

Productivity Commission 4 National Circuit Barton ACT 2600, Australia

CC: The Hon. Dr Jim Chalmers MP The Hon. Dr Andrew Leigh MP

Dear Commissioners,

We write to call for the empowerment of Australia's impact-focused not-for-profit organisations.

Australian charity regulation has not kept pace with the values and priorities of the Australian community. Many organisations that pursue impact-focused cause areas that motivate today's Australians – from catastrophic disaster prevention to animal welfare – are excluded from having Deductible Gift Recipient status (DGR) under Australian law. This hurts our ability to bring our communities together, to employ talented staff, to raise funds, and to have a positive impact. Ultimately, it hurts Australia.

Although we work on different causes, we share the same foundational values.

- Motivated by our impact. We want to do good, and our communities want to do good. We have thought hard about how to do the most good both in how our organisations operate, the actions we take, and the causes we pursue. That motivation has drawn our communities and us towards certain issues, but many of those issues are not fully recognised by current laws.
- Advocacy for outcomes. For some causes, the direct action of the community
  can achieve outcomes. For other causes, government and policymakers hold the
  keys. If government wants to empower the charity sector, guide it towards
  impact, and allow it to engage and unite the Australian community, it should allow
  the charity sector a voice in those conversations and allow those using their
  voice to be full members of the charity sector.
- Fostering social cohesion. People want to organise around the issues they are passionate about, but charity laws have not kept pace with the passions of today's Australians. If government wants to grow a sense of connectedness among Australians, laws need to meet people where they are. By allowing charities who work on the causes that Australians are passionate about to have DGR status, we can better bring people together in their communities around their values and contribute to a more cohesive country.





In addition to ending the exclusion of impact-focused organisations, the Commission should also recommend that government empower donors to assess and compare charities based on evidence of impact. Measuring and comparing impact can be hard, but it matters. Effective charities can be 10 or 100 times more impactful than the average charity. Proven models for impact evaluation exist. GiveWell is a global leader in charity evaluation and has a transparent review process. The Commission would also benefit from reviewing the processes of other high-quality evaluators, including Giving Green, Founders Pledge, The Life You Can Save, and Animal Charity Evaluators.

Doing the rigorous assessment necessary to understand impact and guide people towards more impactful causes and organisations could make Australia's not-for-profit sector orders of magnitude more impactful at only a marginal cost.<sup>3</sup> This is too important not to do.

The exclusion of the key impact-focused cause areas that motivate today's Australians should end now. The undersigned organisations represent a cross-section of impact-focused organisations supported by passionate volunteers and communities. We call for inclusion inside future regulatory frameworks, and we call for Australia to create a transparent and principle-driven impact assessment model derived from the world's best practice.















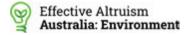












Learn more at charitiesforimpact.org.au

https://80000hours.org/2023/02/how-much-do-solutions-differ-in-effectiveness/



<sup>&</sup>lt;sup>1</sup> Comparing charities: How big is the difference? · Giving What We Can <a href="https://www.givingwhatwecan.org/charity-comparisons">https://www.givingwhatwecan.org/charity-comparisons</a>

<sup>&</sup>lt;sup>2</sup> Research on Programs | GiveWell

https://www.givewell.org/research/research-on-programs#Our program review process

<sup>&</sup>lt;sup>3</sup> How much do solutions to social problems differ in their effectiveness? A collection of all the studies we could find. - 80,000 Hours % (80000hours.org)