

**Submission to the Not-for-profit Sector Tax Concession Working Group's
discussion paper
*Fairer, simpler and more effective tax concessions
for the not-for-profit sector*
17 December 2012**



Steering Group on Incentives for Private Conservation

- Australian Land Conservation Alliance
 - Bush Heritage Australia
 - Nature Conservation Trust NSW
 - Queensland Trust for Nature
 - Tasmanian Land Conservancy
 - The Nature Conservancy
 - Trust for Nature
- And
- Conservation Council SA
 - Conservation Volunteers Australia
 - Greening Australia
 - Greenfleet
 - HSI Humane Society International
 - Nature Foundation SA
 - Nature Conservation Society of South Australia
 - National Trust of Australia WA
 - Queensland Conservation Council
 - Wildlife Land Trust

17 December 2012



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Submission to the Not-for-profit Sector Tax Concession Working Group's discussion paper, *Fairer, simpler and more effective tax concessions for the not-for-profit sector*

I write on behalf of the groups listed on the front page to urge the Working Group's consideration of tax concessions and reforms which through increased philanthropic activity will particularly assist the further protection of Australia's unique flora and fauna on private land and the ecosystems services these provide.

This brief submission assumes the case for enhanced protection of Australia's natural environment. That case is amply made in the Independent report to the Australian Government Minister for Sustainability, Environment, Water, Population and Communities, *Australia State of the Environment (2011)*.

Acting in the nation's interests, there are now dozens of organisations, along with countless individuals including thousands of primary producers across Australia that are dedicated to long-term stewardship of land for nature conservation and the provision of sustainable environments. This delivers an important public benefit.

Approaches range from property-based management activities with no formal agreements, to the management of land through a legal covenant, to the acquisition and management of land specifically for the purpose of nature conservation.

These approaches need support, and with that support the public benefit would be greatly enhanced.

I attach the summary report and full report *Building a stronger social coalition* (August & July 2002), which outlines the case for this support.

The groups contributing to this submission have revived this report and I refer to the report's recommendations for initiatives which are amongst those we wish to pursue.

Since the publication of this report Recommendation 1 has been adopted.

However, I particularly draw your attention to consideration of several of the other recommendations notably:

- Recommendation 2 'living bequests': **that the Government encourage 'living bequests' by clarifying that they are deductible under the income tax gift provisions, and ensuring that any taxable capital gain at least excludes the value of**



retained rights or benefits; numerous prospective donors have shown interest in this reform should it be available in Australia

- Recommendation 3 'bargain sales': **that the Government recognizes philanthropic support offered through 'bargain sales' or 'part gifts' of property to eligible community organisations by at least recognizing the discount provided as a gift for tax purposes;** similarly, this reform is of interest to many Australian donors and is used almost daily in the USA

- Recommendations 5 - 7 encouraging private conservation:
 - **That the Government provide an income tax deduction or rebate for management costs incurred in relation to land subject to a conservation covenant or a binding conservation management agreement**
 - **That the Government exclude payments for conservation activities from taxable income where associated costs are not claimed**
 - **That the Government act urgently to ensure tax support is available for all covenants and conservation gifts, including those made with Government agencies**

These reforms would provide greater equity and clarity for private land holders

The purpose of these recommendations is explained in the accompanying text in the attached reports.

Our research suggests that with the adoption of these recommendations substantial gains would be made in the area of land receiving stewardship for nature conservation and in the contributions which people would make to that end; both through their own labour and financially through tax-deductible gifts and management expenditure. We believe that the condition of Australia's natural environment would be greatly improved by the adoption of these recommendations.

We can provide case studies from Australia and abroad that supports this contention and will be happy to contribute further to the Working Group's consideration of these matters.

Yours faithfully



Victoria Marles

CEO

Trust for Nature

For Steering Group on Incentives for Private Conservation

Documents attached:

1. Building a stronger coalition – summary report
2. Encouraging philanthropy