



**Friends of
the Earth**

Friends of the Earth Australia

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31/05/2017

To the Senate Standing Committees on Economics

Attention: The Chair and members of the Economics Legislation Committee

To the Honourable Chair Senator Jane Hume,

We write to you and the members of the Legislation Committee today on behalf of Friends of the Earth Australia and our affiliate member Market Forces, to draw your attention to factually inaccurate and disparaging remarks made yesterday, during estimate hearings, by Senator Eric Abetz,

During his questioning of the ATO at the [hearing on Tuesday the 30th May 2017](#), Senator Abetz suggested that Market Forces and Friends of the Earth Australia were engaged in a 'scam' and "an exercise of money laundering". He then went on to further reiterate that he believed that our affiliate member Market Forces was in some way "laundering money through Friends of the Earth", insisting that Market Forces (per an ABN search) was not entitled to claim tax deductible donations via Friends of the Earth. He also insinuated that Friends of the Earth Australia and our donors were deliberately participating in a "good scam all round for Market Forces". These remarks are not only spurious; they are factually incorrect and deliberately misleading.

Market Forces is a full financial and voting member of Friends of the Earth Australia and as such is entitled to fundraise via our donation portal. Friends of the Earth as per our constitution, internal policy and in compliance with the REO Minister's Rules, maintains a public fund for tax deductible donations. All funds received via Friends of the Earth are overseen by the public Gift Fund Committee and all donations are acquitted and reported on in our yearly compliance reports to the REO, ATO, ACNC and Consumer Affairs.

On top of our yearly compliance reporting; since 2013 Friends of the Earth has undergone two comprehensive compliance reviews by the ATO, one by the Department of Environment and appeared before the House of Representatives Inquiry into charitable organisations. Each review and investigation has found Friends of the Earth to be compliant in our activities and in our primary purpose.

The suggestion that Market Forces is collecting tax deductible donations through an ABN not registered as eligible for DGR status is also misleading. Friends of the Earth's membership consists of local and affiliate groups. Under our constitution and the established Minister's rules of the REO, we are required to ensure that the majority of group members of our federation are some form of a body corporate. This means the bulk of our members must either be a registered co-operative or an incorporated association, which requires an ABN.

Friends of the Earth Australia is a federation made up of local and affiliate group members.

Friends of the Earth Australia is the national member of FoE International.

FoE International is the largest environmental network in the world with member groups in over 75 countries.

FoE I campaigns on the most urgent environmental and social issues of our day whilst simultaneously catalysing a shift towards a sustainable society.



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The Senator also references a '15% admin fee'. Friends of the Earth Australia takes its compliance and reporting obligations seriously, and the administration fee that we allocate internally covers the costs and labour required to ensure due diligence and that we remain compliant. Staff working for Market Forces are employed by Friends of the Earth and this also requires administrative and financial oversight.

We believe Senator Abetz's remarks stating that we are participating in 'money laundering' are unbecoming to a member of the Australian Parliament, and defamatory to a community organisation that has operated with commitment to its primary purpose for over forty years in Australia. The suggestion that a well-loved organisation is deliberately engaging in a 'scam' or non-compliant behaviour with no evidence or facts to verify such claims, are exactly the kind of comments that erode the integrity of the important work of your committee and raises doubts over the motivations of politicians within the community.

We ask that the committee accept these remarks as a formal response to Senator Abetz and that our correction of these allegations be noted on the public and parliamentary record.

We thank you for taking the time to read our response and trust that the Committee will take this matter seriously

Sincerely
Dr Jim Green

On behalf of the
Committee of Management
Friends of the Earth Australia.

31 May 2017.