

To the Senior Adviser, Individuals and Indirect Tax Division  
The Treasury  
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PARKES ACT 2600  
Via Email: [DGR@treasury.gov.au](mailto:DGR@treasury.gov.au)

### **Re Tax Deductible Gift Recipient Reform Opportunities Discussion Paper**

We, Climate Change Balmain-Rozelle<sup>1</sup>, make the following submission regarding the discussion paper outlining potential reforms to Deductible Gift Recipient (DGR) tax arrangements.

*"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?"*

To appreciate the full humour of this joke, imagine the Wentworth Group of Concerned Scientists trucking tankloads of water across the Great Dividing Range to remediate the Murray-Darling Basin.

It is generally far more efficient and effective to stop environmental damage in the first place than to patch it up afterwards. Only those profiting from the damage would think it a good idea to make ENGOs divert scant resources from successful advocacy to futile tinkering.

Environmental organisations contribute in many ways. With their various competencies, some specialise in research, some in informing politicians and the public, some in promoting policies. All contribute to the vital task of protecting our environment. These activities are explicitly encompassed:

*"[1] Subsection 30-265(1) of the Income Tax Assessment Act 1997 - Its 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."*

As the discussion paper is at pains to clarify, advocacy, within stated bounds, is an entirely legitimate DGR activity.

The proposed change (12) above would make some activities less legitimate than others. This is in subtle but clear conflict with:

*"10. The changes under consideration in this paper do not seek to change the existing eligibility criteria"*

Derek Bolton,  
Treasurer, Climate Change Balmain-Rozelle Inc.

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<sup>1</sup> <http://www.climatechangebr.org/>