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RE: TAX DEDUCTIBLE GIFT RECIPIENT REFORM OPPORTUNITIES DISCUSSION PAPER, 15 June 2017

I would like to make the following submission on this discussion paper. Please note that I have qualifications and 40 years experience in Civil Engineering and a Masters Degree and 25 years experience in Environmental Science related activities.

The existing legislation says that environmental DGRs must have a principal purpose of protecting the environment - 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".

Given the wording of subsection 30-265(1), it would be challenging to define what is, in fact, a principal purpose and what is not.

There seems to be a concern about the organization taking part in advocacy, or working for or against any particular government policy. There is no guarantee though that Government policy is appropriate and advocacy is a mechanism to alert Government to alternative views and/or additional facts to consider. If, in fact, it can be reasonably argued that these activities are for the protection or enhancement of the environment, or that such activities constitute education of the public, and policy makers, about the natural environment and the need for its protection, then there is every reason for community organisation to promote these sorts of activities.

In respect to the argument by the Parliamentary Committee that it is unfair for people who disagree with what the environment groups are doing to have to subsidize their work via the tax deductibility of donations - unless we apply the same logic to the tax deductibility to religions, or to political parties this is absurd and special pleading. The issue is really to provide disparate organisations with a voice and to alert decision makers to alternate views.

In respect to the assertion by the Parliamentary Committee that arguing against public policy should disqualify a group from DRG tax deductibility implies that Governments have a monopoly on the truth - experience over many millennia suggests that this has rarely been the case. Ideology has been shown time and time again to be in conflict with the facts.

Only education using facts, rather than political spin, obfuscation and misleading advertising will lead to protection and enhancement of the environment.

Should ACNC require additional information from all registered charities about their advocacy activities (question 4)? - This question presupposes that there is something inappropriate about advocacy, when advocacy must be at the core of what environmental groups do – advocate for the environment to protect and enhance it. So, the answer is “no”, unless, of course the act is changed to explicitly require that environment groups have a duty to advocate for the sustainability and the environment and in accordance with Government (politically motivated) policies.

The Parliamentary committee seems to argue that the primary work and expenditure of these groups must be remediation of environmental damage implying that a hands off approach should be adopted until the damage is already done. An ounce of prevention is worth a pound of cure: it is much more efficient to prevent damage by good policy and regulation than to try to repair it. Experience has shown that policies that disregard evidence based conclusions will usually be shown to be ideologically based. Secondly, along the same lines, education and research supported by the environment groups also have a legitimate role and is recognised by the income tax act. This approach can have many benefits for the country. Just where does education stop and advocacy activity begin? They blend naturally into one another.

Businesses can deduct the costs of their advertising and lobbying (and probably also their membership fees to their business associations, which are nothing more than lobbying organizations) from their taxable income as a business expense, so the taxpayer is subsidizing this lobbying even more than via deductibility of donations to a variety of groups, including conservation based organisations who engage in advocacy activity.

Wrt question 11: a general sunset rule of no more than five years for specifically listed DGRs – The answer is: not a good idea at all. Few environmental issues can be ‘sorted’ in five years, and it would place an unnecessary burden on the groups to have to re-apply for existence as a DGR at frequent intervals. It has been proved to be a very difficult ask for community based organisations to compete fairly with taxpayer funded Government agencies and large commercial enterprises.

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