

Hi Productivity Commission,

Communities built on philanthropy are bedrocks of social cohesion. Historically, institutions such as RSLs and Rotary Clubs were centres of community identity. They provided an outlet for generosity, a space for altruistic activity, and a place where people feel like they belonged.

Young Australia is much less engaged with these groups. Their place in our cultural identity has slipped significantly, and unless charity incentive structures are updated to align with what motivates younger Australians, we risk losing these kinds of institutions and the community value they create.

This is not to say that philanthropy no longer plays a role in modern Australia's community structure. It just comes in a different form. A key example of these new networks are effective altruism groups, which are now at the helm of the philanthropic community amongst young Australians, with representation in major universities and cities. Effective altruism is not alone in being connected to these demographics, "One for the World" groups are similar. While tax-deductible donations can be made to Rotary, they can't be made to their modern equivalents.

Crucial for understanding the changing shape of the altruistic community is their shifting causes of interest. Rather than an internal or local focus, these groups consider global impacts and are concerned with long-term and catastrophic risk prevention. They also challenge the restrictive moral circles which governed historic philanthropic communities, by focusing on causes like animal welfare, the environment, and preventing human extinction.

We need reforms that seize on these trends and make sure the effective altruism clubs of today can become the Rotary clubs of the future. Strengthening community in this way requires reforming philanthropy to align with the interests and values of younger Australians. Recognising these shifting priorities is the key to both increased charitable donations and increased social cohesion.

My submission discusses:

1. The availability of DGR status for high impact cause areas (Terms of reference 2.ii, 3.ii, 5, 6)
2. Removing arbitrary restrictions on Public Benevolent Institutions so they can better work across causes and support community groups (Terms of reference 2.iii, 3.i)
3. The importance of policy advocacy by charities, including the potential to make our democracy fairer. (Terms of reference 3.i, 5, 6.iii)

I have donated to effective charities, and work to support local philanthropic and community groups. I'd like to do more of this over time. I think the changes I recommend in this submission would make it easier for me to be involved, and also help other Australians to donate more and participate more in their communities. The changes could almost dramatically increase the good we achieve through this work.

DGR status for the reduction of catastrophic risk (Information request 4)

I want to donate money to reduce the risk of catastrophic disasters, but because of the limited availability of DGR status, there aren't that many organisations that work in this area and those that do can't accept tax-deductible donations.

For instance, I care about the work of the International Campaign to Abolish Nuclear Weapons (ICAN). I think the risk of nuclear weapons is largely ignored by society, despite it being catastrophic. Some experts think the yearly chance of a nuclear war could be as high as 1% – which seems scarily-plausible with the situation in Ukraine and elsewhere. If I want to live a long life, and have kids who grow old, a 1% chance each year of a nuclear war that kills billions is totally unacceptable. Despite ICAN winning a Nobel Peace Prize for its works, and being able to accept tax-deductible donations in many other countries, it can't do that in Australia.

ICAN is just one example. There are smaller organisations, like the Alliance to Feed the Earth in Disasters (ALLFED) who are similarly trying to reduce the risk of nuclear war and other global catastrophes, similarly accept tax-deductible donations in other countries, but also can't get DGR status in Australia.

I don't understand why a "defence charity" can have DGR status for the repair of war memorials (*Tax Act 5.1.3*) or the recreation of members of the armed forces (*Tax Act 5.1.2*), but not for the prevention of a nuclear war.

Overall I think that organisations working to reduce global catastrophic risk should have DGR status. Nuclear war is one example of such a risk, but pandemic prevention and catastrophic natural disasters should also be included. More work being done in these areas could have huge benefits for Australia and the world. I care about these issues – and so do my peers. We want to organise around them in our community and donate money towards them – but without them being included as a DGR class, that's really difficult.

PBI rules should not hamper community building (Information request 6)

I support Effective Altruism Australia and the work they're doing to help effective altruism groups in universities and major cities. These EA groups are getting people excited about doing good, helping them think about impactful donations, running reading groups, and giving advice about impactful careers. But Effective Altruism Australia's status as a "Public Benevolent Institution" limits the work of its community builders to align with EAA's work on global health and poverty and "incidental" topics.

For instance, EAA community builders probably can't facilitate a reading group on animal wellbeing because the wellbeing of animals isn't "incidental or ancillary" to global poverty. I find it hard to understand why the law would stop the peak body of effective altruism in Australia from properly supporting effective altruism clubs in universities. I understand that a charity shouldn't just be able to do anything, because that would open up the system to abuse, but supporting university clubs and city groups with the same philosophy and philanthropic goals is well within the normal operation of philanthropy. Given the Terms of Reference are framed around building social connection, it would seem a simple change for a big improvement to recommend to Government to remove narrow, PBI-specific rules around "dominant purpose" that prevent PBIs from doing work in their communities.

A change to allow PBIs to also pursue other charitable purposes would help me and my group be more involved in our community and find more ways to do good. I think effective

altruism clubs and similar groups, like One For The World, have the potential to be life-long sources of connection for younger Australians. But we need regulatory changes now so that we and these organisations can grow together.

DGR Status for Charities Can Improve Democracy (Information request 4 & 5)

I believe more charities with DGR status being involved in the public policy conversation would make our democracy work better.

Big business has easy access to government and regularly exerts influence over policy outcomes. Often to the detriment of society – with challenges facing the environment being an obvious example. I understand that companies can often tax-deduct spending on lobbying. I think it's perverse that those with a profit-motive have an incentive structure and open door to government, while groups working for a better future through policy change typically aren't eligible for DGR status. This hurts our democracy.

The loudest voice in public policy should be the public. The public are concerned about issues like global catastrophic disasters and animal welfare – but currently DGR status is not available to charities that want to build community engagement and engage in the policy debate on those topics. More involvement by better-funded charities would increase community engagement and allow a more sophisticated and inclusive public conversation.

Summary

Overall, Australian charity regulation has become outdated. Charities with DGR status are the lion's share of the sector, but DGR status is not aligned with my values or the values of my peers. This means that charities aren't focusing on many of the things I care about, and aren't providing the community support and volunteering opportunities that are meaningful to me.

The Productivity Commission has a chance to make recommendations that realign the sector with the values of today's Australians. Applying the lens of impact could greatly increase the amount of good that the sector can achieve, which in turn would drive donations and build the community supports that younger Australians need. I've seen too many talented Australians whose values align with mine leave for the UK or USA to do high-impact charity work because Australia doesn't have a workable ecosystem for their values. This is hurting our community, our democracy and our future.