

Update Charity Laws to Broaden Scope

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Introduction

In the good old days, RSLs and Rotary Clubs were the lifeblood of Australian communities, fostering generosity, altruism, and a sense of belonging. But times change, and today's young Australians are less enamoured with these traditional groups. So, if we want to keep the philanthropic flame burning, we need to rethink charity incentive structures to match the values of younger generations.

It's not that philanthropy has disappeared; it's just wearing a different outfit. [Effective altruism](#) groups now lead the charge among young Aussies, making their presence felt in universities and cities nationwide. They're joined by the likes of "One for the World" organizations. But while old-school Rotary donations are tax-deductible, these modern philanthropic trailblazers get no such breaks.

Younger altruists aren't just putting a fresh spin on giving; they're redefining the focus. Global consequences, long-term risks, and broader moral concerns—like animal welfare and environmental preservation—now take centre stage. To make the most of this shift, we need to turn these effective altruism groups into the Rotaries of tomorrow by aligning philanthropy with the evolving interests of younger Australians.

By embracing these changing values, we can not only keep the philanthropic spirit alive, but also create a more inclusive and forward-thinking culture of giving. The result? A stronger sense of community and belonging, built on shared goals and values, that spans generations.

In a nutshell, revitalizing philanthropic communities and preserving their role in fostering social unity means understanding and adapting to the shifting priorities of younger Australians. By updating incentive structures to align with these evolving interests, we can ensure that the altruistic spirit remains a vital and thriving part of Australia's community landscape for years to come.

Terms of Reference

Specifically, this is what I'd like the Inquiry to consider:

1. Aligning DGR status with the values of today's Australians (2.ii, 3.ii, 5, 6)
2. How DGR-status charities shaping Government policy can improve democracy for communities (3.i, 5, 6.iii)

Last year, I donated \$7,000 to effective charities. I want to do more, and I believe the changes I suggest here will make it easier for me and other Australians to get involved. By doing so, we can dramatically increase the good we achieve through our work.

DGR status for mitigating catastrophic risk

I'd like to donate money to help reduce the likelihood of catastrophic disasters, but the limited availability of DGR status means there aren't many organizations focusing on this area. And the ones that do exist can't accept tax-deductible donations.

Take the [International Campaign to Abolish Nuclear Weapons](#) (ICAN), for example. I believe society largely overlooks the threat of nuclear weapons, despite the potentially devastating consequences. Some experts estimate the annual risk of a nuclear war to be as high as 1% – a chilling prospect

considering current global tensions. To me, a 1% chance each year of a nuclear war causing billions of casualties is unacceptable. Despite ICAN's Nobel Peace Prize and tax-deductible status in other countries, it can't enjoy those perks in Australia.

ICAN isn't the only one. Smaller organizations, like the [Alliance to Feed the Earth in Disasters](#) (ALLFED), work to reduce nuclear war risks and other global catastrophes. They face the same DGR status roadblock in Australia, even though they can accept tax-deductible donations elsewhere.

It's odd that a "defence charity" can have DGR status for maintaining war memorials (Tax Act 5.1.3) or providing recreation for armed forces members (Tax Act 5.1.2), but not for preventing nuclear war or feeding people during a nuclear winter.

Organizations working to reduce global catastrophic risks should be granted DGR status. Nuclear war is just one example; pandemic prevention and catastrophic natural disasters should also be considered. Increasing efforts in these areas could yield immense benefits for Australia and the world. My peers and I care deeply about these issues and want to rally around them in our community and contribute financially. However, without including them as a DGR category, this becomes significantly more challenging.

Animal welfare charities

I've been vegetarian for over a decade, and my peers and I deeply care about animal welfare. While the animal charities I support qualify as "charities" under the Charities Act, they can't get DGR status under the Tax Act. This is because DGR status is limited to short-term direct care and rehabilitation of lost or mistreated animals. While any animal suffering is a tragedy, it seems obvious that preventing animals from needing this kind of care in the first place is far more effective. We all know prevention is better than cure, so why does the law favour treatment over prevention? Charities working towards a factory-farm-free world should be able to receive DGR status.

The Importance of Charities in influencing Public Policy

Often, especially in the realm of preventing catastrophic risks, interacting with the government on policy matters is an essential aspect of achieving better outcomes globally.

For instance, although non-government organizations like ICAN have a crucial role in mitigating nuclear risks, ultimately governments are the ones controlling nuclear weapon stockpiles, determining regulations for acquiring fissile materials and nuclear technology, and ratifying international treaties.

Charities can make significant contributions to these discussions, including dedicating resources to policy analysis, tapping into global talent, and advancing public policy conversations. In many respects, the involvement of the not-for-profit sector in specific issues alleviates some pressure on governments. Historically, several crucial policy ideas that have shaped contemporary society originated from sources outside of government, such as the 40-hour work week or strategies for tobacco safety.

Although charities are permitted to partake in policy debates, many that prioritize policy change as their primary method for achieving their objectives are denied DGR status. This exclusion should be re-evaluated, as charities working to avert catastrophic disasters or advocate for animal welfare through policy change hold a valuable position in the public policy dialogue.

Conclusion

In addition to the arguments presented above, if the Australian Government aims to double philanthropic donations and enhance their impact, it must take the lead.

Australia's Overseas Direct Aid as a percentage of Gross National Income (GNI)—the standard metric for development assistance— is anticipated to remain at the 2021-22 level of 0.20%.

This places Australia considerably below the OECD Development Assistance Committee (DAC) country average of 0.32%. In 2020, Australia ranked 21st out of 29 OECD DAC nations in terms of aid generosity, measured by the ODA-to-GNI ratio.

The UN's ODA target is to allocate 0.7% of GNI to ODA annually. If the Australian Government intends to double donations from its citizens, it should demonstrate its commitment by doubling its own contributions and focusing on utilizing evidence to further the impact of its existing donations.

I hope this information and viewpoint prove valuable to the Productivity Commission. Let's work together to create a brighter, more inclusive, and effective future for Australian philanthropy.