



Senior Adviser
Individual and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

3 August 2017

Dear Senior Adviser,

Thank you for the opportunity to present this submission to the discussion paper on Tax Deductible Gift Recipient Reform Opportunities. The Purves Environmental Fund is registered with the Register of Environmental Organisations as well as the Australian Charities and Not-for-profits Commission (ACNC), and is a Deductible Gift Recipient (ABN 78 930 366 807). In addition, we also hold a private ancillary trust, the Purves Private Trust, which is registered with ACNC.

The Purves Environmental Fund and the Purves Private Trust would like to address and respond to several matters raised in the Discussion Paper from a philanthropic point of view, in particular Question Number 12.

Who We Are

The Purves Environmental Fund meets its charitable purpose by granting gifts (funds) to enable and empower others working towards environmental sustainability and the preservation of biodiversity.

The Purves Private Trust gifts funds to the Purves Environmental Fund to aid its capacity to grant gifts.

The Purves Environmental Fund's funding is available to activities that meet the Fund's charitable purposes, which are:

1. To protect and enhance the natural environment;
2. To enhance the protection of Australia's unique biodiversity for the benefit of future generations through the protection of native species and the ecological processes that support them, particularly in the primary production landscape;
3. To provide information and education about the natural environment and to improve the Australian community's understanding of the urgent need for greater sustainability; and,
4. To support scientific research and field projects that are aimed at supporting catalytic work to find solutions for important environmental issues that are not currently supported by environmental groups or government.

Our Response to Comments Surrounding Question Number 12

As described in the Discussion Paper, the DGR tax arrangements encourage philanthropy and provide essential support for the not-for-profit sector. It is a fantastic scheme that allows

a member of the public to contribute towards a better future on matters of public benefit that he or she cares about, but, however, is limited in capacity to deliver the changes needed on his or her own.

We proudly support environmental DGRs because we care about the “advancement” of the natural environment, as identified and defined by the *Charities Act 2013* (the Act). As philanthropist, we seek to significantly impact and effect positive changes that are most needed to achieve these environmental “advancements” through our gifts. We aim to:

- Act as catalysts to change;
- Fill gaps in effecting change;
- Break down barriers to action;
- Support creation of new thinking and practice;
- Provide bold leadership; and,
- Encourage participation of stakeholders.

As a result, many of the environmental DGRs that we support advocate for better environmental practices to resolve degradation of the natural environment. The fact that advocacy *contributes to the public benefit* by means of providing public discussion, which, in turn, informs the public and policy makers, is acknowledged by the ACNC. Advocacy in our view is the *bridge between environmental awareness and on-the-ground change*. We believe that without advocacy work undertaken by environmental DGRs, their ability to achieve their charitable purpose of protecting the natural environment will not be possible. Based on this, we do not support any environmental DGRs being restricted or penalised from advocating.

It is worth noting that the position we take is consistent with policy and practice for DGRs in other sectors such as disability and health research.

We reject the assertion of the Discussion Paper that many advocacy activities undertaken by environmental DGRs are “out of step with the expectations of the broader community”. As a funder of environmental DGRs, the Purves Environmental Fund has found no evidence that the advocacy activities of the organisations it supports are in any way “out of step” with the expectations of the broader community.

For example, the Purves Environmental Fund is a long-time funder of the Wentworth Group of Concerned Scientists. The Wentworth Group is a group of eminent scientists who produce papers to advise decisions makers on how to solve current environmental issues, such as water and landscape management. Both sides of the government in both the states and the Commonwealth have worked with the Wentworth Group at Minister or Premier level. The members of the Wentworth Group provide their time pro bono and strongly advocate for available workable and effective solutions to solve environmental issues. Given their skill sets, profound knowledge, expertise, and their background, the organisation’s work and contribution to the public is most beneficial at conducting advocacy rather than, for instance, “remediation” as suggested by the Discussion Paper.

We note that the Discussion Paper proposes that environmental DGRs should commit 25-50% of their annual expenditure to environmental “remediation” to fulfil the charitable purpose of “advancing” the natural environment. This is contrary to the definition “advancing” the natural environment in the Act, which states that “advancing” includes not only “protecting”, but *also* as “maintaining, supporting, researching, and improving” the natural

environment. At no point is the term “remediation” used. It *greatly* concerns us that a term most particularly used by the mining sector to describe the work required to restore environmental areas damaged by its operational activities be the focus of expenditure of community funds.

The advocacy work of environmental DGRs we support is proactive, focused on advancing the natural environment by protecting significant natural landscape or habitat from human impact by setting up reserves, maintaining the water quality of the Great Barrier Reef by changing agricultural practices, or supporting the Murray-Darling Basin by allocating environmental water flow. It is our view that advocating for these activities is entirely in step with community expectations and diverting qualified and eminent individuals away from delivering these outcomes defies common sense.

Based on the above, we completely reject the view that “remediation” is the only “practical” or “on-ground” environmental action that can be undertaken by environmental DGRs. Environmental remediation is a highly complex and technical work that is site specific. As evidenced by the mining industry for whom this is a primary responsibility, it is expensive and not achievable by simply “planting trees”. We believe this section of the Discussion Paper needs to be completely rethought as implementation is impractical at best and would be entirely ineffective at advancing the natural environment.

Conclusion

DGR tax arrangements were designed to deliver benefits to the Australian community. Restricting and discriminating environmental DGRs from undertaking activities they can take is a fundamental attack on our democracy.

We view that environmental DGRs can deliver the most benefit to the public when it undertakes actions that best suit their organisational goals and capacities. They should be allowed to allocate 100% of its expenditure as necessary and as appropriate into the management and operation of the respective organisations. The government should not intervene, confine, or restrict these organisations’ actions by obligating them to undertake “remediation” works, or restricting advocacy work. Such suggestion is undemocratic and undervalues other important actions taken by environmental DGRs in “protecting, maintaining, supporting, improving, and researching” the natural environment.

The government should be supportive of all efforts put by the dedicated people in our community who stand up for nature for the benefit of the Australian community members present and the future. In our view, you cannot have a growing economy without a healthy environment as our economy is dependent on what is produced and made available by the natural environment.