

## Introduction

My name is Benjamin Anderson. I am a third year university student at ANU, studying a Bachelor of Arts and a Bachelor of Economics. I have lived in Australia for all twenty years of my life, I care passionately about these issues and I hope my voice is at least somewhat heard. My points have been outlined below.

Within this submission I choose to raise two issues:

1. **Firstly, I am concerned that many animal welfare charities and charities working towards reducing the risk of catastrophic disasters are not eligible for Deductible Gift Recipient (DGR) status.** This lack of status hinders these organisations' ability to raise funds and employ staff to work on these important causes, ultimately limiting the amount of impactful work that can be done in these areas. Additionally, it also limits the community-building and support available for these causes, despite demand from communities to connect and engage around these topics.
2. **Secondly, I believe that charities with DGR status should be able to engage in a-political policy advocacy.** While charities, including those with DGR status, can promote or oppose specific laws or policies, provided they don't promote or oppose specific parties or candidates, in practice, the narrow DGR classes prevent many charity subtypes from obtaining DGR status. This creates a significant asymmetry in our democracy, where for-profit companies have significant amounts of money to spend on lobbying and often receive tax advantages for doing so, while passionate community members who wish to advocate for certain causes lack the bodies to organise around and do not receive tax advantages. This situation needs to be addressed to make democracy fairer, encourage donations, and help connect communities around the things they care about.

## Further Context

To put it simply, the current charity laws don't align with the values and concerns of my peers, friends and generation and have not kept up with the changing needs of society. Unlike previous generations, we lack philanthropic organisations that support our values and priorities. We have to address this gap and promote greater community engagement and donations, to do this the charity laws should create incentive structures that encourage and support organisations working on the issues that matter most to younger generations of Australians. By doing so, we can create a more inclusive and impactful philanthropic landscape that better serves the needs of our communities.

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. The way in which DGR-status charities shaping Government policy can make democracy work better for communities (3.i, 5, 6.iii)

As someone who actively supports effective charities and local philanthropic and community groups, I am keen to continue contributing to these causes in the future. I strongly believe that the recommendations I am submitting will not only facilitate my involvement but also encourage other Australians to donate more and engage more meaningfully with their communities. If implemented, these changes have the potential to significantly enhance the positive impact of our collective efforts.

## Issue One: Animal welfare & catastrophic risk reduction for DGR classes

Fundamentally the main issue is that DGR status needs to be broadened to include things that young people today care about – specifically reducing global catastrophic risks (for things such as pandemics & extreme climate change scenarios) and supporting the well-being of animals.

Personally I really wish to engage with my community around the reduction of catastrophic disaster risks. So many of my peers have existential dread about the oncoming doom of climate change, worry about the dangers of future pandemics having just grown up in one and hear news constantly about the daily updates of the war in Ukraine.

Similar to this my peers and I care deeply about the welfare of animals. While the animal charities I support can be “charities” under the *Charities Act*, they can’t get DGR status under the *Tax Act*. I understand that this is because DGR status is limited to things like the short-term direct care and rehabilitation of lost or mistreated animals. While any animal suffering is a tragedy, it’s obvious to me that it would be far more effective to give DGR status to charities that are seeking to prevent animals from needing this kind of direct care in the first place. Everyone knows prevention is better than cure, so why should the law incentivise treatment over prevention?

I really think the exclusion of these two cause areas from DGR status hurt our ability to do good. These causes are recognised by sophisticated charity evaluators as being high-impact and allowed to accept tax-deductible donations internationally, but excluded here in Australia. If Government wants to increase donations to charities and increase the ability of charities to build social connections, it needs to give DGR status to these high-impact cause areas that today’s Australians are so passionate about.

## Issue Two: DGR Status for Charities Can Improve Democracy

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

There is so much dirty money in politics and 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 absolutely terrible 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 is very bad for democracy within this country that I have grown up in.

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.

## Conclusion

The reality is that Australia has the potential to create a world-leading philanthropic sector. We already know it to be true that the most effective charities can have a substantially greater impact than the average charity, but currently, there are no systems in place that incentivise impact or empower donors to choose the best charities based on their impact. If we implement the recommendations outlined in this submission, Australia can become a global leader in philanthropy. This could reverse amount of very smart people that leave Australia to go work overseas and attract more impact-focused charities to Australia, thereby increasing our country’s ability to make a massively positive influence on the world we live in.