

Introduction

Australian charity regulation has become outdated.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. We need to apply a lens of impact to charity laws and philanthropy.

I would like to raise with the Inquiry:

1. The need to realign DGR status with the values of today's Australians (2.ii, 3.ii, 5, 6)
2. Why Animal Welfare should be a DGR class

Realigning DGR status with today's values

I have been an active member of many aspirational and strong ethical communities who aim to alleviate suffering in Australia and abroad for the last 5 years. However, the DGR status definition which excludes our charity work from support has hampered our attempts to build community and connection, impeding our ability to increase donations. I am a younger member of the community and I feel like charity law has fallen out of step with what my peers and I care most about. My generation has differing values and organisations and I believe this needs to be supported.

DGR status is not available to many animal welfare charities, or to charities working to reduce the risk of global catastrophic disasters. From my experience, these charities are vital for Australian security concerns, global risk management and community cohesion. I recall Effective Altruism, an important charity and community, raising forewarnings for the Covid Pandemic, and being some of the first folks to do effective research and work on the issue. So, DGR status impedes the ability of organisations to raise funds and employ staff to work on these important causes. And this subsequently limits the amount of impactful work that occurs and limiting the amount of community building and other support available for these causes.

Animal Welfare as a whole should be a DGR class, not just short-term direct care of animals (Information request 4)

I am concerned about animal welfare, including its compromise in our agricultural sector. I know, both from public polling and from interactions with my friends, family and community, that this concern is widely shared by Australians and only growing.

I think the phrasing of the charitable purpose regarding animals in the *Charities Act* makes sense. "Preventing or relieving the suffering of animals" is a clear and laudable concept. However, the way that 4.1.6 of the *Tax Act* narrows that down to organisations whose principal activity is "*providing short-term direct care to animals (but not only native wildlife)*"

that have been lost, mistreated or are without owners” or “rehabilitating orphaned, sick or injured animals (but not only native wildlife) that have been lost, mistreated or are without owners” is obviously unreasonable.

The more impactful and effective way to help animals is a holistic approach that seeks to prevent cruelty from occurring, pursues sensible regulation about how society at large systematically treats animals, and also provides direct care to animals that fall through the cracks. It seems we are not working cost-effectively in this area of great public concern if we limit DGR status – a significant boost to the efficacy of charities who can access it – to only these short-term “bandaid solutions” which don’t represent the bulk of community charitable efforts.

I sympathise with concerns that a dramatic expansion of DGR status could have impacts on the tax base. However, I believe if we are to expand the DGR status to accommodate for Australian’s changing values, DGR should be based on cost effectiveness per dollar spent. And these larger, longer-term frameworks which are currently being elided from DGR status, is the best use of the potential tax base.

Charity evaluators, in their work assessing the potential good that could be achieved by working on different causes, consistently agree that animal welfare is one of the most impactful ways to do good. As a proxy for interest in the community, Roy Morgan has found that the trend in vegetarian eating continues to grow, with 2.5 million people in Australia (over 12% of the population) now eating all or almost all vegetarian. About 1 Australian decides to go meat-free every 5 minutes. Obviously, not everyone who cares deeply about animal welfare is a vegetarian, but this indicates that a very significant portion of the Australian population is motivated by this concern. Despite how widespread this view is, the community is currently underserved by charity law. This limits the extent to which we can make tax-deductible donations and limits the positive impact we can achieve through our donations.

Conclusion

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.

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.