

My primary reason for donating to charity is to do as much good as I can.

I care about the impact that each charity has and show a preference for those which are highly effective and endorsed by trusted organisations, as this gives me confidence to donate where I might not have otherwise.

In my view, government policies that prioritize impact and increase confidence in achieving it are crucial for achieving the objectives of this inquiry.

This submission discusses:

1. The need to realign DGR status with the values of today's Australians (2.ii, 3.ii, 5, 6)
2. The way in which DGR-status charities shaping Government policy can make democracy work better for communities (3.i, 5, 6.iii)

I regularly make donations 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 dramatically increase the good we achieve through this work.

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### **Animal Welfare as a whole should be a DGR class, not just short-term direct care of animals**

I am concerned about animal welfare, including 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 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 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.

To help animals in a more impactful way, a holistic approach is needed to prevent cruelty and promote considerate treatment of animals. Limiting DGR to "band-aid" solutions limits overall impact.

I sympathise with concerns that a dramatic expansion of DGR status could have impacts on the tax base. I think, if DGR is going to be expanded gradually, prioritisation should be based on where the most positive impact can be achieved per dollar, and with a view to aligning DGR status with the values of modern Australians.

Charity evaluators consistently agree that animal welfare is one of the most impactful ways to do good. According to a survey conducted in 2020, around 2.5% of Australians identify as vegan, while a further 8.9% identify as vegetarian. 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

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Currently, Australian charity regulation is a bit outdated, but Australia has the potential to create a world-leading philanthropic sector. We already know that the most effective charities can have a substantially greater impact than the average charity, but currently, there are no mechanisms in place to incentivise impact or empower donors to choose the best charities based on their impact.

By implementing the recommendations outlined in this submission, Australia can realign the sector with the values of today's Australians. This would further enhance the country's ability to make a positive impact on the world.