

BOWEN BUSINESS CHAMBER

"We care for Bowen – Show you Care"

20 May 2015

Mr Alex Hawke MP
Chair
House of Representatives Standing Committee on the Environment
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Hawke

REGISTER OF ENVIRONMENTAL ORGANISATIONS

The Bowen Business Chamber welcomes the opportunity to make this submission to the Environment Committee's Inquiry into the Register of Environmental Organisations.

Background

Bowen is a town in north Queensland, with an estimated population of 10,260. It is the nearest major centre to the Abbott Point Coal Terminal, which is located approximately 25 kms to the north.

The Bowen Business Chamber is the peak body representing the businesses of the Bowen township. In recent months, the Chamber's work has focused on the expansion of export markets for the region's agricultural produce, including for example, attendance of a Chamber delegation at Japan's Foodex 2015, the largest annual food and beverage trade show in Asia. The Chamber continues to establish linkages into Japanese markets for the region's produce.

Concurrently, the Bowen Business Chamber is engaged in identifying the businesses necessary to provide timely support for the export of coal from the Galilee Basin through the Port of Abbott Point. Increasingly, this task is hampered by project delays and uncertainty, which many of Bowen's residents attribute to vexatious claims and malicious behaviour by sections of environmental movement, most of which have "deductible gift recipient" status and some of which also benefit from income tax exemptions and GST concessions.

Terms of reference

In regard to the Terms of Reference for the Inquiry, the primary purpose of this submission is to address the overarching requirement for the Committee to determine the effectiveness of the Register of Environmental Organisations in supporting communities to take practical action to improve the environment. Specific aspects of the Terms of Reference are also addressed.

Nature of practical action to improve the environment

The actions of environmental organisations of most concern to the Bowen Business Chamber are those foreshadowed in the “Stopping the Australian Coal Export Boom” prepared (in the main) by Greenpeace in late 2011. Activism of the type and intensity detailed in this document does not represent practical action to improve the environment and has impacted adversely on Bowen.

Current campaigns reflective of “Stopping the Australian Coal Export Boom” are coordinated by environmental organisations such as WWF-Australia, the Australian Marine Conservation Society (AMCS), Greenpeace Australia and 350.Org Australia. These campaigns include “Fight for the Reef”, “Save the Reef”, “Go Fossil Free” and “Divestment”. Such campaigns are conducted primarily through the internet, where the actions of the environmental organisations orchestrating publicity and calling for donations could be considered the antithesis of “Charity”, the term conferred on such groups by the Australian Charities and Not-For-Profit Commission (ACNC).

In addition, other organisations, including for example the Environmental Defenders Office Queensland, have been involved in legal challenges to project approvals and government decision-making processes associated with the mining and transshipment of coal from the Galilee Basin.

Collectively, these activities have impacted adversely on Bowen’s economy and our community’s sense of well-being, exacerbating already high levels of unemployment, business stagnation and investor uncertainty. For example:

- In the previous 30 months there have been 46 small business closures in Bowen including two Legal Practices and two Newsagencies,
- Similarly, Domain.com reveals Bowen currently show 458 Homes are for sale. The 2011 Census reveals Bowen has 5,100 Private dwellings. Due to this situation Bowen Property valuations have declined resulting in financial loss to property owners who have sold in this depressed Bowen property market.

These recession-like impacts are attributed to delays resulting from the actions of those organisations on the Register that promote so-called protection of the Reef to spearhead campaigns against the coal industry.

It seems incongruous that organisations with an advantageous tax status can act with impunity against the development of the Bowen region, harming local businesses that do not enjoy the same taxpayer-funded advantages of a “business” on the Register of Environmental Organisations.

Requirements for listing on the Register

The Committee will recall that Section 30-265(1) of the *Income Tax Assessment Act 1997 (Cwlth)* details that the principal purpose of an organisation listed on the Register 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 relation to (b) the Bowen Business Chamber is concerned that the information disseminated through campaigns such as "Fight for the Reef" and "Save the Reef" is often false, misleading and deceptive. Bans on industrial development, especially that related to coal ports, dredging and shipping, are central to these campaigns.

In May 2013, the Great Barrier Reef Marine Park Authority (GBRMPA) advised that on average over the 10 years [to 2013], 902,154 cubic metres of capital dredge material and 362,392 cubic metres of maintenance dredge materials were disposed each year within the Marine Park.

..“These activities were permitted only after a rigorous environmental impact assessment that included examining alternative disposal options, analysis of sediment composition and possible contaminants and which were based on the best available scientific information. The assessments were designed to prevent or minimise as much as possible, environmental harm that may be caused by the activity”..

Source: *GBRMPA Ports & Shipping Information Sheet – May 2013*

If not managed carefully then any development, irrespective of its purpose, could be detriment to the future of the Reef. It is unfortunate that environmental activists have perpetuated an incongruent perception that only industrial development is harmful, when in fact all development has the potential to impact negatively on the Reef. For example, the existing maintenance dredging approval at Cairns provides for 6.6 million cubic metres of material to be dredged and sea-dumped in the period 2010 to 2020, double that initially approved at Abbot Point.

Clearly, distinctions should be not drawn between the sources of an impact on the Reef. It does not matter whether the source is industrial, residential or tourism-related, the impacts will be similar and at the very least these impacts will need to be minimised.

More importantly, activists who engage in the continual dissemination of deceptive or misleading information should be removed from the Register of Environmental Organisations. To this end, it is proposed that the *Income Tax Assessment Act 1997 (Cwlth)* is amended to impose obligations on environmental organisations about the accuracy and completeness of the public statements made, and the actions taken, by those organisations.

Reporting requirements

In respect of the reporting requirements of organisations on the Register, the Bowen Business Chamber is concerned particularly about the level of detail in public disclosure of expenditure. It is our understanding that Annual Information Statements and Financial Statements, as displayed by the ACNC, should provide potential donors with sufficient transparency to make an informed decision about the efficacy or otherwise of an environmental body.

In many instances, it would appear that an organisation's financial information is aggregated to such an extent that it is not possible to benchmark, or at the very least make an assessment of that organisation. For example:

- The 350.Org information displayed on the ACNC website for 2014 indicates that 350.Org's income and expenses were each >\$360,000 yet its employee expenses were zero, begging the question how can an organisation of this nature operate with no paid employees?
- The major project expenditure item for the AMCS in 2014 was "project expenses" of \$419,848 (43% of total project expenditure), begging questions about the level of disaggregation necessary to ensure transparency of an organisation that has deductible gift recipient status.
- Proceeds from fundraising appeals for WWF-Australia exceeded \$21m in 2013 and \$23m in 2014. Its total costs of fundraising appeals were in excess of \$10m in each year, begging questions about the nature of these seemingly high fundraising costs, and when coupled to other WWF expenditure, the number of cents from each donated dollar that are actually spent on WWF environmental projects.
- Many of the Annual Information Statements displayed by the ACNC indicate that "grants and donations made by the registered entity" were zero, suggesting that this reporting requirement is nugatory.

Perhaps greater financial transparency could be achieved if, in the first instance, environmental organisations were required to report payments made to, and received from:

- other environmental organisations; and
- government entities, or government-funded bodies.

Administration of the Register and efficiency improvements

The current provisions for an organisation to maintain its listing on the Register do not appear to encompass administrative mechanisms for the review of the material provided to the ACNC. For example, the Greenpeace Director's Report for 2014 indicates, "Our work benefits all life on earth ... more proximately, among those prominently assisted by our activities over the past year include ... all those who depend on the existence of the Great Barrier Reef for their livelihoods". As illustrated throughout this submission the Bowen community has not benefited from Greenpeace activities.

Accordingly, triggers for the investigation of seemingly false or inconsistent information reported by environmental organisations seem to be warranted if the Register is to be administered effectively.

Compliance arrangements

The Committee may be aware of an article in the 19 May 2015 edition of The Australian, titled "Anti-coal activists' \$1m bid to campaign", that suggests inducements were offered by The Sunrise Project to an indigenous group to continue to campaign against Adani's Carmichael Mine. The Sunrise Project Australia Ltd is listed by the ACNC as a registered charity, with deductible gift recipient status.

It would seem improper for a group on the Register of Environmental Organisations to operate in the manner outlined in The Australian newspaper, possibly suggesting that extant compliance arrangements and Ministerial guidelines do not address practices of this type.

Other issues for further investigation by Parliament

In a broader context, the Bowen Business Chamber also requests that the Committee champions an investigation of the extent to which environmental activism heightens sovereign risk and erodes public confidence in Parliament, legislative processes and public sector institutions.

In particular, we are concerned that decisions resulting from rigorous investigative processes undertaken in accordance with the *Environment Protection and Biodiversity Conservation Act 1999 (Cwlth)* can be challenged by activists without due consideration of the impacts of their actions on affected communities.

The Committee may recall that such contemptuous actions are included in “Stopping the Australian Coal Export Boom” as shown in the following table:

Table: - Extracts from “Stopping the Australian Coal Export Boom”

Page	Proposed Action
5	<ul style="list-style-type: none"> ▪ ... <i>“Our strategy is essentially to ‘disrupt and delay’ key projects and infrastructure while gradually eroding public and political support for the industry and continually building the power of the movement to win more”...</i>
5	<ul style="list-style-type: none"> ▪ ...<i>“The first priority is to get in front of the critical projects to slow them down in the approval process. This means lodging legal challenges to five new coal port expansions, two major rail lines and up to a dozen of the key mines”....</i>
6	<ul style="list-style-type: none"> ▪ ...<i>“Legal challenges can stop projects outright, or can delay them in order to buy time to build a much stronger movement and powerful public campaigns”...</i>
6	<ul style="list-style-type: none"> ▪ [Objectives include]: <ol style="list-style-type: none"> 1. <i>“Mount legal challenges to the approval of several key ports, mines and rail lines (Level 1)”; [and]</i> 2. <i>“Run legal challenges that delay, limit or stop all of the major infrastructure projects (mines, rail and ports) that have been identified as a high priority in the strategy (Level 2)”. (Page 6)</i>

In light of these proposals by Greenpeace et al and the consequent actions initiated by others, it is considered necessary for the Committee to review:

- the statutory provisions relating to third party objections and interventions; and
- the financial consequences for those parties that launch legal actions that prove to be vexatious and/or malicious.

Above all, existing legislation should be strengthened to ensure that the actions of a few do diminish the broader community's confidence in statutory institutions and processes.

Further information

The campaigns against the coal sector that are orchestrated by activist groups on the Register of Environmental Organisations continue to impact negatively on Bowen.

Accordingly, the Bowen Business Chamber would welcome the opportunity for further discussion of the Register of Environment Organisations and the content of this submission.

Yours sincerely



Bruce Hedditch
Chair