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**Australian Government Treasury**  
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**Submission on the Tax Deductible Gift Recipient (DGR) Reform**  
**Opportunities-Discussion Paper**

As a private citizen, and regular donor to a number of diverse charities, I am concerned with some of the proposals contained in the Discussion Paper, especially the effects these could have on environmental bodies.

The main areas of concern for me are:

**A requirement for additional information about all charities about their advocacy activities.**

I expect organisations that I support to advocate for the issues that I believe in. Advocacy is a legitimate and effective way for charities to pursue their charitable purpose and is an important part of their function. While the Charities Act 2013 recognises that charities have the right to advocate, existing laws also prevent charities from activities such as endorsing political candidates and/or parties or promoting illegal actions. If anything, since the ACNC was established in 2012, oversight of these restrictions has increased. Any new constraints and unnecessary reporting burdens would just compromise the ability of charities to efficiently and effectively carry on their legitimate purpose without any demonstrated justification.

**Requiring environmental organisations to commit no less than 25 per cent of their annual expenditure from their public fund to environmental remediation, and whether a higher limit, such as 50 per cent, should be considered.**

I strongly oppose the introduction of any such requirement. While there are environmental organisations that concentrate on environmental remediation there are also those that seek to protect and preserve the natural environment in other ways such as advocacy for law reform, providing public education and awareness raising, offering legal support and encouraging public participation. All these functions offer benefits and once a charity has been determined to have DGR status I don't believe the government has a role in determining what range of legitimate activities the organisation can or cannot use to fulfil their purpose.

As a donor it is my choice on which activities I would like to support, and mandating that all environmental organisations must spend a certain amount on any one particular activity (especially such large amounts as 25 or even 50 percent) would severely impact on my rights and ability to allocate my funds as I choose.

This activities-based test would also create extra red tape and administrative burdens for the charities while limiting their ability to explore all avenues in seeking to achieve their goals. The “purpose” of an organisation is used to determine eligibility status for DGR, and once this has been determined extra regulation on activities are unnecessary and unwarranted.

**The introduction of a formal rolling review program, annual certification and a general sunset rule of five years for specifically listed DGRs.**

These proposals also appear unnecessary and unwarranted. A formal rolling review would increase administrative and financial burdens on charities, as would the need for annual certification. There is already ACNC governance under which an annual information statement must be submitted by all charities plus financial statements for larger charities. Together with the required transparent public reporting, and additional governance requirements that charities face, this provides a substantial regular reporting and complaints process that is already in place.

The automatic de-listing of specifically listed DGRs every five years when there has been no change to their purpose, or any infringement or breach, again adds administrative burdens and is a waste of resources. It will also add uncertainty for both the organisations and their supporters when every five years they face automatic de-listing. Another aspect of this proposal that concerns me is that they are to be applied only to “specifically listed” charities. This makes me suspect that the motives for this proposal are less to do with good governance than ideological or political ends.

Collectively these proposals place another level of oversight and cost that I can see no need for. As a member of the public I have confidence in the governance that already exists and feel that with the information available to me I am in a position to make informed decisions on the charities I support and the activities I help fund.

**Conclusion:**

As a charitable donor I am cognisant of the need to have transparency and effective governance in the DGR sector. This gives legitimacy and engenders confidence that in turn encourages support and ultimately benefits the causes these organisations are championing. As such, parts of this review are useful and ask legitimate questions.

However, in my opinion the proposals that I have raised concern about here do not satisfy the requirement for a balanced and non-political review. If adopted,

rather than strengthening DGR organisations, their effect would be to add to red tape, waste valuable funds and resources on increased administrative costs, and foster uncertainty in the ability of the charities to produce expected outcomes. There seem to be no persuasive arguments as to why these measures are necessary or a demonstration of how they would improve outcomes for the organisations and their supporters.

I am particularly concerned that these proposals seem to be aimed specifically at environmental organisations. That this sector has been singled out for “special treatment” indicates that there is more than just attempting to improve the DFR system at play here. The fact that the REO inquiry is referenced so widely in the discussion paper (without weight given to the dissenting views) reinforces the view that this is in part a politically motivated exercise, backed by the lobbying of vested interests.

I believe that environmental DGRs play an important role in achieving positive environmental outcomes for all Australians. They do this through a diverse range of activities, from remediation, education, research and legal support, through to community engagement and participation. Legitimate organisations acting within the relevant rules and regulations have the right to pursue their goals without political or ideological interference and without being unfairly targeted because of the areas they operate in.

I support a honest and thorough review of the administrative and governance arrangements for DGRs. I do not support a politically motivated attempt to limit or sanction environmental groups.

Yours sincerely

Geoffrey Ball

