



Dear Commissioners,

The Alliance to Feed the Earth in Disasters (ALLFED) appreciates the opportunity to share its views about the regulation of philanthropy and is excited by the Government's goal of doubling philanthropic giving by 2030. In this submission, we provide background on ALLFED, call for high-impact charities to be given priority access to Deductible Gift Recipient (DGR) status, and tell the story of ALLFED Australia to give insight into how a focus on impact can reverse Australia's "philanthropic brain drain" and bring money and talent back to Australia.

About ALLFED

ALLFED's ultimate goal is to feed everyone, no matter what. Our mission is to help create resilience to global food shocks. We are working to identify resilient food solutions and to help governments implement these solutions, to increase the chances that people have enough to eat in the event of a global catastrophe.

An important aspect of our work is establishing equitable solutions so everyone can access the nutrition they need, regardless of wealth or location.

ALLFED is inspired to use reason and evidence to identify how to do the most good. Our solutions are backed by science and research, and we also identify the most cost-effective solutions, to be able to provide more nutrition in catastrophes.

ALLFED's status in Australia

While ALLFED Australia can become a charity in Australia under a range of subtypes, we understand that it is unlikely to be eligible for DGR status further to any of those subtypes. We briefly explored becoming a Public Benevolent Institution (PBI), but it was not clear that our mission was a proper fit for that classification. Specifically, we understand that the ACNC's view is that a PBI has to provide relief to a "designated section of the community" rather than the whole community. Because our goal is to feed "everyone" no matter what, we appear to be precluded from being a PBI because we are too ambitious. ALLFED does not understand what policy purpose is served by incentivising organisations to have less impact rather than more.

ALLFED's view is that **access to DGR should be expanded as a priority to include organisations working to reduce the risk of catastrophic disasters** - naturally occurring and human-caused. We have chosen to work in this field because we think it is the most impactful way to do good, and we think that the regulation of the charitable sector should incentivise people to do the most good.



Such a change would also align Australia with the USA, where the USA entity in the alliance has 501(c)(3) status, and with the UK where another member of our alliance is registered as a Charitable incorporated organisation with the Charity Commission.

Australia has comparative advantages, and impact is a new drawcard

There is a potential misconception that charitable frameworks that focus on measuring impact and promoting the most impactful causes would result in money and talent leaving Australia for overseas programmes.

ALLFED Australia's story is the reverse. We have established operations in Australia and attracted considerable amounts of philanthropic funding from overseas into Australia precisely because new laws are impact-focused and make Australia an attractive place to engage in philanthropy. Specifically, recent amendments to the *Disaster Ready Fund Act 2019* (DRF Act), and the approach the National Emergency Management Agency (NEMA) is taking to administering the fund, are highly impactful because they focus on preparedness rather than recovery; emphasise systemic risk reduction; and the guidelines weight value for money in the degree of risk mitigated.

While grant decisions have yet to be made, the impact-focused framing of the programme is highly encouraging for those trying to use evidence and reason to solve the world's most pressing problems. Importantly, this impact focus attracts money and talented staff to Australia, and it also means Australians are the primary beneficiaries of philanthropic work. Our hope at ALLFED Australia is to partner with governments at the state and federal levels to provide the best possible global expertise in support of food security in Australia.

Setting aside impact-focused amendments to the DRF Act, Australia has significant competitive advantages, including being a desirable place to live and having a well-educated workforce. The uptake of flexible working relationships during the COVID-19 pandemic led an entity in the ALLFED alliance to hire staff in Australia to work on our international mission, even before the DRF Act was amended to focus on impact.

To date, our experience in the global philanthropic community has been that Australia suffers from a significant 'brain drain'. Many compassionate and talented leaders working for charities worldwide are expatriate Australians, and many impactful organisations founded by Australians are now headquartered elsewhere.

Extrapolating from our story, there is reason to believe that further impact-based reforms, including to Australia's charity laws, could result in more global philanthropic organisations beginning work in Australia and moving international philanthropic funding into Australia. In



our case alone, that could be over a million dollars per year with room to grow in the future.¹ If done well, and given Australia's other competitive advantages, reforms could make Australia a global philanthropic leader and reverse the brain-drain trend. In our case, there can be little doubt that the benefits to our growth from DGR status would increase Australia's overall tax base, not reduce it.

On behalf of the ALLFED Australia team,

Kevin Rassool

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¹ The precise amount depends on contingent factors, but it is a realistic possibility that - between program work and staff wages - we will move over a million dollars into the Australian economy in our first year of operation.