



# ***Australian Rainforest Conservation Society Inc.***

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## **Comment on Deductible Gift Recipient Reform Opportunities**

### **Background to Australian Rainforest Conservation Society Inc**

Australian Rainforest Conservation Society Inc (ARCS) was established in 1982. It was one of the eight organisations first listed on the Register of Environmental Organisations on 12 March 1993. Since its inception, ARCS has been involved in a wide range of environmental activities including advocacy, lobbying, public campaigning including political campaigning, delivering co-operative agreements between seemingly disparate parties leading to greatly expanded protected areas and “on the ground” rainforest restoration. Our ongoing 20-year Springbrook Rescue Rainforest Restoration Project has been included as one of 12 international case studies by IUCN WCPA in *Ecological Restoration for Protected Areas — Principles, Guidelines and Best Practices*.

This submission deals with Consultation questions 4 to 6 and 12.

### **Consultation questions 4 to 6**

Government members and agencies demonstrate an inordinate concern about advocacy. It would not be unreasonable to conclude that the purpose is to stifle dissent.

The ACNC Guidelines state that it is not OK for a charity to have a purpose to promote or oppose a political party or a candidate for political office. The Commission fails to make a distinction in this regard between a purpose and an activity. An environmental DGR may have no purpose with respect to a political party but may wish to engage in an activity that opposes a party.

Consider the case where a political party proposes oil drilling on the Great Barrier Reef — as did the Bjelke Petersen-led Queensland National Party. If an environmental DGR had a purpose of protecting the Reef, it would be completely consistent with its purpose for it to engage in activities that opposed that political party. Their members, donors and the general public would expect them to do so.

ARCS does not support any further reporting requirements regarding advocacy.

We also note that the ACNC is not altogether clear about determining advocacy. The Guidelines state “In determining whether a charity has a disqualifying political purpose, the ACNC will consider all the relevant circumstances of the charity, including its governing rules and its activities. Assessment of these matters will be a question of fact and degree.”

### **Consultation question 12**

The recommendation by the House of Representatives Standing Committee on the Environment to require environmental DGRs to commit no less than 25 per cent of the annual expenditure from their public fund to environmental remediation was clearly politically motivated. It is unfortunate that the Discussion Paper not only considers that proposal but also raises the possibility of doubling the requirement.

Despite statements by various politicians to the contrary, there has been no requirement for environmental DGRs to be involved in environmental remediation work.

In his letter to the Committee requesting the inquiry, the then Minister for Environment, Greg Hunt, wrote “The Register of Environmental Organisations plays an important role in Australia’s actions to improve the environment, supporting local communities to undertake on-ground environmental works.”

Committee Chair, Alex Hawke, Liberal Party Member for Mitchell, said on ABC 7.30 Report “the environment register is for groups to do actual practical environmental work or some education and other purposes”.

Member of the Committee, George Christensen, National Party Member for the Queensland electorate of Dawson, states on his web site “Environmental groups should focus on practical environmental programs and stay out of politics if they want taxpayer subsidies.”

All of these statements are misleading. The REO is established by the *Income Tax Assessment Act 1997*. The Act requires organisations listed on the Register to have as their ‘principal purpose’

- the protection and enhancement of the natural environment or of a significant aspect of the natural environment; or
- the provision of information or education, or the carrying on of research, about the natural environment or a significant aspect of the natural environment.

There is no mention of on-ground activities.

Further, neither the Committee nor Treasury has provided any evidence to suggest that donors to environmental DGRs expect them to be carrying out on-ground activities. When a member of the public makes a donation to an environmental DGR, they are presumably doing so because they support what the DGR is doing. It would be reasonable to assume that a taxpayer making a donation to a DGR that is currently working to protect the Great Barrier Reef expects their donation to be used for advocacy and, consistent with the requirements of the REO, “the provision of information and education”. It is not for the government to dictate how the donation will be spent as long as the expenditure is consistent with the DGR’s environmental purpose.

The implication that only organisations carrying out on-ground works are worthy of support flies in the face of the history of protection of the natural environment in Australia. Many of the most significant gains in protection of Australia’s natural environment have been the result of intense and protracted public and political campaigns, including —

- preventing oil drilling on the Great Barrier Reef,
- saving the Franklin River from being dammed,
- stopping logging of tropical rainforests in North Queensland and achieving their protection and World Heritage Listing,
- protecting Fraser Island, now a World Heritage Area, from sand mining and logging,
- stopping large-scale land clearing in Queensland, and
- protecting the Great Barrier Reef from dredge spoil dumping.

There are numerous environmental organisations that are not involved in on-ground environmental remediation but have made and continue to make essential contributions to protection of the natural environment and unquestionably deliver outcomes for the public good.

Further, neither the Committee nor Treasury make any attempt to justify involvement of all environmental DGRs in on-ground remediation nor provide any quantification of the expected benefits. It is virtually certain that the benefits would pale into insignificance compared the historical achievements resulting from advocacy, lobbying and public campaigning.

### **Specific implications for ARCS**

In 2015–16, ARCS made an appeal to members and supporters to make donations to our public fund to allow ARCS to purchase and protect an area of rainforest in the Gold Coast Hinterland. An amount of \$244,480 was raised.

Putting that aside for the moment, other donations to our public fund amounted to \$6165. None of those funds were allocated to on-ground environmental remediation. However, through funding from other sources, ARCS spent \$46,460 on on-ground rainforest restoration.

Clearly, ARCS would meet the proposed criteria of being involved in environmental remediation. But that activity does not receive any moneys from our public fund.

It is critically important that the public fund be available to cover administrative costs. This is particularly the case since the Abbott Government withdrew the GVESH0 program which specifically provided funding for administration.

Returning to the money donated through our public fund to allow the purchase and protection of rainforest land, it would be a complete betrayal of our donors' trust were we to allocate 25 per cent (or 50 per cent!) of their donations to restoration work. This emphasises the point made earlier in this submission that donors know what they are doing when they make a donation to support any particular campaign. It is not the role of government to intervene in how their donation is used.

In summary, ARCS does not support any mandatory requirement to allocate expenditure from the public fund to environmental remediation.

Dr Aila Keto AO

President

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