

Productivity Commission Submission

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I think it is important to donate to charities that aim to do the most good possible. In my endeavor to act on this value, I have found Australian charity law to be flawed in a way that is significantly obstructive. The selectivity of which organizations get endorsed by the government through DGR status, owing to archaic charity law, makes it difficult for me to justify donating to the charities I care about. I don't think I am the only one affected by the flawed nature of charity law. It is hard to imagine that the aforementioned flaws in Australian charity law creates an environment conducive to interest in charitable causes amongst the Australian community at large. It is imperative that Australian charity law becomes consistent and relevant to the causes that current and future generations of Australian care about. This is what my submission aims to outline.

My submission discusses:

- 1) Expanding DGR status to high impact cause areas that align with the values of modern Australians (*2.ii, 3.ii, 5, 6*)
- 2) Why policy advocacy is a valid charitable cause, and why charities receiving DGR status to better engage in political causes is imperative to the future of Australia (*3.i, 5, 6.iii*)

The first issue of selectivity within Australian charity law is the inconsistent application of DGR status based on cause area. I will argue that animal welfare and global catastrophic risk reduction are causes deserving of DGR status. I will first focus on animal welfare:

The animal charities I support are allowed to be "charities": under the Charities Act, but they can't get DGR status under the Tax Act. DGR status provides key tax concessions and employee benefits that better enable charities to exist and do their work. Animal charities that focus on direct, short-term care of animals are allowed DGR status, however charities that seek to take a preventative, holistic approach to the issue of animal suffering are not. Animals Australia is an example of a charity excluded from DGR status. Animals Australia works to protect the most vulnerable and abused animals, and engages in advocacy to end factory farming. This type of animal charity is not an untested or unreliable field of charitable giving. The best and most authoritative charity evaluators in the world recognise these charities as high-impact, and they are given tax-deductible status internationally. Yet, Australian charity law still excludes them from DGR status. Regardless of whether you think your money should go to these direct measures or preventative measures, it is undeniable that both approaches have the same aim, which is to reduce the unjust suffering of animals. I am not advocating for the preventative approach be prioritized in charity law in any way (even though personally it is my favoured approach), I am merely arguing for more animal charities to be legitimized by the government. This is important for the Australian community at large, in regards to the ability of Australians to do good through charitable giving. Moral concern for animals (beyond the direct treatment of injured and mistreated animals) is growing quickly, you merely need to look at

growing rates of vegetarianism and veganism to see this. Don't let Australian charity law be behind the curve.

Now, onto global catastrophic risk reduction:

I am not exaggerating when I say that Australian existential risk charities may save the world some day, and I'm not alone in thinking that. But their efforts are being hampered by outdated Australian charity law. I will invoke the example of the International Campaign Against Nuclear Weapons. Many experts estimate the yearly chance of nuclear war at around 1%, I think you may agree that this is not a risk we should accept. The ICAN aims to reduce this risk by promoting adherence to the United Nations nuclear weapon ban treaty. Their cause crosses over to many other issues besides existential risk, as nuclear weapons also pose an environmental and national security threat. They have received a Nobel Peace Prize for their work. It is undeniable that ICAN is doing very important, charitable work for the betterment of Australia, as well as mankind. Yet, they cannot receive tax deductible donations for their work, creating a significant roadblock for both them and the donors that support them. Global catastrophic risk cause areas do not stop at nuclear war prevention, however. They include, but are not limited to: AI risk reduction, prevention of leaking of contagious diseases from labs and climate change advocacy. I think it is absurd, for example, that in the shadow of COVID-19 no Australian charity can be dedicated to preventing the next major pandemic coming from a lab leak, and receive tax-deductible status for that work. It is undeniable that Australian charities have a role in facing these key issues, and Australian charity law should reflect that.

I will now discuss why political advocacy for the important issues facing our world today is a cause worthy of DGR status:

I know this may be unpopular in the prevailing climate of political cynicism, but I believe that the Australian government is capable of doing a massive amount of good, both for Australia and the world. Democracy is the greatest political system ever invented, but in this country key political actors are facing an uphill battle to engage in it. This comes down, again, to the inconsistent application of DGR status in Australian charity law. I will return to the example of the International Campaign Against Nuclear Weapons. How Australia should approach the issue of nuclear weaponry is an important conversation, and I think ICAN and charities like it have a valuable role to play in it. However, it cannot get the crucial tax benefits to advance this goal. Lobbying groups, on the other hand, do get these exemptions. Thus, there are tax exemptions for groups that advocate along the lines of private interest, but not for those that care about the greater good. I implore you to think about whether this is good for our democracy. It is obvious that charities have a role to play in important political conversations. Charities advocating for morally good causes in this way has the potential to do a lot of good for a lot of people. Thus, I see this kind of advocacy as charitable, and thus deserving of legitimisation in Australian charity law. Moreover, charities engaging in democratic processes in this way allows for another avenue for the Australian community to have their voice heard. Put simply, they can vote with their money and support for these charities, in the same way private companies can through

supporting lobbying groups. The allowances provided by DGR status will greatly aid these important causes.

In conclusion, Australia needs to change charity law in two crucial ways. Firstly, cause areas related to reducing existential risk and animal suffering should be legitimized through granting of DGR status. This would allow these charities the same allowances that many other charities receive, enhancing their ability to do good work. Secondly, political advocacy for important issues should also be seen as a cause worthy of DGR status. This would allow political actors dedicated to doing moral good to make more of an impact, while fostering engagement in democracy. This increased engagement in democracy can build social capital, and unite communities around important issues. By implementing the recommendations outlined in my submission, Australia can improve on its outdated approach to charity law, making said laws fairer for those who wish to be effective in doing moral good. In doing so, you will allow me and my fellow Australians to think about how we can do good with our money and support, unimpeded by unfair charity law stipulations. Don't pass up this unique opportunity, thank you for your time.