

Presiding Commissioner Alex Robson  
Philanthropy Inquiry  
Productivity Commission

Via email: [philanthropy@pc.gov.au](mailto:philanthropy@pc.gov.au);

Cc: [andrew.leigh.mp@aph.gov.au](mailto:andrew.leigh.mp@aph.gov.au); [Minister.Plibersek@dcceew.gov.au](mailto:Minister.Plibersek@dcceew.gov.au)

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ABN 80 637 680 310

5 February 2024

Dear Commissioner Robson,

### **RE: Submission to the Draft report of the Philanthropy Inquiry**

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to provide a submission to the Productivity Commission's Philanthropy Inquiry.

The Australian Land Conservation Alliance is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

Please note that ALCA is happy for this submission to be published in full.

### **A key issue facing environmental charities: FBT exemptions**

ALCA was disappointed to see that the key issue facing the environmental charity sector – the exclusion of the sector from being able to access the fringe benefit tax (FBT) exemptions currently available to many charities – was only addressed in passing in the draft report<sup>1</sup>, and no recommendations for reform appear to have been contemplated.

ALCA notes that the issue appears to be within the scope of the Inquiry's Terms of Reference, specifically:

*"5. Examine the tax expenditure framework that applies to charities..."<sup>2</sup>*

ALCA reasserts that the urgency of responding to the nature crisis is not reflected in the current tax expenditure afforded to Australian environmental charities; most significantly, environmental charities are on unequal footing compared to charities that are Public Benevolent Institutions (PBIs) as they lack the same FBT concessions that PBIs enjoy. It is unclear what the policy rationale is for this differential treatment.

**In practice, this means that environmental charities are more inhibited in attracting talent when compared with other organisations in the charity sector, as well as the wider workforce, with average salaries being less than those found in PBIs for equivalent roles<sup>3</sup>.**

<sup>1</sup> See: p169-170, <https://www.pc.gov.au/inquiries/current/philanthropy/draft>

<sup>2</sup> <https://www.pc.gov.au/inquiries/current/philanthropy/terms-of-reference>

<sup>3</sup> ALCA would be happy to facilitate a salary benchmarking exercise with its members to further evidence this claim.

We strongly urge the Commission to fully investigate this issue in the final report of the Inquiry.

**Recommendation 1:** Extend the Fringe Benefit Tax (FBT) exemptions currently afforded to organisations with Public Benevolent Institution (PBI) status to environmental charities, especially those undertaking on-the-ground environmental management.

### **Environmental charity roundtable**

On a related issue, ALCA would like to restate the offer in its initial submission to help facilitate the Commission's engagement on the Inquiry with the environmental charity sector.

**Recommendation 2:** That the Productivity Commission hold a roundtable for environmental charities as part of its Inquiry. ALCA would be happy to help facilitate such a roundtable.

Thank you again for the opportunity to contribute to the Commission's Philanthropy Inquiry.

ALCA and its members look forward to engaging further with the Commission to advance the potential of environmental charities and their urgently important work for our nature and community.

If you have questions regarding the submission, please do not hesitate to contact ALCA via (Mr Michael Cornish, Policy Lead).

Yours sincerely,

**Dr Jody Gunn**

**Chief Executive Officer**

**Australian Land Conservation Alliance**

## Annex: About the Australian Land Conservation Alliance

The Australian Land Conservation Alliance is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

Our seventeen members are:

- Arid Recovery
- Australian Wildlife Conservancy
- Biodiversity Conservation Trust NSW
- Bush Heritage Australia
- EcoGipps
- GreenCollar
- Greening Australia
- Landcare Australia
- Nature Foundation
- NRM Regions Australia
- Odonata
- Queensland Trust for Nature
- South Endeavour Trust
- Tasmanian Land Conservancy
- The Nature Conservancy Australia
- Trust for Nature (Victoria)
- World Wildlife Fund - Australia

ALCA member land conservation efforts have influenced over 3 million square kilometres with more than 4,000 landholders. We have over 70,000 supporters and our combined annual turnover exceeds \$325 million. Together ALCA and its members address some of the most pressing conservation issues across the country, including restoring endangered ecosystems, building the protected area estate, tackling invasive species, expanding private conservation finance, and funding and using nature-based solutions to tackle climate change.

Through their active land management, ALCA member organisations are deeply embedded in rural communities and economies, providing jobs, securing significant regional investment, and safeguarding remaining native habitat, with its many positive spill-over effects for community, wellbeing, and food security. We seek to demonstrate the role and value of private land conservation as a cornerstone of the Australian economy.

Some ALCA members are statutory entities; the views expressed in this submission do not necessarily represent the views of the Government administering those statutory entities.