



Friday 4 August 2017

Senior Adviser
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600
Via Email: DGR@treasury.gov.au

To Whom It May Concern,

RE TAX DEDUCTIBLE GIFT RECIPIENT REFORM OPPORTUNITIES DISCUSSION PAPER

Victorian Trades Hall Council (VTHC) welcomes the opportunity to make a submission in response to the tax deductible gift recipient reform opportunities discussion paper.

VTHC was founded in 1856 and is the peak body for unions in Victoria. VTHC represents 41 unions and over 430,000 workers in Victoria. These workers are members of unions that reach into every industry in the state, both in the public and private sectors.

In our submission VTHC would like to address the important role environmental non-governmental organisations (ENGOs) play in our democracy. While this review is ostensibly examining the deductible gift recipient (DGR) status for all not-for-profit organisations, it is apparent there is a particular focus on the ENGO sector.

ENGOs play a vital role in advocating for the protection of our environment and natural heritage as well as educating the community about the possible environmental impacts of governmental and industry decisions.

During numerous inquiries into this issue both the Federal Department of the Environment and Energy and the Australian Charities and Not for Profits Commission (ACNC) have stated that there are no significant problems with the current oversight and management systems of the ENGO sector.

It could therefore be argued that the proposed crackdowns on ENGOs are nothing more than a politically motivated attempt by the federal government, supported by their cronies in industry, to silence opposition. If that were the

LUKE HILAKARI
Secretary

DAVID CRAGG
Assistant Secretary

**VICTORIAN TRADES
HALL COUNCIL**

54 Victoria Street
Carlton South, 3053
Phone: 03 9659 3511
info@vthc.org.au
vthc.org.au
weareunion.org.au

motivation, VTHC questions the misuse of taxpayer's money to reopen the inquiry and ideological attack on ENGOs.

VTHC will specifically address the questions raised by the discussion paper in regards to disclosure of advocacy activities, sunset clauses on DGR status, environmental remediation requirements and sanctions for illegal or unlawful activities undertaken by any people associated with an ENGO.

4. Should the ACNC require additional information from ENGO's about advocacy activities?

It is a fundamental tenet of Australian democracy that non-governmental organisations exist to provide a voice for the voiceless and to advocate on their behalf. This principle extends beyond disadvantaged people into the natural environment that Australia enjoys. Without the advocacy of ENGOs catastrophic harm would have been done to many of Australia's greatest natural environments such as the Franklin River.

It is also vital that ENGOs be free to inform and educate the public about decisions made by both government and industry that will harm our environment. Any decision to restrict this ability will have a devastating impact on Australia's natural heritage.

The ACNC currently has a process that allows community members to make complaints about the activity of ENGOs. VTHC is unaware of a significant number of complaints that would necessitate this type of action. The government putting in place more regulation requiring ENGOs to provide additional information on their advocacy would significantly increase the resources needed for reporting and compliance at both the ENGO and ACNC level.

This will further limit the amount of their funds that can be spent on the stated purposes that have been advertised to donors.

11. Should a general sunset rule of five years for specifically listed DGRs be introduced?

VTHC opposes the introduction of a general sunset rule for DGRs that are specifically listed. With approximately 28,000 organisations currently endorsed as DGRs the monumental time and resources required from both charities and government departments to deliver this reform is inappropriate.

The current system providing for regular reporting by charities and the existence of a complaints process through which charities can be reported for inappropriate or illegal activity continues to work well. This is shown through the regular review and delisting of charities undertaken by the ACNC.

Further reporting and application requirements appear to be just another attempt to limit the capacity and effectiveness of ENGOs to perform their role in protecting the environment.

12. Should environmental organisations be required to commit no less than 25% or more of their expenditure to environmental remediation?

Limiting the work of ENGOs to one of at least 25% remediation fundamentally restricts the abilities of these organisations to advocate and educate on behalf of Australia's natural environment.

ENGOs perform a range of different functions including advocacy, education and research in addition to environmental remediation. These are all vital roles in Australia's political ecosystem. The government seeking to actively restrict the ENGOs could be seen as nothing more than a political attack aimed at neutering effective opposition to policies that further the interests of giant multinational corporations at the expense of Australia's vital natural environment. This recommendation is an attack on Australia's democracy and should be rejected out of hand.

The science of climate change is settled, yet amongst the halls of parliament and in many communities around Australia further education on the required response is needed. If Australia is to address the threats to our environment posed by climate change, including but not limited to ozone depletion, melting ice caps and coral bleaching, regulatory and legislative changes are needed.

The Australian government has a vital role to play in restricting industrial, agricultural and tourism developments that pose further risk to our environment. Unfortunately these industries have powerful vested interests behind them who have the capacity to be big financial donors to political parties and often have the ear of Ministers. For this reason any limit on the ability of ENGOs to advocate for restrictions on development to protect our natural heritage would be deeply damaging to Australia's future.

Rather, VTHC believes that rather than restricting advocacy activities of ENGOs, Treasury should propose reforms that strengthen the ability of these organisations to perform advocacy and education.

13. Should sanctions exist for DGRs to ensure that environmental organisations are operating lawfully?

The individual targeting of ENGOs for additional sanctions suggests the politically motivated nature of this inquiry. ENGOs as with all other charities are subject to substantial reporting requirements, they are subject to the ACNC complaints procedure and to the criminal laws of Australia.

Civil disobedience and non-violent protest are what have made Australia the democracy it is today. Without these legitimate types of political action Australia wouldn't have the eight hour day, green bans couldn't have saved Sydney's Royal Botanic Gardens from irreparable harm and Australia's world heritage listed Franklin River would have been dammed and lost forever.

An ENGO being involved directly or indirectly in peaceful protest, sanctioning peaceful protest or having its members or associates involved in peaceful protest should never be classed as illegal activity. Most often those who donate to ENGOs who participate in peaceful protest and other civil disobedience, do so with the full awareness that their donation will be spent to finance this direct action.

Any attempt by the Treasury to monitor and sanction ENGOs for the actions of one of their approximately 10,000 staff or 200,000 volunteers is not a responsible or fair use of the Australian Government's time and resources.

Conclusion

During numerous inquiries into this issue both the Federal Department of the Environment and Energy and the ACNC have stated that there are no significant problems with the current oversight and management systems of the ENGO sector.

Any proposed crackdowns on ENGOs could be seen as nothing more than a politically motivated attempt by the federal government, supported by their cronies in industry, to silence opposition.

ENGOs play a vital role in advocating for the protection and enhancement of our environment. They are a central feature of Australia's democracy and an attack on ENGOs can be seen as nothing more than an attack on the very heart of our democracy.

If you have any questions regarding this submission, please do not hesitate to contact Danae Bosler on (03) 9569 3583.

Thanks for your consideration.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'W. Stracke', with a stylized flourish at the end.

Wilhelmina Stracke
Industrial and Campaigns Officer
Victorian Trades Hall Council

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