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Committee Secretary
House of Representatives Standing Committee on the Environment
PO Box 6021
Parliament House
Canberra ACT 2600

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Dear Secretary

**Re: The administration, transparency and effectiveness of the Register of Environmental Organisations under the *Income Tax Assessment Act 1997*.
(Register of Environmental Organisations)**

North Queensland Conservation Council (NQCC) was established in 1974 and incorporated in 1984 as the voice for the environment in north Queensland, covering the area from Cardwell to Bowen and from the Reef to the boundary with the Northern Territory.

The objects of the Association are to:

- (a) to operate as the peak environmental non-government organisation for the north Queensland region.
- (b) to act as a voice for and promote and protect the values of the natural environment of north Queensland.
- (c) to work towards protection and rehabilitation of the environment through advocacy and education.
- (d) to work to ensure that resource use in the region occurs in an ecologically sustainable manner and respects species, habitats and the integrity of ecosystems.
- (e) to collaborate and, where possible, assist organisations and individuals working toward environmental conservation within the region.
- (f) to work with governments to ensure that legislation, regulations, policies and plans are designed and implemented to protect the values of the natural environment of north Queensland.
- (g) to follow directions, engage in issues and participate in activities deemed by the management committee to be in the interests of the Council.

NQCC is involved in both on-ground work and education/advocacy, and recognises both as important components in the ongoing effort to ensure a healthy environment.

In relation to the current inquiry, NQCC requests that the current definition of 'environmental organisation' under the *Income Tax Assessment Act 1997* remain unchanged so that the organisations continue to hold deductible gift recipient status.

NQCC further requests that the administrative burden on environmental organisations not be increased. Environmental charities are already subject to a great deal of scrutiny by regulators and the public. Additional reporting requirements would serve merely to absorb already limited resources while providing no additional transparency or accountability.

NQCC is strongly of the opinion that environmental organisations that help to protect the environment by way of education and advocacy as well as those undertaking on-ground work should retain their deductible gift recipient status.

The reasons for the above views are detailed below.

1. The environment is a public good and associated with market failure

By any economic definition, the environment is a 'public good' in that the benefits accruing from it cannot be privatised, but accrue to the community as a whole. In other words, the market fails to appropriately allocate resources to environmental protection. Accordingly, the market is not an appropriate means of optimising the supply of 'environmental health'.

Because of this, it is necessary for regulatory intervention designed to encourage investment in environmental health.

The capacity for environmental organisations to offer tax deductibility for donations over \$2 is an efficient way of incentivising such investment in that it encourages voluntary contributions by those with a strong interest in environmental health. It is not an imposition on the community as a whole, but targets those with the means and desire to increase the level of environmental protection. As such, it is a fair and progressive means of distributing funds to environmental protection.

2. Means of protecting the environment go beyond on-ground work

On-ground environmental work is by and large rehabilitation – fixing up problems that have been caused by previous actions. As any medical practitioner will attest, prevention is better than cure; it is invariably cheaper, easier and more effective.

Prevention of environmental damage can only be achieved if there are diligent and objective community members ready and able to take appropriate action to prevent such damage by way of education and advocacy.

The ability of environmental charities to offer tax deductibility ensures that such members are able to continue their work – much of which is undertaken on a voluntary basis.

3. Voicelessness of the environment

The Society for the Prevention of Cruelty to Animals (SPCA) undertakes both education/advocacy and practical work in its field. The same can be said of numerous other charities working in a variety of areas.

Just as the SPCA works as a voice for animals unable to speak up for and defend themselves, environmental groups operate as the voice for the ‘voiceless’ environment.

Given that the economy is a wholly owned subsidiary of the environment, not the other way around, the importance of environmental protection cannot be over-emphasised.

Without a healthy environment, our society and economy will suffer. We are already seeing the impact of environmental damage on our economy in the massive and increasing costs imposed by climate change.

Having strong voices on issues of environmental health contributes to economic resilience. Strong voices depend on financial resources, and these, in turn, are supported by the current tax deductibility arrangements.

4. Contribution to public policy

Bodies listed on the Register of Environmental Organisations invariably contain a very high level of expertise that can be tapped into to provide good, *pro bono* contributions to the difficult task of public policy. The provision of gift recipient status to these organisations is an efficient means of ensuring this pool of expertise remains freely available to the benefit of the community as a whole.

NQCC urges the Committee to recommend that there be no changes to the regulations that enable environmental charities to continue to offer tax deductibility for donations to assist both on-ground and other forms of work devoted to environmental protection.



Wendy Tubman
Coordinator