

Submission

Tax Deductible Gift Recipient (DGR) Reform Opportunities

Submitted to:

Australian Government Treasury

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I object to the proposal to require all environmental DGRs to spend at least 25 per cent of public donations on 'environmental remediation' as well as proposals for additional reporting and supervision of environmental organisations over and above other charities or lose tax concessions. In other words a loss of tax deductibility on donations unless the proposed threshold is met.

I disagree totally with the implied assertion behind this law that it is the task of environmental groups to be undertaking environmental remediation at any Government decreed level. There is a healthy diversity of environmental groups in Australian society. Some of these groups do participate in environmental remediation along with other environmental pursuits while others fulfil alternatively vital roles in the community including that of public informant, advocacy, legal advice and campaigning against and prevention of environmental destruction.

It is most commonly State Governments that are the biggest developers causing the greatest environmental destruction. Next to them comes the Australian Government itself with its support for large environmentally destructive enterprises such as the Ord River Scheme or the proposed opening up the Galilee coal basin in Queensland or the rail line for the Adani mine. Alongside them with near equal rating come the environmentally destructive Mining fraternity (in particular the Coal mining industry), the large industrial scale farming enterprises and urban developers. Clearly it is these groups which should be spending 25% of their taxation revenues or profit margins on environmental remediation since they cause the destruction in the first place.

It is petty and fundamentally unfair to effectively try to enforce all environmental groups do the remediation for the perpetrators through the requirement of 25 per cent of public donations on 'environmental remediation' to gain tax free status.

This proposal would essentially be taking up the arguments made by the mining and resources lobby, including the Queensland Resources Council and the Energy Resources Information Centre (funded by the gas industry). How is it that the Government is so persuaded by such bodies that it is their doing and persuasion that has the ear of Government to the detriment of the environmental groups and thereby the environment and by extension the health and vitality of the Country.

Currently, tax concessions recognise (or should recognise) the public benefits and services that Conservation groups and the EDOs provide across Australia – to farmers, Landcare and conservation groups, Aboriginal people, urban and rural communities.

For decades, environmental organisations on the Register of Environmental Organisations (REO) have been eligible for tax-deductible donations – encouraging private funding for the public good. But in 2016, half the members of an Australian parliamentary inquiry on the REO proposed that to remain eligible, all environmental groups must spend at least 25 percent of their public donations revenue on 'environmental remediation work'. They said remediation would include tree-planting and similar activities, but exclude environmental research, community education, overseas

environmental protection, and the free community legal services provided by Environmental Defenders Offices around Australia.

Why should environmental research, community education, overseas environmental protection, and the free community legal services be excluded from tax free status when it goes to protecting and arresting the devastation wrought upon the natural world by developers in all shapes and forms such as the minerals industry or industrial scale farming or urban developers or industrial scale fishing. It has been demonstrably shown that a healthy environment ensures healthy humanity. Environmentally sustainable development, the need to balance environmental and social capital and the absolute need to maintain 'sustainable wellbeing' for present and future generations is arguably far more important than a single fixation on tree planting.

What the 2017 Treasury consultation paper is now proposing - various changes to the administration of all Tax Deductible Gift Recipients (or DGRs) - reveals a complete lack of concern for other valid environmental activities which should attract and be eligible for tax-deductible donations.

Imposing a minimum spend on remediation would single out environmental charities and divert more of their limited resources to administrative reporting. It would also require many well-established environmental charities – including EDOs – to either radically alter the way they operate; inefficiently divert money to other groups at the Government's direction; or lose eligibility for tax-deductible donations altogether. It would do all of this based on an arbitrary and narrow interpretation of protecting the environment.

Of course, restoring our land and waters is worthy of tax-deductible status. But it's not sufficient if the overall public purpose is to protect the environment. Remediation attempts to fix damage done to the environment. But it's far preferable to prevent damage in the first place, and that's where law reform, public education, research, advocacy and professional legal services all play their vital role.

CSIRO research on Australian attitudes to mining also shows that the public wants environmental accountability. While no sector is trusted absolutely, information from non-government organisations (NGOs) is often more highly regarded than information from government or industry.

It is worth investing in groups and services like these because NGOs can provide them at low cost, and at arms-length from government decision-making or ministerial direction. Allowing for tax-deductible donations is an efficient way to strengthen public participation, access to justice and the rule of law.

This year, all organisations on the REO are for the first time ever being required to report the amount (in a percentage) they have expended on 'on-ground environmental remediation'. But that will only ever capture a narrow part of what it means to protect the environment – a public purpose that requires so much more.

I reject and oppose the proposal arising from the 2017 Treasury consultation paper for various changes to the administration of all Tax Deductible Gift Recipients (or DGRs). Australia needs a strong and diverse charitable and DGR sector to protect our natural and cultural heritage and our society, and this proposal will not achieve it.

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