

Submission by P. S. Clark 21 May 2015

REGISTER OF ENVIRONMENTAL ORGANISATIONS

Submission to the House of Representatives Standing Committee on the Environment Inquiry into the administration, transparency and effectiveness of the Register of Environmental Organisations under the *Income Tax Assessment Act 1997*.

SUBMITTOR BACKGROUND

The author of this submission is a professionally qualified and experienced science and economics graduate presently involved in climate science research studies. He has 40 years experience assessing the quality of justification documentation associated with a range of proposed Australian and overseas legislation. He lectured and taught professional ethics to postgraduate students for ten years. He has not and does not expect to receive any funding or support from any fossil fuel or other source posing any actual or potential conflict of interest.

This submission is not confidential.

REGISTER OF ENVIRONMENTAL ORGANISATIONS

The Register of Environmental Organisations created by Subdivision 30-E of the *Income Tax Assessment Act 1997* has supported many worthwhile Australian environmental charities and their activities for a number of years. There is a perceived need to revisit the objectives of the Subdivision and its administration, in part to reflect contemporary national priorities and in part to address operational administrative deficiencies. This submission addresses the nominated terms of reference for the Inquiry.

DEFINITION OF ‘ENVIRONMENTAL ORGANISATION’

Subdivision 30-E presently defines “environmental organisation” as one meeting the requirements of Subdivisions 30-260 to 30-275, firstly being a body corporate, co-operative society, trust or unincorporated body established for a public purpose by the Commonwealth, a State or a Territory. The registered organisation’s 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.” In addition, a registered organisation must maintain a

public fund that meets the requirements of section 30-130, or would meet those requirements if the environmental organisation were a fund, authority or institution. Registered organisations must also “have agreed to comply with any rules that the Minister and the Environment Minister make to ensure that gifts made to the fund are used only for its principal purpose.”

As well as the usual trust fund constraints, registered organisations must “have a policy of not acting as a mere conduit for the donation of money or property to other organisations, bodies or persons.”

The Government’s Direct Action environmental policy implies a need to focus on and support Direct rather than indirect environmental activities. There is an obvious need for timely, effective and demonstrable achievement of tangible national environmental benefits. Subdivision 30-E beneficiary groups should be required to demonstrate their effective and continuing achievement of appropriate physical and environmental benefits.

The alternative “principal purpose” of “provision of information or education, or the carrying on of research“ is perceived to be the major tax benefit budget expense. The outcomes of these Indirect objectives are less tangible and lack effectiveness and timeliness evaluation metrics despite the global success of the Al Gore and UN Environment Program “climate change” pyramid marketing campaigns, noted later in this submission.

ENVIRONMENTAL PRINCIPAL PURPOSE REQUIREMENT

The Minister and the Environment Minister may direct the Secretary (to include an organisation on the Register) only if the Environment Minister has notified the Minister that he or she is satisfied that an organisation is an environmental organisation.

The 594 organisations now on the register include groups no longer operational, that have changed their name while registered under a previous name and some possibly competing groups with essentially identical aims.

The stated or inferred “principal purpose” of currently registered organisations signals the need for the present Inquiry. Presently registered organisations include animal welfare shelters, medical facilities and rehabilitation activities, publishing, architectural design, religious retreats and accommodation venues, an overseas construction company, anti-human trafficking activism, opposition to genetically modified agricultural products, opposition to population growth, solar energy marketing and advocacy, legal advocacy, Aboriginal art activities, camel tourism operations, 4WD drivers’ groups, public transport advocacy, feral dingo conservation, fossil fuel divestment

activism, provision of educational materials, health advocacy, sustainability activism, Dreamworld Tiger Island, investment advising, equipment marketing and IT consulting services.

AUSTRALIAN NATIONAL INTEREST

Australian Income Tax legislation is several telephone books of loopholes and BandAid patches waiting for some future “brave” politicians prepared to recognise that their role should be to provide an effective legislative system rather than just enacting more and more patches. It is regretted that the present inquiry will most likely result in increased rather than reduced legislative text.

The *Income Tax Assessment Act 1997* is Australian revenue legislation and accordingly should be focused exclusively on Australian domestic activities. It is inappropriate to include favourable domestic tax treatment for the more than 38 non-Australian registered environmental and animal welfare activities which should be reallocated to Foreign Affairs Overseas Aid or other more appropriate federal budgets. It is submitted that the Subdivision 30-E definition should be amended to require “the protection and enhancement of the Australian natural environment or of a significant aspect of the Australian natural environment.”

The Australian budgetary concerns associated with sharply declining export commodity prices are not consistent with providing Australian taxation benefits for the overseas-funded anti-fossil fuel activism of internationally-operating environmental lobby groups. It is submitted that it is contrary to our national economic interest to provide funding for domestic environmental organisations beholden to overseas market-competitive business interests and lobby groups.

ENVIRONMENTALISM MARKETING CAMPAIGNS

The well-funded successful international marketing campaigns by Al Gore and UN Environment Program agencies have entrenched the dogmatic UN Environment Program agenda as a *de facto* global religion. The core beliefs marketed by these campaigns explicitly redefine "climate change" as a necessarily human induced global temperature increase caused by greenhouse gases, most notably carbon dioxide and creating adverse potentially catastrophic outcomes with no associated benefits. The UNFCCC definition of “climate change” as “*a change of climate that is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and that is in addition to natural climate variability observed over comparable time periods*” provides a political rather than scientific “justification” for the fraudulent “carbon pollution” dogma. Unquantified

“direct or indirect” attribution provides a “coach and horses” ambit justification loophole for all the downstream pyramid marketing campaign activities. For example, the widely-reported but fraudulent 97 percent “consensus.”

The mandatory dogmatic UNFCCC "climate change" definition is the creed for this quasi-religion whose adherents do not tolerate non-conforming evidence or viewpoints. The fact that published scientific evidence only supports contrary viewpoints is of no concern to the many groups and individuals receiving or anticipating beneficial impacts from the “climate change” pyramid marketing campaign.

The successful worldwide “climate change” pyramid marketing campaign by UN agencies and international lobby groups has influenced our risk averse domestic political parties to adopt the package as government policy. The predictable outcome has been *de facto* creation of an Established Religion, contrary to section 116 of the Australian Constitution.

The international “climate change/carbon pollution” pyramid marketing campaign is based on a single not particularly relevant scientific fact embroidered with a phone book list of pseudo-scientific assumptions. The resultant pseudo-scientific farrago is demonstrably fraudulent despite its adoption by Australian and overseas jurisdictions. It is an inappropriate basis for determination of significant Government policies or budget expenditure allocations.

REQUIREMENTS TO BE MET BY REGISTERED ORGANISATIONS

Environmental groups apparently only need claim a minimal quota of deemed-relevant environment-related objectives to justify their inclusion on the register. Once on the register, they appear substantially free to pursue whatever objectives their current managers wish to achieve, whether related to their original environmental “principal purpose” or not. There is an obvious need for both a periodic review of “principal purpose” environmental achievements and a Sunset clause for all groups benefiting from inclusion on the register.

Although Subdivision 30-E specifically prohibits registered organisations “acting as a mere conduit for the donation of money or property to other entities,” some registered groups nominate funding conduit activities for third party organisations in their constitutions! There is a perceived need to amend the Subdivision 30-E definition to “have a policy of prohibiting the donation of money or property to other organisations, bodies or persons other than allowed by Subdivision 30-270 (3).”

ACTIVITIES UNDERTAKEN BY REGISTERED ORGANISATIONS

A minimal amount of recognised physical environmental benefits in past, present or proposed future periods has encouraged inclusion of groups whose major activities are advocacy rather than direct achievement of nationally relevant environmental benefits.

The Government's Direct Action plan focuses on significant, achievable and demonstrable improvements in our national environment. Subdivision 30-E beneficiary groups should be required to demonstrate effective, tangible, timely and continuing achievement of appropriate environmental benefits.

Indirect environmental organisations should also be required to provide proposed outcome objectives with associated achievement programs for subsequent evaluation.

It is submitted that Direct environmental organisations' tax benefits should be at least 50 percent of the overall Subdivision 30-E budget impact for improved consistency with the Government's Direct Action Plan, achievement of timely beneficial environmental outcomes and present-day federal budget constraints.

EXTENT OF IN-GROUND ENVIRONMENTAL WORKS

The commendable practical environmental aims of the original legislation appear to have been overtaken by well-organised international environmentalism marketing groups who may well have become the major, possibly dominant, beneficiaries. It is submitted that it is not in our national economic interest to fund the marketing and administration activities of international marketing groups.

Australian budgetary constraints underlie the need for more rigorous direction of available resources and funds toward timely and effective beneficial environmental outcomes. The definition of "environmental organisations" under Subdivision 30-E should be amended to encourage timely beneficial outcomes.

With the Australian budgetary issues associated with declining export commodity prices, providing Australian taxation benefits for the overseas-funded anti-fossil fuel activism of environmental lobby groups beholden to overseas business interests and lobby groups is perceived as contrary to our national economic interest. There is an unfortunate dilemma when anti-fossil fuel activist organisations can claim that those activities are consistent with the Government's policies and the UNFCCC definition of "climate change" when the Government is attempting to deal with sharply

declining export commodity revenue and adverse budget forecasts. It is submitted that resolution of this dilemma will require Government recognition that its "climate change" policy is based on international political negotiations rather than scientific evidence and is contrary to our national economic interest.

REPORTING REQUIREMENTS

It is submitted that Subdivision 30-E beneficiary groups should be required to report annually on relevant changes to their membership structure or "principal purpose" and their proposed environmental benefit program for the following year, demonstrate that it remains consistent with the organisation's "principal purpose" together with subsequent reporting on program environmental achievement levels. Registered organisations receiving funding for specific purpose activities should be required to report the funding details, consistency with their "principal purpose," grant expenditure progress and the resultant beneficial environmental outcomes.

It is submitted that the statistical information about gifts provided to the Environment Secretary each year should include details of all direct and indirect gifts from Australian and overseas businesses and lobby groups together with confirmation that each gift (say, exceeding \$100) is consistent with the organisation's principal purpose. This requirement is of particular relevance for our national economic interest following recent major overseas lobby group funding of Australian anti-fossil fuel publications.

ADMINISTRATION OF THE REGISTER

While the Act requires registered bodies corporate or co-operative societies to have at least 50 individual financial members eligible to vote at general meetings, many groups are smaller with some appearing only family-based. While the tax budgetary impact of small environmental organisations is probably minimal, it is submitted that a minimum active membership and financial expenditure should be considered before their inclusion on the register to conserve Subdivision 30-E administration expense. A suggested registration hurdle of 10 active members and \$2500 should be considered.

The abovenoted proposal for at least 50 percent Direct environmental Subdivision 30-E budget impact would require evaluation of prior year impacts with appropriate rewording of the requirements for inclusion on the Register.

COMPLIANCE ARRANGEMENTS

It is submitted that the present compliance regime is demonstrably inadequate as it enables overseas, internationally competitive lobby groups and business interests to access Australian tax benefits for activities that may be adverse to our recognised national economic interest. Recent campaigns funded by overseas vested interest lobby groups against Australian fossil fuel developments provide an example of this unintended adverse impact.

The "mere conduit for funds" constraint should therefore apply in two directions -- to prohibit third-party lobby group funding registered organisations to engage in activities contrary to Australia's national economic interest as well as the originally intended restriction of registered organisations providing funds to other groups.

As noted above, it is submitted that the "statistical information about gifts" provided to the Environment Secretary each year should include details of all direct and indirect gifts from Australian and overseas businesses and lobby groups. This is of particular relevance for our national economic interest following recent major overseas lobby group funding of Australian anti-fossil fuel publications.