

The Institute of Foresters of Australia

ABN 48 083 197 586

The Manager
Philanthropy and Exemptions Unit
Personal and Retirement Incomes Division
The Treasury
NFPreform@treasury.gov.au



SUBMISSION BY THE INSTITUTE OF FORESTERS OF AUSTRALIA REVIEW OF NOT-FOR-PROFIT GOVERNANCE ARRANGEMENTS

Background to the Institute of Foresters of Australia

The Institute of Foresters of Australia (IFA) was established in 1935 and is a professional body with over 1350 members who are strongly committed to the principles of sustainable forest management and the processes and practices which translate these principles into outcomes.

The membership represents all segments of the forestry profession, including public and private practitioners engaged in many aspects of forestry, nature conservation, resource and land management, research, administration and education. Membership is not restricted to professional foresters and other forestry professionals are welcome to join.

The main 'Objects' for which the Institute is established are:

- i. To advance and protect the cause of forestry
- ii. To maintain a high standard of qualification in persons engaged in the practice of forestry
- iii. To promote professional standards and ethical practice among those engaged in forestry
- iv. To promote social intercourse between persons engaged in forestry
- v. To publish and make educational, marketing and other materials available to those engaged in forestry
- vi. To provide the services of the Institute to forestry organisations inside Australia and in overseas countries as the Board may deem appropriate.

As the IFA is not a charity organisation and operates as a *Not for Profit* entity, the activities it undertakes and services provided are principally funded by its members.

The IFA welcomes the opportunity to provide input into the exposure draft of legislation to establish the Australian Charities and Not-for-profits Commission (ACNC) and provide a new national regulatory framework for the not-for-profit (NFP) sector and offer the following key points:

1. Complaints and review register

The IFA believes that a process is required to regulate complaints and to initiate review of immoral or objectionable activities by charitable organisations.

Some charitable organisations who benefit from their status as charities, are not held accountable under law to the basic standards and principles demanded by the wider community, or applied to the business community. These standards include truth in advertisement, personal and institutional accountability, and financial transparency. These standards are essential in promoting public trust and confidence as outlined under Division 2, 2-5 (1) (Object of this Act) of the draft exposure bill.

The basis for charitable and not-for-profit activities should be the provision of a benevolent service that benefits the broader community. It should not encompass political advocacy nor the promotion of ideological agendas.

2. Good governance and Donation disclosure

The IFA consider the basis of good governance must encompass robust principles that promote transparency and accountability, and include equitable monitoring and compliance standards that are enforceable under law. These principles should be the basis for any regulatory framework under which the ACNC operates.

The IFA considers that previously these principles have not been applied in regards to some charitable and NFP organisations.

The IFA is concerned that some charities or NFP organisations have very poor disclosure procedures regarding donations. Some organizations are well funded but have a level of secrecy relating to some donors. The IFA believe it is reasonable that disclosure rules for charities and NFP organisations should mirror those that apply to political parties where any donation above a certain amount is declared. This transparency prevents political advocacy behind the veil of a charity, as well as ensuring there is no potential sabotage by one company (domestic or international) of another through sponsored campaigns.

The IFA considers it appropriate to ensure the ACNC has the authority to apply consistent standards and principles, so that charities and NFP organisations operate in a manner that promotes good governance and in doing so have compliance standards that are accountable to provisions under the following legislation, for which such organisations are currently exempt in full or part:

- *Competition And Consumer Act 2010;*
- *Corporations Act 2001;*
- *Telecommunications Act 1997;* and the
- *Privacy Act 1988;*

3. Misuse of donations

The IFA believes that in some instances, some charitable organisations have exploited the above mentioned exemptions and have acted in a manner that has undermined the commercial and social interests of businesses and communities. These actions have also led to perverse outcomes where a targeted individual or organisation has been unable to effectively respond, as legislative exemptions prevent such action.

The IFA believes that some of these actions include direct, provocative and inflammatory actions by members or affiliates of the charitable organisations. Actions include workplace invasions, intimidation outside commercial premises, media-oriented stunts (such as tree sits or scaling iconic public buildings), and potential criminal activities such as those contrary to workplace or occupational and health laws. However, while the disruption and personal cost to workers and businesses is high and immediate, often the legal system is ill-

equipped to impose penalties in a timely manner or at all if the act is immoral/invasive rather than illegal.

The IFA stresses that it supports the right of persons or groups to protest against actions which they feel are wrong. This is an important part of our democracy. However, where such protests seriously impact on legitimate businesses and are funded by tax deductible donations, there is a serious conflict of interest and standards in our society that should not be encouraged.

In conclusion, the IFA believes that, if the public trust and confidence objectives of the Act are to be achieved, then it is clear that appropriate and equitable standards must be applied to charity and NFP organisations in order that good governance standards are developed, which are underpinned by transparency and accountability provisions that promote fair, professional and truthful activities.

The IFA welcomes this review of not-for-profit arrangements as an opportunity to make improvements to the situation in the forestry sector. The IFA would also welcome the opportunity to expand on this submission and would be pleased to meet with the review committee to provide further information and specific examples of negatively impacting domestic and international campaigns run by charitable and NFP organisations.

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