

I wish to make a submission regarding the consultation paper which proposes potential reforms to Deductible Gift Recipient (DGR) tax arrangements.

I am a proud donor to environmental organisations that deliver important changes that benefit the environment as a result of campaigning and advocacy. I am appalled to see several of the proposals canvassed in this paper as deliberately targeting advocacy work and putting civil and democratic freedoms at risk.

Although the discussion paper contains several proposals that would streamline and simplify reporting and administrative burdens for DGR recipient organisations and governing agencies, I cannot ignore the clear political motivation behind the paper, which carries several recommendations from an inquiry into environmental organisations set up under the Abbott Government in what was a clear attempt to hamper these organisations' work.

I will address several of the key points in turn.

Issue 2: Ensuring that DGRs understand their obligations, for example in respect of advocacy.

This 'issue' is misleading, as it implies that the ACNC Governance Standards and/or the Income Tax Assessment Act (ITAA) somehow limit DGRs' ability to undertake advocacy. Advocating for policy which aims to protect and enhance the natural environment does not offend the ITAA 'principal purpose' requirement of environmental DGRs. Neither are such limits imposed by the ACNC Governance Standards.

Therefore, in response to Consultation Question 4, the ACNC should not require additional information from all registered charities about their advocacy activities. Such information would be irrelevant in considering whether or not those organisations were meeting their obligations under the ACNC Governance Standards, or the ITAA.

Additional reporting would also place unnecessary extra burden on charities and regulators. As the additional information is not required to analyse DGR status, Consultation Questions 5 and 6 need not be discussed.

Consultation Question 12

The notion that some proportion of every environmental organisation's expenditure should be required to go towards environmental remediation is absurd. Some environmental organisations do remediation work, while others perform different but no less important roles directed at protecting and enhancing the natural environment, such as public education or advocating for environmentally sound policy. To require every group to spend a set proportion of their resources on remediation would limit some organisations abilities to perform their integral specialised roles in protecting and enhancing the environment. Imposing this effective restraint on activity can only be seen as a politically motivated attempt to limit environmental groups' impact.

The paper seems to neglect the outcome of environmental advocacy work that results in improved policies for land and water management, air pollution, waste disposal and penalties for environmental damage. These improvements in policy and regulation, brought about in part through the work of environmental advocates, may well relieve the "remediation" burden, which itself applies a degree of environmental damage having taken place.

Further, any such requirement would be impossible to enforce without placing unreasonable reporting and review burdens on environmental groups and administrators. This would come at a great and unnecessary cost to charities and taxpayers.

Consultation Question 13

I disagree with the REO inquiry's Recommendation 6. Environmental DGRs should not face administrative sanctions for supporting communities' rights to peacefully protest against environmentally damaging activities. Such measures would curtail an integral element of our democratic society.

The application of the recommendation, which extends DGRs' liability to 'others without formal connections to the organisation', is impractically wide-ranging. Under the recommendation an environmental group that promoted an event could face sanctions for the individual actions of every person in who attended that event.

The ACNC has stated that it already has the powers required to regulate charities. These powers are sufficient to ensure environmental DGRs are operating lawfully.

In conclusion, I would like to reiterate my belief that environmental DGRs are already subject to significant regulatory burden. Many of the issues raised in the discussion paper relate to increasing scrutiny, regulation and sanctions for these organisations, which is completely unjustified.

Organisations working on remediation, education, advocacy and other areas are all vitally important to protecting and enhancing our natural environment. Their activities must not be unnecessarily restricted or unfairly burdened.