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### **Submission from Climate Action Moreland Tax Deductible Gift Recipient Reform Opportunities Discussion Paper**

I write as the Convenor of Climate Action Moreland, an unincorporated grassroots Climate Action Group in Melbourne's northern Suburbs.

I wish to make a submission on behalf of Climate Action Moreland regarding the consultation paper which proposes potential reforms to Deductible Gift Recipient (DGR) tax arrangements.

Much of the work of Climate Action Moreland is in education and advocacy in environmental and climate action. We work in cooperation with other local citizen groups including Moreland BUG, Sustainable Fawkner, Moreland Energy Foundation. Our work entails lobbying Moreland Council, 3 state MPs and our Federal MP, as well as talking and engaging with residents of Moreland on climate, energy and environment. It sometimes also includes organising local peaceful protests or endorsing general climate protests.

We are supported in our education and advocacy work by environmental NGOs such as Australian Conservation Foundation, Environment Victoria and Friends of the Earth, among others, in numerous small ways including research, skills training, and improving our organisational practices to be more efficient and effective. This support is immensely valuable to our group and our activities, made possible through the charitable status and fund raising of these larger organisations.

Our response to the discussion paper focuses on the points in the discussion paper most relevant to environmental organisations.

We believe ENGOS have already been subject to considerable scrutiny in recent years. The House of Representatives Standing Committee on the Environment's inquiry on the Register of Environmental Organisations (REO inquiry) was

widely criticised as being political in nature. During the REO inquiry process, it was made clear that the Australian Charities and Not for Profits Commission (ACNC) believes that it has the appropriate enforcement powers to regulate charities.

We find it extremely disappointing that Treasury has therefore decided to re-open this line of attack by revisiting issues from a politically motivated inquiry. It looks appears to us as an attempt at social engineering of the environmental movement to fit the interests of the fossil fuel and mining lobby.

It is clear to our group that there is a political motivation in this review process. While ostensibly it relates to management arrangements for all not for profits, it singles out environmental organisations (ENGOS) for particular scrutiny.

Please find below our considered response to specific consultation paper questions:

*4/ Should the ACNC require additional information from all charities about their advocacy activities?*

Environmental NGOs with DGR status already have significant annual reporting requirements. Additional reporting and compliance increases administrative work and reduces time and resources for advocacy and direct engagement work, including assisting groups such as ours. We don't think additional requirements are justified. Currently, inappropriate activity can be investigated by initiation of a complaint to the ACNC. We think this is a sufficient process.

*11/ What are stakeholders' views on the idea of having a general sunset rule of five years for specifically listed DGRs?*

We see implementation of a five year sunset clause as just another way to tie charitable organisations up in administrative paperwork and prevent them from doing their primary purpose and goal. We think that regular reporting and the current complaints process is sufficient and should be maintained.

We would welcome a legitimate and non political review of the governance arrangements for not for profits, if unnecessary duplication can be removed, inconsistencies in how different charities are managed, and reduce reporting burdens while ensuring transparency and rigor in the reporting process.

*12/ Stakeholders' views are sought on 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? In particular, what are the potential benefits and the potential regulatory burden? How could the proposal be implemented to minimise the regulatory burden?*

Our group opposes outright the suggestion that DGR listed environmental groups be forced to allocate 'up to' 50% of their funds to "environmental remediation" - in other words, picking up litter or planting trees - instead of advocating for protection of the natural environment. There are already many fantastic organisations that do this valuable work.

Equally, we believe it is essential we have organisations that can engage in community education, campaigns and advocacy to protect the environment and climate. Environmental and climate advocacy work is vital and should be recognised as such without constraints placed on the amount of this work.

We argue that forcing these organisations to use their charitable funds on direct remediation a ridiculous stipulation that should not be imposed.

*13/ Stakeholders' views are sought on the need for sanctions. Would the proposal to require DGRs to be ACNC registered charities and therefore subject to ACNC's governance standards and supervision ensure that environmental DGRs are operating lawfully?*

This proposal would be unworkable (how can organisations be held responsible for the activity of people 'without formal connections to the organisation' who might be involved in 'illegal' activity?).

We think these changes are being suggested at the behest of the Minerals Council of Australia as part of an ideological agenda to undermine the fund raising basis and to sanction environmental NGOs due to the campaign for climate justice and push for rapid emissions reduction, end to fossil fuel subsidies, call for no new coal mines and phaseout of fossil fuel exploitation.

Once again we think this is a ridiculous stipulation. Protest is usually a matter of last resort against injustice, with civil disobedience by individuals, including being arrested, having a long history in social justice campaigning and common law. Indeed, peaceful protest is a cornerstone of sustaining a healthy democracy.

Being engaged in peaceful protests does not imply that an NGO is involved in 'illegal' activity.

## **Conclusion**

For all the above reasons we urge you to put aside the recommendations in the paper which are clearly politically motivated relating to undermining the ability of environmental NGO charities to do their essential advocacy work efficiently without undue constraint or administrative bureaucracy.

We would of course welcome a legitimate and non-political review of general charity governance arrangements to improve efficiency, reduce unnecessary duplication, eliminate management inconsistencies, and reduce reporting burdens, while increasing transparency in the reporting process.

Yours sincerely,

John Englart

Convenor

Climate Action Moreland