

# Environmental groups face tax deductibility loss in Government push

Australian Broadcasting Corporation

Broadcast: 10/04/2015

Reporter: Conor Duffy

Environmental groups are being targeted by the Government and could be forced to shut by a push to strip them of their tax deductibility status.

## Transcript

SABRA LANE, PRESENTER: Hundreds of environmental groups flourish around Australia. Some aim to save endangered species, some have the lofty goal of rehabilitating land that's been degraded and some are overtly political, intent on using their environmental activism to stop development.

A federal parliamentary inquiry's been set up to examine environmental groups, specifically those that have tax deductible status.

Green groups claim it's akin to a star chamber.

But Government MPs say they've identified more than 100 so-called eco charities which are being subsidised by the taxpayer to campaign against jobs.

Conor Duffy reports.

CONOR DUFFY, REPORTER: Many environmental groups exist to hold others to account, but now it's their own campaigns that are under scrutiny.

MATTHEW CANAVAN, NATIONALS SENATOR: The environmental activism has gone from a - probably a niche village industry 10 or 15 years ago to a serious professional organisation in the last 10 years. It now involves large-scale, well-financed court actions.

ALEX HAWKE, LIBERAL MP: Green groups are not sacrosanct. They need to be subject to the same accountability and transparency as other sectors.

CONOR DUFFY: Almost 600 green groups are on what's called the Register of Environmental Organisations. It means donations are tax deductible and they say they need that concession to survive.

CAM WALKER, FRIENDS OF THE EARTH: I think like every environmental organisation across the country that employs staff, tax deductibility is the lifeblood of our organisation. So if the Federal Government is successful at getting through its attempts to cut off groups from the register, it will basically mean the political death of our organisation.

CONOR DUFFY: Tasmanian MP Andrew Nikulic started the push to strip the groups of the privilege,

moving a motion at the Liberal Party's Federal Council.

ANDREW NIKULIC, LIBERAL MP: People are legitimately concerned that that tax deductible status, that very generous gift from the taxpayer, is being used in ways that they wouldn't accept. That is, to run down legitimate businesses, to engage in illegal activities at times.

CONOR DUFFY: Now Liberal backbencher Alex Hawke is chairing a parliamentary inquiry that will examine changing the laws to tighten the list.

ALEX HAWKE: Well the whole concession sector, the whole charitable sector is about \$1.1 billion. One of the problems with the environment register is we don't know how much the environment register, which sits separate to the charity sector, is costing us. We could guess; we think it's in hundreds of millions, but we don't know at this point and I've asked for that information to be provided.

CONOR DUFFY: The mining boom's also seen a huge rise in the number of environmental groups running a political agenda against mining.

The Government believes only groups doing practical environmental work deserve a taxpayer subsidy.

MATTHEW CANAVAN: There are a large minority who are clearly engaged primarily in trying to stop fossil fuel development in Australia and I don't think it's right that Australian taxpayers, including people who work in the mining industry, are asked to fund those activities.

CONOR DUFFY: Queensland Senator Matthew Canavan says a preliminary audit of the 600-strong list shows many he'd like struck off.

MATTHEW CANAVAN: We've got about 100 or 150 organisations that are engaged in activity which seem to have their purpose at stopping industrial development. Not just mining. Some of those developments include tourism developments or agricultural developments. But engaging in what I would view as the political debate, not the environmental debate.

CAM WALKER: I think that the Australian people are very sharp. They realise that protecting the environment isn't just a case of planting some trees somewhere. They realise that in the current context, it's political activity that brings about change.

CONOR DUFFY: Friends of the Earth is one group that's already been singled out by the Government for scrutiny. In the run-up to the last election it received a \$130,000 donation which was spent on market research and used in conjunction with GetUp! for political campaigning.

It's currently being audited by the Tax Office. It's been cleared in an Environment Department investigation.

CAM WALKER: I wish we hadn't taken this money and that's simply because we have in Canberra enough people that are in control of government that are fiercely anti-environment and very ideologically so. So this has put us in the limelight, and as I said before, we've had an investigation, we've been found that we've done nothing wrong.

CONOR DUFFY: Practices like auspicing, where one environment group with a tax concession collect for those that don't have it, will also be investigated by the inquiry. Opponents believe it's a common

practice in the green movement.

ANDREW NIKULIC: Absolutely. Often you look at some of these groups which have been around for a long time, but they're linked to affiliates that I know in Northern Tasmania have been involved in illegal activities, illegal protest activities, trying to run down legitimate businesses in Northern Tasmania.

CONOR DUFFY: Friends of the Earth gives donors 20 different options for subgroups and external partners. All rely on its tax concession.

NICOLA PARIS, COUNTERACT: I don't see that as bending the rules. I'm an affiliate with Friends of the Earth, and so, how Friends of the Earth works is it's a network of groups and we don't work in a traditionally hierarchical way. So, it's like small collectives still working together.

CONOR DUFFY: Nicola Paris runs a group affiliated with Friends of the Earth called CounterAct that trains activists.

She says tax changes would threaten her operation and mean farmers fighting coal seam gas would lose support.

NICOLA PARIS: I'm educating, for example, farmers in Gippsland who don't want to see unconventional gas on their land and they are then able to use the skills that I can share with them to defend and advocate for themselves.

CONOR DUFFY: Auspicing arrangements have already been scrutinised by the Environment Department.

CAM WALKER: It was also subject to the investigation and again it was found that we were acting within the guidelines.

CONOR DUFFY: Environment groups feel under siege. The Federal Government's already cut campaign funds and environmental lawyers.

CAM WALKER: The current House of Representative inquiry is an attempt to silence the environment movement and we have no doubt that this is more about politics than about facts.

CONOR DUFFY: Environment groups aren't the only ones in this debate that enjoy a tax concession. The Institute of Public Affairs, which campaigns against environmental protection on behalf of big business, also has tax deductibility status.

Dr Joan Staples is vice president of Environment Victoria and an academic studying NGOs who'd like to see more scrutiny of the IPA.

JOAN STAPLES, NGO ACADEMIC, ENVIRONMENT VICTORIA: The department that supervises them, which is not the Environment Department, but the Industry Department, should be supervising them much more closely and looking at whether they really are producing what the requirements of that tax deductible status requires of them.

ALEX HAWKE: I don't believe there's a comparison with the IPA here. This is specifically about the purposes of the environmental register. So the environment register is for groups to do actual practical environmental work or some education and other purposes.

CONOR DUFFY: Both the Labor and Liberal parties have think tanks, Chifley and Menzies House, that also enjoy tax deductibility.

Isn't it hypocritical to keep the taxpayer subsidising those groups?

ALEX HAWKE: Yeah, well that's an issue that can be looked at by a separate committee or group and absolutely that should be accountable and it should be transparent and it should be subject to the public interest test.

JOAN STAPLES: I think it's important that all NGOs receive appropriate scrutiny. But what we're seeing at the moment is a very heavy push to focus on the environment movement.

SABRA LANE: Conor Duffy with that report.