



Submission to:

Australian Tax Office

Tax Deductible Gift Recipients Reform Opportunities

Senior Adviser
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

MASG – Our Mission:

The principal objective of the Association is to protect and enhance the natural environment by promoting environmental sustainability within the region of Mount Alexander so that (1) the needs of the present can be met without compromising the air, water, soil or energy resources available to future generations, and (2) an example is set which other regions may choose to follow. Specifically, in pursuit of this principal objective it will aim to:

- significantly reduce the region's contribution to greenhouse gas emissions
- assist residents to respond to the changing world by using natural resources wisely
- reduce reliance on non-renewable sources of energy
- protect and, where necessary, restore and rehabilitate the natural environment where it has been degraded
- The secondary aims of the Association are to protect and, where necessary, enhance the built environment, and to help build and nurture a community in which relationships, social justice and creativity are highly valued.

MASG is a not for profit and has charitable status and have been active since Feb 13, 2006.

The full MASG constitution can be found on our Web Site at:

<http://masg.org.au/about/>

MASG 325 Barker St / PO Box 1043 Castlemaine VIC 3450
(03) 5470 6978 / 0401 952 805
www.masg.org.au

MASG History of Environmental Outcomes:

MASG has historically undertaken projects in waste, energy efficiency and renewable energy.

Significant projects in the past have been:

- Two bulk buy solar programs that delivered Solar PV to some 300 homes in the shire.
- The Maines Power Project, in which we, largely as volunteers, did the industry interface and project management, at the major industries in Castlemaine, along with the CSIRO, Powercor, EPA, etc. In 2006 the Mount Alexander Sustainability Group (MASG) approached four major businesses in Castlemaine to consider an environmental savings initiative aimed at reducing their greenhouse emissions. In October 2006, the four businesses partnered on a process to consider options to reduce greenhouse emissions by 30% by 2010. A collaborative process was developed between the local businesses, peak industry bodies, local interest groups and local, state and federal government agencies.

MASG Recent Projects

Mt Alexander Waste to Energy

We have a major project underway to seek a local solution for waste from Coliban Water (sewerage), Don Smallgoods (largest smallgoods processor in southern hemisphere) and the Mount Alexander Shire Council landfill. We undertook a Prefeasibility Study, undertaken entirely with philanthropic funds (courtesy of DGR), and have now advanced to a Feasibility Study and Business Case development for which we have received some state (NEJF) and federal government (ARENA) support as well as some Philanthropic funding. We would not have got this far without the DGR support. We have created a legal entity, fully owned at this time by MASG, to contract the specialist resources required to complete this.

The outcome of this will be the development of a commercial processor which is expected to have some community shareholding. Without DGR support, this integrated facility would not be possible.

Smaller Projects and Programs

These include:

- **Recycling** – Safe collection and disposal of batteries and globes

- **Wasteless** – MASG have mapped business waste in Castlemaine, Maldon, Newstead and Taradale that can re-purposed. For instance, business wastes may provide reuse opportunities to individuals, community groups and schools.
- **Wash Against Waste Trailer** – A trailer designed with solar panels for water heating and loaded with cutlery and crockery, used at functions to remove the need of disposable plastic cups and plates and reducing waste.
- **Sustainability House Tours** – Arranging energy efficient homes to be open to the public to show the use of resources such as the sun, wind and water in the built environment, offsetting the traditional power supply wherever possible.
- **The Solar Programs** (including The Peoples Solar) – to facilitate the installation of solar panels on community buildings for a high degree of energy self-sufficiency.
- **Comfy Homes** - A register of tradespeople, engineers, architects, etc. who can help members in all aspects of sustainable living.
- **Newsletter** – The production of a newsletter (**e-News**), which informs, communicates and advocates for and to our members and extends our message to broad interest group. Its circulation is over 900.
- **Sustainable Transport** – In the past we have run our own programs promoting cycling, public transport and car pooling. However, more recently we have chosen to work with other group, such as our joint Ride 2 Work event with the Hub Foundation.
- **Sustainable Gardens** – in the past we had our own program but now choose to work cooperative with the Hub Foundation.
- **“Local” Food programs** – we choose to partner groups such as Growing Abundance in these programs.

Priorities

The Committee of Management has recently confirmed that Renewable Energy will continue to be the primary focus of MASG in its goal to reduce greenhouse gas emissions consistent with our vision of a zero net emissions for the shire community by 2025. This is in line with the Mt Alexander Shire Council’s aspirations. The MASG Community Renewables program aims to develop renewable generation in the shire that makes a **significant** contribution towards realising this vision.

To achieve this we are working towards electrical generation measured in megawatts. For instance, a rated 25MW of solar PV generation would be required to meet the total household use of electricity in the shire.

We are initially targeting precincts in the shire that account of large quantities of electricity use but intent to progress this to the supply of all the shire's demand in future from renewable sources. Some gains will be made through efficiency, some through behind the meter solutions, but ultimately incorporation of connected generation facilities are envisaged.

Our focus is now on what can be achieved across a broad range of technologies, notably bio-energy (utilising gas and heat from waste including sewage), bio-fuels (bio diesel for local buses, etc.), bio-char (returning carbon to the soil), solar, wind and hydro.

Advocacy

While we do not specifically set out to be an advocacy organization, it is important to note that promotion of renewable energy, energy efficiency, waste reduction all have the effect of promoting alternatives to existing wasteful practices. We do not see this as political but purely environmental marketing.

One would have to be very careful in how any exclusions of advocacy were phrased, lest they discourage positive action in promoting a sustainable planet.

Reviews

While we would agree that our use of the DGR status should be subject to review. It is subject to audit and review currently and we see no need for change. Should our mission change, we will be quickly brought into line by our membership. It is important to remember we are essentially a volunteer organization. Our resources are limited and the introduction of new review processes could be at the expense of more productive activities.

MASG Funding Sources

Once projects are progressed that have a commercial outcome, then they can seek commercial funding. However to get to that stage Mount Alexander Sustainability Group is dependent on funding from the following:

- Members Subscriptions (5%)
- Fund Raising Events (5%)
- Fees for Services (includes Wash Against Waste Trailer) (5%)
- Donations – from small donors - generally members (10%)
- Philanthropic donations and Grants (>75% of income)

The hidden funding source is that supplied by volunteer labour and pro bono services. We have valued this in our budgeting at some 200% of the funded resourced activities.

Most of this is volunteer labour but it also includes support from the Mt Alexander Shire with whom we have a Memorandum of Understanding. Direct council funding, particularly on the small waste related programs, as well as use of their facilities, makes some of these smaller projects cost neutral, if the administration overheads are ignored.

The Value of Listing on Register to MASG

Without the tax exemption for philanthropic donations and grants, we would not be able to engage in our programs. Even those funded by council require a presence in the community and some administrative capacity that only the bigger projects can provide.

In recent years we have received grants from a number of philanthropic organisations. These grants have been contingent on us meeting a schedule of deliverables which we have done. The general theme is one of helping us reach a stage where projects can attract funding in themselves or to develop sufficient funding streams to support the organisation.

Many of these grants are on the condition that we provide our DGR status. To quote from the Guidelines from the Lord Mayors Charitable Foundation.

” To be eligible to apply for a Survive & Thrive Grant, an organisation must be endorsed as a Deductible Gift Recipient (DGR) as covered by Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997, and as a Tax Concession Charity (TCC).”

Summary:

MASG supports the current application of DGR status and believes that its use of funds donated under DGR tax exemption is always of benefit to the community locally and also more broadly.

All actions to improve environmental outcomes have an effect in changing the work and play environments as well. Sustainable transport, local foods, waste reduction, sustainable houses, renewable energy, etc., all have an outcome in the reduction of fossil fuel use. Sustainable operations are universally more labour intensive so have a positive impact in jobs and particularly in jobs in the local community. They certainly will deliver us cleaner air, water and contribute to the reduction of greenhouse gas emissions.

The cost benefit ratio of monies donated via our DGR status is very positive as this money unleashes three to four times its value in volunteer and in kind contributions. MASG has generated a material benefit to the Mount Alexander and wider economy and has returned to the Commonwealth taxation revenue many times a multiple of the direct cost of MASGs DGR status.

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Without DGR status MASG would have been far less successful in mobilizing the thousands of volunteer hours and grant support which has led to net additional expenditures being undertaken. The efficiency gains in the community which have led to productivity advances benefiting the real incomes of many, would not have been realized

Michael Lewin
Deputy Chair – Mt Alexander Sustainability Group