

This submission is made in a private capacity although I will refer to my experiences with my local community group.

To establish my credentials - I have a long (>25 years) involvement in community conservation, ranging in experience from volunteer co-ordinator of a local Coastcare group through to senior management of a national NGO. I own and actively manage a (gazetted) nature refuge property, have been on the board of a Regional NRM body, and am currently on the management committee of a local conservation group based in regional/rural Queensland.

*“Given the generous tax concessions they receive, it is appropriate to require DGRs to be transparent in their dealings and to adhere to appropriate governance standards.”*

*“Around eight per cent of the current stock of 28,000 DGRs are not registered charities or government entities. These organisations are not necessarily subject to robust reporting and governance standards.”*

The existing arrangements for DGR's are robust and transparent. Environmental DGRs are required to abide by Ministerial rules as laid out here (from the REO Guidelines).

### **2.3 Agreement to Abide by Ministerial Rules**

[Section 30-265 (4) of the ITAA]

An environmental organisation must agree to comply with any rules that the Assistant Treasurer and the Minister for the Environment make to ensure that gifts made to the fund are used only for its principal purpose.

Environmental organisations wanting to be on the Register must include a clause in their constitution to say that they will accept any rule the Ministers make to ensure that gifts made to public funds will only be used for the environmental purposes. Currently, there are two ministerial rules.

Ministerial Rule 1

*An organisation listed on the Register must answer all questions required by the Department stated on the annual statistical return form. It is to provide, with the statistical return, an audited financial statement for itself and its public fund. The statement is to provide information on the expenditure of public fund monies and the management of public fund assets.*

And here

### **2.8 Statistical Information**

[Section 30-270 (4) of the ITAA]

An environmental organisation “must have agreed to give the Secretary of the Department of the Environment within a reasonable period after the end of each income year, statistical information about gifts made to the public fund during that income year”.

Environmental organisations must provide the Department with statistical information about the donations and gifts made to the public fund for a financial year within four months of the end of that year.

The Minister and the Assistant Treasurer have approved a rule (refer to section 2.3) that requires registered organisations to include the following information in their annual statistical returns:

- to provide information on the expenditure of public fund monies and the management of public fund assets;
- to provide audited financial statements for the financial year for the environmental organisation; and
- to answer any questions about the public fund.

This will involve completing a statistical return form provided by the Department to organisations upon being admitted to the Register.

I am a member of the management committee for a local conservation group which has just been granted DGR status. I have attached a copy of the 2017 Statistical Return Form just received by the group to demonstrate just how robust the accountability framework is.

It is totally unacceptable for environmental DGRs to be singled out for special attention as part of this review. There appears to be a complete lack of understanding as to what protecting the environment actually means which is quite evident in the statement that "There are concerns that charities and DGRs are unsure of the extent of advocacy they can undertake without risking their DGR status. This is a particular concern for environmental DGRs, which must have a principal purpose of protecting the environment".

It is clearly spelled out in the REO guidelines

## **2.1 Principal Purpose must be the Protection of the Natural Environment**

[Section 30-265(1) of the ITAA]

An environmental organisation's principal purpose must be:

"(a) the protection and enhancement of the natural environment or of a significant aspect of the natural environment; or

(b) the provision of information or education, or the carrying on of research, about the natural environment or a significant aspect of the natural environment."

An organisation seeking registration must provide evidence of its environmental purpose or purposes by listing its formal objects as part of its constitutional documents.

The environmental purpose must be the organisation's principal purpose.

The objects of the organisation must be set in the context of the natural environment. This includes all aspects of the natural surroundings of humans, whether affecting them as individuals or in social groupings.

The term natural to describe 'environment' is used to make a distinction between the natural environment and other types of environments eg

- built;
- cultural; and
- historic environments.

The natural environment and concern for it would include, for example: significant natural areas such as rainforests; wildlife and their habitats; issues affecting the environment such as air and water quality, waste minimisation, soil conservation, and biodiversity; and promotion of ecologically sustainable development principles.

Having DGRs registered with the ACNC would only provide re-enforcement of the legitimacy of advocacy as an activity viz

[http://www.acnc.gov.au/ACNC/Register\\_my\\_charity/Who\\_can\\_register/Step2/ACNC/Reg/Step2.aspx?hkey=7916fd8d-d696-4067-ba44-4b250b9cd0fc](http://www.acnc.gov.au/ACNC/Register_my_charity/Who_can_register/Step2/ACNC/Reg/Step2.aspx?hkey=7916fd8d-d696-4067-ba44-4b250b9cd0fc)

Step 2: Does my not-for-profit have a charitable purpose?

- A purpose is what your not-for-profit has been set up to achieve or what your activities work toward. Some people also call this your organisation's mission or object.
- To be a charity, all of your not-for-profit's purposes must be charitable, except purposes that are 'incidental or ancillary to' (further or aid) the charitable purposes.
- The law recognises many kinds of purposes as charitable.
- The *Charities Act 2013* (Cth) lists twelve charitable purposes:
  - advancing health
  - advancing education
  - advancing social or public welfare
  - advancing religion

- advancing culture
- promoting reconciliation, mutual respect and tolerance between groups of individuals that are in Australia
- promoting or protecting human rights
- advancing the security or safety of Australia or the Australian public
- preventing or relieving the suffering of animals
- advancing the natural environment
- promoting or opposing a change to any matter established by law, policy or practice in the Commonwealth, a state, a territory or another country, (where that change furthers or opposes one or more of the purposes above) and
- other similar purposes 'beneficial to the general public' (a general category).

### Re Consultation question

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?

Again, environmental DGRs should not be singled out for special attention. There appears to be no thought of mandating what other charities can spend their donations on – or will they be next in line? There must be many, many groups which are focussed on education/awareness raising, research and monitoring etc and other areas apart from 'remediation'. How can they be expected, without any experience in the 'landcare' field, to suddenly start spending their donations on this type of work; their only option would be to pass the funds on to other groups which. That's just plain ridiculous. My group is involved in a broad range of activities and our expenditure varies year to year. One year we may be focussed on landscape restoration and the next on education/awareness raising. It would be a totally unwarranted to dictate that we spend a certain proportion on just one of our activities.

There is a particular irony in this Government wanting to mandate how groups spend their donations when the donors have no say, as specified in the REO guidelines viz:

### Donations and Sponsorship

*What is the difference between a donation and sponsorship?*

A donation is made unconditionally—the donor gives of his/her free will to an organisation that is free to determine the purpose for which the donation will be used, within the confines of that organisation's objectives. The donor may state a preference as to how the gift might be used as long as the organisation has an unconditional discretion as to how it will use the gift.

The donor must not receive any pecuniary or other material benefit in return for the gift including such benefits as membership or newsletters. Details relating to tax deductions for donations are found under division 30 (the gift provisions) of the ITAA.

I have not had time to fully investigate the implications of my community group obtaining registration by the ACNC. Whatever the Government decides to do it needs to be on a proper and sensible risk management basis. Small groups like mine which have been working extremely hard for many years in a range of activities should be given the encouragement to get on with the job, not have hurdles put in our way.

David Hudson



**REGISTER OF ENVIRONMENTAL ORGANISATIONS  
2017 STATISTICAL RETURN FORM**

**Please Note:** The completion of this form is mandatory for all organisations listed on the Register, you will not satisfy this reporting requirement by reporting only to the [Australian Charities and Not-for-profit Commission](#).

**When to use this form**

Organisations listed on the Register of Environmental Organisations (the Register) are required to submit statistical information to the Department of the Environment and Energy on an annual basis. This requires your organisation to submit this form for the 2017 financial year.

Failure to provide information requested by the Department in this form may result in the commencement of compliance action which could lead to your organisation being removed from the Register. Any action taken by the Department in this regard will be in accordance with the Register's Guidelines and relevant legislation, including the *Income Tax Assessment Act 1997 (Cth)*.

To avoid delays in reporting, your organisation is not required to submit a copy of the audited financial statement with the statistical return. However, the Department may request supplementary information, which may include an audited financial statement, as part of its assurance process.

**Completing this form**

This form must be completed by a person authorised by your organisation to act on its behalf.

To complete this form:

download a copy of the form to your computer and check that you can save information in the form.

complete ALL boxes either by placing an X in applicable boxes or typing directly into the form. An X may be placed in the applicable box by double clicking on the box and selecting 'checked'.

complete any necessary attachments.

**Submitting your statistical return**

Print the completed form and any necessary attachments

Complete and sign the declaration

Send your completed form and any attachments to:

*Electronically (preferred):*

[reo@environment.gov.au](mailto:reo@environment.gov.au)

*Hard copy:*

The Administrator  
Register of Environmental Organisations  
Department of the Environment and Energy  
GPO Box 787  
CANBERRA ACT 2601

**Section 1 - Organisation Details**

1.1 Full Name of your Organisation	
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1.1a Are there any other names your organisation is known by?	
1.2 Name of Public Fund of your organisation	
1.3 ABN	
1.4 Telephone Number	
1.5 Postal Address	
1.6 Email Address	
1.7 Website	
1.8 Is your organisation a trust? <i>An X may be placed in the applicable box by double clicking on the box and selecting 'checked'.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No  <i>If Yes, skip to question 1.10</i>
1.9 How many members did your organisation have at <u>30 June 2016</u> ? <i>Please write the number of members in the brackets [.....]</i>	Number of members that are natural persons [     ]  Number of body corporate members [     ]  Total: [     ]
1.10 Is your organisation registered with the Australian Charities and Not-for-profit Commission (ACNC)?	<input type="checkbox"/> Yes <input type="checkbox"/> No

## Section 2 - Financial Year

2.1 Which financial year are you providing information for?  <i>Your Statistical Return is due within <u>four</u> months of the end of your reporting period every year.</i>	<input type="checkbox"/> 1 July 2016 to 30 June 2017 (standard).  <i>or</i> <input type="checkbox"/> My organisation has a different financial year and the information provided on this form is for the period:  _____ to _____
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### Section 3 - Contact Officer Details

It is mandatory to provide two contact officers.

Primary Contact Officer	
3.1 Contact Name	
3.2 Position in your organisation	
3.3 Business hours phone number	
3.4 Mobile phone number	
3.5 Email address	

Secondary Contact Officer	
3.6 Contact Name	
3.7 Position in your organisation	
3.8 Business hours phone number	
3.9 Mobile phone number	
3.10 Email address	

### Section 4 - Donations

Please provide the following information on donations\* to your Public Fund during the financial year. This does not include grants received by your organisation.

Type of donation	Number of Donations	Value
4.1 Money		\$
4.2 Property		\$
4.3 TOTAL		\$

\*Please note that your organisation may be removed from the Register for not collecting tax-deductible donations from the public.

## Section 5 – Expenditure

Please specify the total amount expended from your Public Fund during the financial year:

Expenditure from the Public Fund	Value
5.1 Donations made for use in Australia	\$
5.2 Donations made for use outside Australia	\$
5.3 Total Expenditure from Public Fund	\$

Please provide a percentage breakdown of the amount expended from your Public Fund during the financial year:

Expenditure from the Public Fund	Value (as percentage)
5.4 On-Ground Environmental Remediation <i>(excluding activities conducted overseas but including funding provided to other environmental Deductible Gift Recipient organisations to undertake remediation work within Australia)</i>	
5.5 Research	
5.6 Education/Information provision	
5.7 Campaign/Advocacy	
5.8 Legal	
5.9 Overseas <i>(all activities conducted overseas including remediation)</i>	
5.10 Administration <i>(e.g. stationary, electricity, telephone, rent etc.)</i>	
5.11 Staff <i>(salaries etc.)</i>	
5.12 Other <i>(please specify)</i> <hr/> <hr/>	
Total	100%

## Section 6 – Balance

Please specify the balance of the Public Fund account as at the end of your organisation's financial year:

6.1 Balance of Public Fund	\$
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## Section 7 - Environmental Outcomes

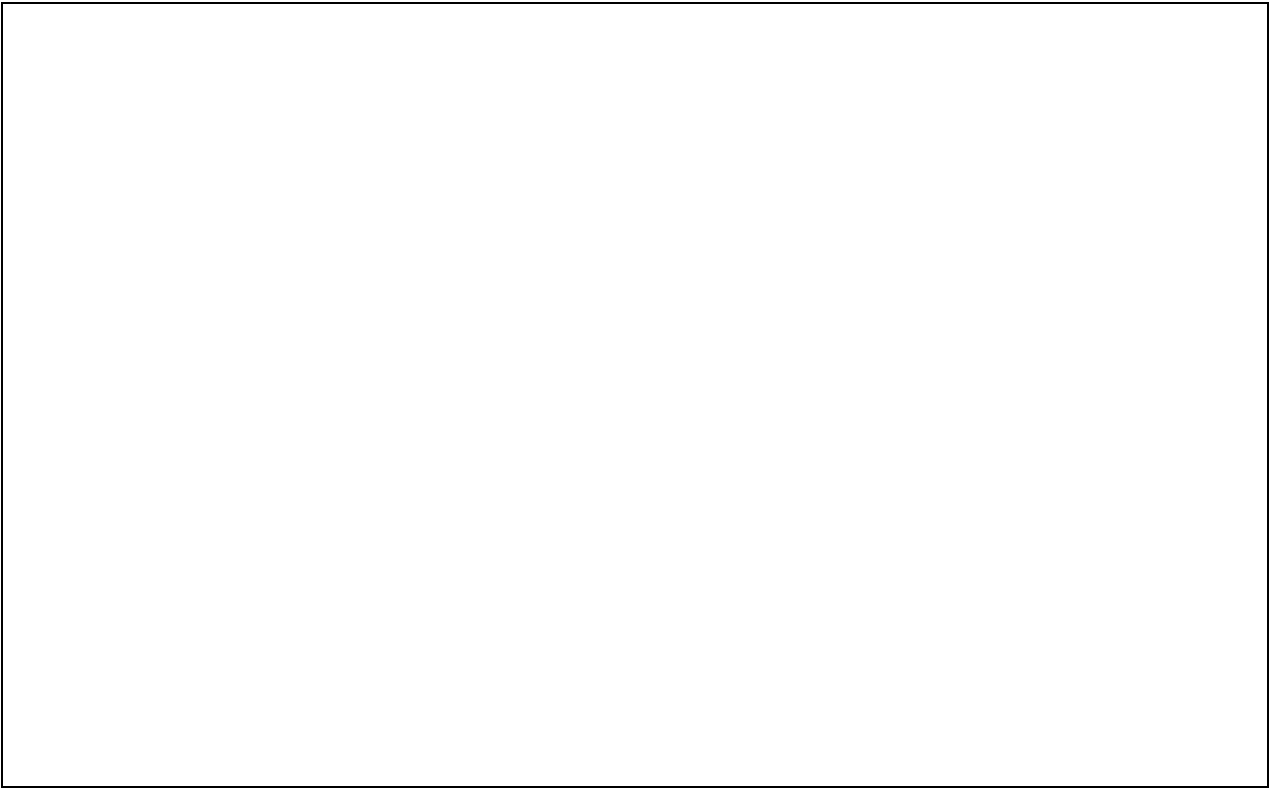
Your organisation must have a principal purpose of:

- 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.

The natural environment and concern for it would include, for example, significant natural areas such as rainforests; wildlife and their habitats, issues affecting the environment such as air and water quality, waste minimisation, soil conservation and biodiversity, and promotion of ecologically sustainable development principles.

<p>7.1 Did your organisation conduct any activities in the 2017 reporting period towards your principal purpose?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No  <i>If No, skip to question 7.2 and provide reasons</i></p>
<p>7.1a Provide a statement on:          how money (and/or property) donated to your organisation's Public Fund was used during the financial year; and          how your organisation's activities and environmental outcomes helped your organisation achieve its principal purpose.  <i>(You may want to provide additional information such as your organisation's most recent annual report and/or recent newsletter(s) or other publications).</i></p>	
Empty space for providing the statement	
<p>7.2 If no activities were undertaken during the financial year, please provide reasons why.</p>	





## Section 8 - Requirement to inform the Department

Your organisation must inform the Department as soon as possible if it makes any of the following changes:

- changes to its name or the name of its Public Fund; or
- changes to the membership of the management committee of the Public Fund; or
- any departure from the model rules of the Public Fund.

If your organisation has made any of these changes and not already informed the Department, you will need to provide the appropriate documents (listed below) with this form.

### Requirement to inform the Department

Please select one of the following options:

My organisation has not made any of the relevant changes listed above.

*or*

My organisation has made some changes and has previously informed the Department.

*or*

My organisation hereby notifies the Department of the following:

- change to organisation name (please provide certification of the change of name—i.e. certificate of incorporation)
- change to Public Fund name (please provide your amended founding documentation—i.e. constitution, rules of association or trust deed)
- change to membership of the Public Fund management committee\* and/or responsible persons' details (please provide a list of current members and a [nomination form](#) for each new member)
- change to founding documents—i.e. constitution, rules of association or trust deed (please provide the revised document and evidence of its ratification)
- there has been a departure from the model rules for Public Funds (please provide an explanatory statement)

\* Please note that the Public Fund management committee is a different body to your organisation's board/committee of management.

## Section 9 - Declaration

*(Before you sign this form, check that the information you have provided is accurate and that you have completed ALL questions.)*

In submitting this form, I/we confirm:

I/we are authorised to make this declaration on behalf of the organisation listed on the Register of Environmental Organisations, and that all relevant persons have made a full disclosure of information.

The information provided in this form is complete and correct. I/we understand that giving false or misleading information in connection with this form is a serious offence.

The Department is authorised to take the necessary steps to check the information provided in this form by obtaining information from databases or agencies.

I/we declare that the Public Fund assets have been used solely in the supporting the organisation's environmental purposes.

I/we acknowledge that the organisation may be subject to a random audit as part of the assurance process for the Register of Environmental Organisations which is conducted by the Department of the Environment and Energy.

I/we understand that I/we may be requested to provide further clarification or documentation to verify the information supplied in this form, which may include an audited financial statement.

I/we understand that failure to provide information requested by the Department may result in compliance action being undertaken and possible removal from the Register of Environmental Organisations.

Signature	
Name	
Position in your organisation	
Date	
Business hours phone number	

Time taken to complete this form

Estimate how long ( <b>in minutes</b> ) it took you to complete this form.	
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## **Further information**

Further information about the Register of Environmental Organisations, including the public fund committee member nomination form, is available from: [www.environment.gov.au/reo](http://www.environment.gov.au/reo) or by emailing [reo@environment.gov.au](mailto:reo@environment.gov.au)

Further information about deductible gift recipient status is available from the Australian Taxation Office: [https://www.ato.gov.au/non-profit/gifts-and-fundraising/tax-deductible-gifts/deductible-gift-recipients-\(dgr\)/](https://www.ato.gov.au/non-profit/gifts-and-fundraising/tax-deductible-gifts/deductible-gift-recipients-(dgr)/)

## **Privacy**

The information requested in this form is required under the *Income Tax Assessment Act 1997 (Cth)* and the ministerial rules made under the provisions of the Act.

Where authorised by law to do so, we may give this information to other government agencies. Some information may be used to update your details on the Australian Business Register (ABR), and may be passed to a wide range of government agencies, including Commonwealth, state and local government agencies.