



PAINTED DOG CONSERVATION

Incorporated

(ABN 30 268 127 580)

Registered address:

Painted Dog Conservation Incorporated
(Western Australia)

PO Box 637 South Perth WA 6951

AUSTRALIA

Alex Hawke MP

Chair

House of Representatives Standing Committee on the Environment

Inquiry into the Register of Environmental Organisations

PO Box 6021

Parliament House

Canberra ACT 2600

Dear Sir,

SUBMISSION

As the elected Treasurer of Painted Dog Conservation Incorporated (the Association) I am authorised to prepare this submission on behalf of the Association.

The terms of reference empower the committee to inquire into and report on the administration and transparency of the Register of Environmental Organisations (the Register) and its effectiveness in supporting communities to take practical action to improve the environment. The Association is listed on the Register of Environmental Organisations.

1. Definition of 'environmental organisation'

The operative provisions of Subdivision 30-E of the *Income Tax Assessment Act 1997* (the Act) clearly articulate the requirements for listing on the Register.

It is suggested that clarification of terminology in section 30-270(2), specifically the phrase "mere conduit" would assist organisations ensure compliance with this requirement.

Providing financial and operational support to *in situ* conservation projects, working on the ground in Australia and abroad, is a feature common amongst environmental organisations. This support may include partnering with *in situ* conservation projects, responding to specific needs, providing support to develop and sustain on the ground conservation projects and funding education and research. This approach is a sound mechanism to maximise the effectiveness of funding and other resource allocations, by accessing local knowledge and building capacity in local communities. In turn, the environmental outcomes from funds raised are maximised.

Responsible environmental organisations ensure partnerships are established with credible *in situ* conservation projects. Organisational governance structures provide transparency and accountability in the way in which funds are allocated and acquitted.

2. Activities undertaken by organisations

It is important to acknowledge that many environmental organisations participate in two distinct activities linked to their stated purpose. In the first instance, which may be particularly relevant to those organisations working on environmental projects outside Australia, the activities undertaken by organisations within Australia may be focussed on raising funds through a range of activities including fundraising events and participation in education and awareness raising through activities such as public speaking engagements.

Secondly, organisations will be directly involved with *in situ* conservation and environmental work and/or, as mentioned above, organisations will establish partnerships with *in situ* conservation projects delivering on the ground environmental outcomes.

Historically, the Association raises more than two thirds of its revenue from sources other than donations, through events, Association membership and other activities. Donations are, however, a critical part of its annual fundraising activities, providing a more passive path for people to contribute to the purpose of the Association.

It is proposed that environmental outcomes would be compromised by any diminution in the ability of environmental organisations, as defined in the Act, to raise funds to deliver against their established objectives.

We believe it is also important to acknowledge that the activities of many environmental organisations are undertaken in a purely voluntary capacity. The economic and social value of this voluntary contribution to the outcomes achieved by environmental organisations is a subset of the broader economic and social value of volunteering, widely studied and recognised as building social capital.

3. Reporting requirements

The Association considers that transparency in the reporting of donations and the activities funded by donations as a critical internal governance issue.

The Association supports external reporting requirements in this regard, believing it to be an important element to build community trust in the work undertaken by environmental organisations.

4. Compliance arrangements

As mentioned above, community trust in the not-for-profit sector is critical to the achievement of outcomes by environmental and like organisations.

The Association supports compliance monitoring and investigative measures to support the establishment and maintenance of community trust in the work of environmental organisations.

5. Governance arrangements

The Association recognises the value of tax-deductible donations to its ability to achieve its stated environmental objectives. At the same time, the not insignificant cost of these tax concessions to the nation is acknowledged.

While supporting investigation of a best practice approach to governance in Australia, the Association urges that consideration be given to the economic and social value of volunteering to the achievement of environmental and broader social objectives through the work done by organisations listed on the Register.

The Association is grateful for having the opportunity to provide its input into the deliberations of the Standing Committee.

Carol Shannon
TREASURER
PAINTED DOG CONSERVATION INC.

19 May 2015