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WORKING TITLE: Mining Industry demands exclusive rights to tax deductions

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Disclosure: *The Australia Institute has Deductible Gift Recipient Status (DGR), but as a research organisation, not as an environment group. DGR research organisations are not within the terms of reference of the current inquiry.*

The mining industry is furious that if you make a donation to an environment group, your donation is tax deductible.

You know the drill. You give someone in a koala suit anything over \$2, they give you a receipt and go off to save an owl, hug a tree or, more likely, make a submission to the Planning Department about the environmental impact of a coal mine.

Come tax time, you find the receipt the koala guy gave you and deduct your donation from your taxable income.

This outrage costs the government \$18 million per year, according to the mining industry's [calculations](#).

So what does the public get in return for this [0.005% reduction](#) in the Federal Government's \$377 billion revenue?

We get things like drinking water catchments without coal seam gas mining. Environment groups with tax deductible donation status have been instrumental in keeping gas companies out of water catchments in [the Illawarra](#), Northern Rivers and elsewhere.

Tax deductible donations have helped derail the Wallarah 2 coal mine near Wyong, also in a drinking water catchment, which Barry O'Farrell broke a [promise](#) to [stop](#) after receiving a certain bottle of Grange from the mine's lobbyist.

Further afield, tax deductible donations have helped stop dumping of dredge spoil in the Great Barrier Reef and have kept uranium miners out of Kakadu.

So just who is taking the taxpayer for a ride?

The mining and gas industries have spent \$500 million dollars funding its lobby groups in the last ten years. Those expenses are also – you guessed it – tax deductible.

Let's look at what some of the mining industry's lobbying has achieved.

Rio Tinto were able to get NSW mining law changed to help a project that was rejected by the Land and Environment Court and the Court of Appeal. The historic Hunter village of Bulga is likely to be destroyed as a [result](#).

Indian energy company, Adani, was able to get the Queensland Government to promise [hundreds of millions](#) in subsidies for the biggest coal proposal in Australia.

And who could forget the miners' campaign against the mining tax, which changed prime ministers and has meant that mining companies pay billions less in tax.

The mining industry is so upset about a tax break for donations to people dressed as koalas, people who protest against mines and groups who write submissions that it has convinced the Federal Government to hold an inquiry.

Funny that just last month the Government stepped back from an inquiry into the iron ore industry that BHP and Rio Tinto did not want. They didn't like the sound of a government inquiry into the market that they control, certainly not after they were just hauled over the coals about funnelling profits through tax havens like Singapore.

Of these two inquiries about environmental donations and iron ore, one is about \$18 million dollars per year in tax deductions and the other is about [\\$75 billion dollars](#) per year in iron ore exports.

Can you guess which one the mining industry wants to stop?

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