

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

Via Email: [DGR@treasury.gov.au](mailto:DGR@treasury.gov.au)



The Joinery  
Level 1, 111 Franklin Street  
Adelaide, SA, 5000

(08) 8223 5155

[general@conservationsa.org.au](mailto:general@conservationsa.org.au)  
[www.conservationsa.org.au](http://www.conservationsa.org.au)

ABN: 22 020 026 644

6 July 2017

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

Thank you for the opportunity to provide comment on this discussion paper.

The Conservation Council of South Australia (Conservation SA) is the peak conservation body in South Australia. Conservation SA is an independent, non-profit and strictly non-party political organisation representing around 60 of South Australia's environment and conservation organisations and their supporters. Conservation SA is committed to a healthy environment for South Australia. Conservation SA was founded in 1971 and has operated with good standing with State and Federal Government agencies since that time.

We have strong concerns about some suggestions in the discussion paper, and the way environmental organisations are being targeted.

We understand that during the 2015 Register of Environmental Organisations (REO) inquiry, neither the federal environment department nor the ACNC raised any significant concerns regarding the management or oversight of environmental organisations. The ACNC already has the necessary powers to regulate any inappropriate conduct of charities, and members of the public have the power to report such conduct to the ACNC for investigation.

For this reason we do not support unnecessary proposals that would merely increase the burden of reporting for a sector that is already poorly resourced and reliant on a high proportion of volunteer labour.

When members of the community donate to environmental organisations, it is because they support their work on advocacy or environmental remediation work. We do not believe community members would support their donations having to fund an increase in paperwork and red tape, therefore we do not support the proposals outlined in consultation questions 4, 11 and 13.

We have more extensive comments on the proposal in consultation question 12, that environmental organisations with DGR status should have to commit 25% or even 50% of their public funds to environmental remediation.

In relation to this proposal, environmental organisations fall into three categories - those that:

1. only do environmental remediation work
2. only do advocacy work
3. do a combination of both.

The proposal will affect those in categories 2 and 3.

### **Implications for organisations that do only advocacy work**

If implemented, this proposal would likely be extremely damaging to those organisations that are currently not engaged in any remediation work, as they do not have the necessary experience or expertise in this area and therefore may lose their DGR status and with it a significant proportion of their funding.

Therefore, for the federal government to enact this proposal would be a clear indication that it does not value advocacy work.

While this might be the view of the current federal government, it is not consistent with the determination of the High Court of Australia in the 2010 Aid/Watch case or the subsequent *Charities Act 2013*, which both support the view that advocacy activities are an important and valuable contribution to the public good.

As was noted by multiple submissions to the REO inquiry, advocacy is generally concerned with preventing harm – in this case, environmental damage – whereas remediation work is an effort to treat damage.

While remediation is clearly vitally necessary given the poor state of much of Australia's environment, it is also equally necessary to prevent further damage from being done. It is generally far cheaper to prevent damage from happening than to attempt to fix it. Any ecologist will attest to the difficulty and complexity of restoring damaged ecosystems.

Naturally, preventing environmental damage means drawing attention to policies and practices that are environmentally harmful. Sometimes these might be policies of the federal government or practices supported by it.

The discussion paper talks of community expectations of environmental organisations. We believe the community's expectations of governments are even more relevant here. We believe the community elects governments in the hope that they will act in the longterm interests of the public good.

It is well understood that many of society's greatest leaps forward were achieved by community groups engaging in advocacy, pushing for changes that might have been deeply challenging to governments of the day, but which are now accepted as having been hugely necessary and beneficial. The policies that were previously in place - eg allowing slavery or denying basic rights to women – are now considered completely unacceptable. We have advocacy to thank for showing us a better way and helping our society to evolve. It would be absurd to suggest that there is no need for further progress or evolution in our society.

A government that does not clearly value this vital role of advocacy organisations then appears not to be motivated by the longterm interests of the public good.

Seen in this context, some of the recommendations of the discussion paper are

politically motivated and quite unworthy of popular support.

### **Implications for organisations that do advocacy and remediation work**

Our own experience as one of these groups is that the balance between remediation work and advocacy necessarily fluctuates over time. Our organisation makes an informed assessment of where best to direct our resources. A significant investment in advocacy can be the most efficient expenditure when we compare it to the cost of repairing future damage.

It is not clear why the federal government would choose to intervene and prescribe how other organisations carry out their core business. It is especially strange because:

- this interference is not being proposed for other groups, only environmental organisations are being singled out
- in other spheres, the federal government's position is for 'smaller' government, favouring market forces over unnecessary regulation.

If the government's intention was to increase the amount of remediation work to address the very poor state of Australia's environment, then it would be far more effective to look at existing barriers to the growth of this work, such as the massive funding cuts to environmental grant programs.

As noted, this inquiry seems to have a strong political motivation, in that it would do great damage to some environmental advocacy groups as well as unnecessarily interfering in the operation of groups doing both advocacy and remediation work. It could also be seen as designed to intimidate environmental organisations in the hope that they will be less critical of government policies.

Although proposals in this inquiry unfairly target environmental organisations, they have broader implications for other organisations engaging in advocacy.

Should the government pursue this anti-advocacy agenda, it will be a strong test of community expectations of what good government means in Australia.

Yours sincerely,



Craig Wilkins  
Chief Executive