matters relevant to the assessment of income tax, including various types of assessable income and exempt income.

Section 909-1 of the Act provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The purpose of the *Income Tax Assessment Amendment (Kiribati Phoenix Islands Protected Area Conservation Trust) Regulations 2019* (the Amending Regulations) is to amend the *Income Tax Assessment Regulations 1997* to allow the Kiribati Phoenix Islands Protected Area Conservation Trust to be exempt from income tax from 1 July 2015 to 30 June 2023.

Division 50 of the Act provides that the income of certain entities is exempt from income tax. Section 50-5 of the Act provides that a scientific institution is exempt from income tax if they meet the special conditions located under section 50-55 of the Act. One of the special conditions is located at paragraph 50-55(1)(c) of the Act, where the scientific entity must be a prescribed institution that is located outside Australia and is exempt from income tax in the country in which it is resident.

The Amending Regulations list the Kiribati Phoenix Islands Protected Area Conservation Trust as a prescribed institution.

The Amending Regulations will assist the Kiribati Phoenix Islands Protected Area Conservation Trust’s ability to fund its charitable, educational and scientific purposes. Kiribati’s Phoenix Islands Protected Area is listed on the UNESCO Word Heritage List.

The Amending Regulations applies to allow the Kiribati Phoenix Islands Protected Area Conservation Trust exempt from income tax from 1 July 2015 to 30 June 2023. The retrospective operation of the exemption is beneficial to the Kiribati Phoenix Islands Protected Area Conservation Trust.

Public consultation was not undertaken as the Amending Regulations relate only to the Kiribati Phoenix Islands Protected Area Conservation Trust.

The Amending Regulations has a negligible compliance cost impact.

The Amending Regulations is a legislative instrument for the purposes of the *Legislation Act 2003*.

The Amending Regulations commenced on the day after it was registered.

A statement of Compatibility with Human Rights is below.

Statement of Compatibility with Human Rights

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

### Income Tax Assessment Amendment (Kiribati Phoenix Islands Protected Area Conservation Trust) Regulations 2019

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### Overview of the Legislative Instrument

The purpose of the *Income Tax Assessment Amendment (Kiribati Phoenix Islands Protected Area Conservation Trust) Regulations 2019* (the Amending Regulations) is to amend the *Income Tax Assessment Regulations 1997* by including the Kiribati Phoenix Islands Protected Area Conservation Trust as a prescribed institution from 1 July 2015 to 30 June 2023 for the purposes providing an income tax exemption.

The Amending Regulations will assist the Kiribati Phoenix Islands Protected Area Conservation Trust’s ability to fund its charitable, educational and scientific purposes. Kiribati’s Phoenix Islands Protected Area is listed on the UNESCO Word Heritage List.

### Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

### Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.