



This is a joint submission from **Effective Altruism Australia** and **Effective Altruism Australia: Environment**.

- Effective Altruism Australia (**EAA**) is a large Australian Public Benevolent Institution (PBI) that has provided more than \$20m in grants since 2017. The grants support the most impactful interventions that improve global health and alleviate poverty, like the provision of insecticide-treated bed nets. EAA has been evaluated as highly cost-effective and recommended by international evaluators Founders Pledge and Giving What We Can,<sup>1</sup> the only Australian charity to meet this bar.<sup>2</sup>
- Effective Altruism Australia: Environment (**EAA:Environment**) is a newly established charity listed on the Register of Environmental Organisations that has partnered with the world's most impactful environment charities<sup>3</sup> to deliver interventions to protect the natural environment. EAA:Environment, in partnership with Giving Green Australia,<sup>4</sup> is assessing the impact of different approaches Australian charities are taking to combat climate change. Through our delivery partnerships and research, EAA:Environment's objective is to be Australia's highest-impact environment charity.

We've heard from members of the Australian community that they are excited about the range of ongoing efforts to modernise Australia's regulation of the philanthropic sector. We thank the Blueprint Expert Reference Group (BERG) for their contribution. Through our work and connection with the community, we are well-placed to comment on how Australians think about achieving a positive impact and improving Australia's social fabric through charity.

For a more comprehensive statement of our views on the state of charity in Australia, including the potential for reform, we would encourage the BERG to consider our submission to the Productivity Commission's Inquiry into Philanthropy.<sup>5</sup> We also stand by the shared statement we made with a number of aligned charities via #CharitiesForImpact.<sup>6</sup>

In this submission, we make three key arguments:

- 1) The Australian charity landscape is well-designed to meet the needs of older Australians – that shouldn't change. However, specific regulations and funding approaches mean the charity landscape is less well-suited to the values, priorities and approaches of younger generations. Changes to align DGR classes with modern values – including DGR status for all animal welfare charities and charities working to mitigate all types of catastrophic risks – would allow the charitable ecosystem to

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<sup>1</sup> [Global Health and Development | Founders Pledge](https://www.givingwhatwecan.org/charities/effective-altruism-australia)  
<https://www.givingwhatwecan.org/charities/effective-altruism-australia>

<sup>2</sup> [Cause Area Report: Giving Multipliers | Founders Pledge](#)

<sup>3</sup> As assessed by a number of external evaluators

<sup>4</sup> [Australian climate policy | Giving Green](#)

<sup>5</sup> [https://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0009/358398/sub032-philanthropy.pdf](https://www.pc.gov.au/__data/assets/pdf_file/0009/358398/sub032-philanthropy.pdf)

<sup>6</sup> [#CharitiesForImpact \(charitiesforimpact.org.au\)](#)

better service all Australians. Similarly, restrictions on PBIs working across multiple ACNC charity subtypes should be altered so it's easier and more efficient for a single organisation to work across all the charitable causes its supporters are passionate about. We made these same arguments in detail to the Productivity Commission and they have been accepted in the draft report.

- 2) The return on investment of impact evaluation is tremendously large. The world's most impactful charitable interventions can do 10 or 100 times more good than the typical intervention.<sup>7</sup> Without impact assessment, some seemingly positive programs can actually be doing harm.<sup>8</sup> We recommend that the Blueprint trial a range of approaches to evaluating programs, gathering evidence of impact, and increasing the robustness of theories of change. The potential benefits are so large that it's worth investing in trials of a range of options to achieve those benefits.
- 3) Policy development and advocacy are important functions for the charity sector to perform. Any not-for-profit blueprint should seek to both protect and foster these functions. The International Campaign to Abolish Nuclear Weapons is the only Australian charity to have been awarded the Nobel Peace Prize, and it is primarily a policy development and advocacy organisation. Seeking to foster and listen to similar organisations might be one of the best things the government can do to tackle other global catastrophic risks.<sup>9</sup> Supporting and listening to advocacy charities, in combination with supporting community building, also has the potential to help rebuild trust in democracy. We should aim to build a future where the for-purpose sector has a louder voice in democracy than the for-profit sector.

We would welcome further opportunities to engage with the BERG.

## 1) Support community building

The Issues Paper rightly observes that “the sector is embedded in community networks, and creates places and spaces in which people connect with each other, and come together to meet their shared needs and fulfil common purposes” and that “these connections support people’s wellbeing and strengthen our democracy.” To fully realise these benefits, regulation of the not-for-profit sector must evolve to remain fit for modern society and changing values. Social cohesion, trust in democracy and a sense of connection are all at particular risk in younger generations, and current charity regulation serves them less well.

Older generations are well served by an ecosystem of not-for-profits that focus on community-building and are aligned with their values. Rotary Clubs, Lions Clubs and others should be commended for the work they do both in achieving impact and connecting Australian communities. A key goal of the Blueprint should be thinking about how it can

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<sup>7</sup> [How much do solutions to social problems differ in their effectiveness? A collection of all the studies we could find. - 80.000 Hours % \(80000hours.org\)](https://80000hours.org/)

<sup>8</sup> [Counterproductive Altruism: The Other Heavy Tail - Kokotajlo - 2020 - Philosophical Perspectives - Wiley Online Library](https://onlinelibrary.wiley.com/doi/10.1111/j.1468-2468.2020.00611.x)

<sup>9</sup> [Putting global catastrophic risk on the Australian intelligence community's radar | The Strategist \(aspistrategist.org.au\)](https://aspistrategist.org.au/putting-global-catastrophic-risk-on-the-australian-intelligence-communitys-radar/)

encourage charities to build these kinds of institutions in a way that is well-suited to the values, priorities and approaches of younger generations.

At EAA we are working to connect Australians around the issues they care about the most. We employ a Head of Community who supports groups in many cities and universities that bring people together and support them in tackling the world's most pressing problems. However, charity law currently makes this hard. Two specific problems are:

1. Many of the systemic causes that younger Australians are passionate about – such as systematic animal welfare or the prevention of catastrophic risks like nuclear war and unaligned artificial general intelligence – don't currently have DGR status. This makes fundraising and movement building around these causes much harder. It leaves the community with a less diverse range of organisations for them to build communities around.
2. As a PBI, EAA is largely limited to only working on a single cause – global health and poverty. Despite that restriction, our community cares about the world's most pressing problems regardless of their legal categorisation. When we want to expand into a new cause area to meet the needs of our community – like climate change – we have to make a new organisation, with all the inefficiencies that brings. This leaves us in a challenging position where our community cares about a range of charitable causes, but we can probably only support them on one or two. The law is currently unclear about the extent to which EAA's community-building efforts could, for instance, support city and university groups to hold readings of Peter Singer's *Animal Liberation Now* without potentially breaching the legal obligations on PBIs.

The Blueprint could also consider funding for community building of this kind. The Issues Paper observes that 51% of charitable sector revenue comes from government grants and contracts. EAA and EAA: Environment have never received government support for our community-building efforts and are not aware of any relevant grants being available. Even a small amount of assistance for costs like venue hire could make a difference in helping us reach and connect different demographics around the issues they are passionate about.

**Recommendation: Give DGR status to causes that younger Australians are passionate about, including systemic and preventative efforts to improve animal welfare and efforts to tackle global catastrophic risks.**

**Recommendation: Remove restrictions on PBIs that prevent them from working across a range of charitable causes.<sup>10</sup>**

**Recommendation: Consider a community-building grants program to assist charities in covering costs like venue hire for events designed to bring Australians together around the charitable causes they are passionate about.**

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<sup>10</sup> ACNC CIS 2016/03 at 5.5.2

## 2) Pilot different approaches to impact assessment

At Effective Altruism Australia, we spend a lot of time looking for effective ways to do altruism. Evidence shows that the most effective charitable interventions can be 10 or even 100 times more impactful at achieving their outcomes than the typical intervention.<sup>11</sup> We think this is profound and it deeply shapes the way we and our community engage with doing good. If a \$5000 donation that is supported by evaluation can have the same positive impact as a \$500,000 donation without the benefit of evaluation, it becomes clear that the importance of evaluation is overwhelming.

The paper notes that measuring outcomes “creates new costs in operations and service delivery” and that evaluation “poses a significant challenge for the sector” because “existing service costs are rarely fully met by funders” and “measuring outcomes is usually expected in addition to existing ways funders assess value”.

This view might have merit if the benefits of evaluation are marginal. But the benefits of evaluation are not marginal – they are transformative. It’s conceivable that government investment of a few million dollars to support and promote impact evaluation could return billions of dollars in benefits.

Government has an active interest ensuring Australian charities are impactful, and pursuing impact should be a key goal of the Blueprint. This is for two reasons:

- 1) Government, through the tax system, subsidises charities. This gives the government an interest in ensuring that its subsidy is achieving value for money. Given that the issue paper observes that “recent research finds only 38% of NFP organisations collect any kind of outcomes data”, it’s almost certain the government is not currently achieving value for money. Indeed, it’s almost certain that the government is subsidising programs that do harm.
- 2) A focus on impact has the ability to dramatically improve the good that the sector can achieve. The Issues Paper observes that “the sector is a direct contributor to social inclusion, which creates at least \$12.7 billion annually through higher productivity and better employment and health outcomes”. This is just one way that the sector does good. As the paper observes, the sector has more than \$422 billion in assets and employs nearly 11% of the Australian workforce. We think impact evaluation can be transformational and increase the amount of good that is achieved by charitable interventions 10 or even 100-fold. Even if improvements are only at the margins, they would still be worth billions in additional positive impact.

In addition to these arguments, there’s also a kind of market or information failure involved in charity. This partly explains why the room for improvement can be so significant. That is, typically when a person buys a product or service, they receive direct feedback about the quality of that product or service. In that market, it seems unlikely that a pair of shoes or a

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<sup>11</sup> [How much do solutions to social problems differ in their effectiveness? A collection of all the studies we could find. - 80.000 Hours % \(80000hours.org\)](https://80000hours.org/)

car could be 100 times better than a different pair of shoes or car of the same price. However, when a person makes a donation and essentially buys a product or service for someone else, there is often no feedback about how helpful that actually was. This leads to perverse incentives where charities can be encouraged to focus more on donors and less on beneficiaries. This is one reason some charitable interventions can be 100 times better than others. Impact evaluation is the best way to address this failure.

**Recommendation: The Blueprint should explicitly recognise that increasing the impact of the sector would help the Government get value for money for its investment and achieve more good for Australians.**

**Recommendation: The Blueprint should propose trials of different methods of improving impact, including:**

- **Creating an equivalent of the Australian Centre for Evaluation<sup>12</sup> that supports the not-for-profit sector to develop theories of change, collect evidence and conduct evaluations.** The Australian Centre for Evaluation helps public service evaluation by providing templates, tool-kits, examples of best practices in different contexts and other supports. Offering this kind of help on a voluntary basis could encourage and promote genuine evaluation among charities that see its value with little risk.
- **Fund a pilot of an Australian organisation that does evaluation work similar to GiveWell.** GiveWell, a US charity, has demonstrated that impact-focused charity evaluation is a mature field. An Australian equivalent that evaluates Australian charities on an opt-in basis and publishes its findings could begin changing culture while avoiding obvious risks and offering a tangible benefit to those who participate.
- **Provide grants that help build and support the nascent ecosystem of charity evaluation in Australia.** Some charities, including The Life You Can Save and EAA: Environment are already conducting impact evaluations and reporting their outcomes. A grant program could assist them in assessing a wider range of interventions and promoting their findings while encouraging other organisations to do the same.

**Recommendation: The Blueprint should build in evaluation of its own approach to evaluation. By piloting several methods of evaluation and impact assessment, including those above, and assessing what works, we can make refinements over time that increase benefits while avoiding risks**

### 3) Policy, advocacy, communications and engagement

Policy advocacy is an important function for the not-for-profit sector. At EAA: Environment, in collaboration with Giving Green Australia, we are conducting evaluations across climate change-focused charities in Australia to assess which approaches are most impactful. The final report, which will be published in the new year, shows that advocacy has significant potential for impact. Often, this potential for impact occurs when a policy advocacy

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<sup>12</sup> [Australian Centre for Evaluation | evaluation.treasury.gov.au](https://evaluation.treasury.gov.au)

organisation identifies a significant gap in existing frameworks that means a promising approach or technology is neglected.

Similarly, we support the work of charities that do policy advocacy like ICAN,<sup>13</sup> the Australian Alliance for Animals,<sup>14</sup> ALLFED,<sup>15</sup> and Good Ancestors<sup>16</sup> who are working to tackle catastrophic and existential risks that might otherwise be neglected by policymakers. Where these organisations can identify low-cost and practical solutions, the potential for good in developing those policies and bringing them to the attention of government is tremendously large. It's often the case that for-profit organisations have a significant voice in our democracy, meaning that opportunities that serve them are rarely missed. However, for-purpose organisations often have a quiet voice, meaning that opportunities without profits can be forgotten.

A challenge with the for-profit sector having a louder voice than the for-purpose sector is that issues where there is a profit motive become a focus for government policy, even where issues without a profit motive could achieve far more good for Australians. Industry capture is also surprisingly common and harmful to our democracy.<sup>17</sup> To give a topical example, research shows that the best way to prevent harm from future pandemics is to implement a range of mechanisms to lower the rate at which viruses move between people and animals.<sup>18</sup> These interventions can be prosaic – like preventing bats from defecating on farmed pigs, filtering ventilation from intensive animal agriculture so pathogens are less likely to spread to wildlife, combating the illegal wildlife trade, and reducing deforestation. Despite these kinds of interventions being highly impactful, when governments commission inquiries into pandemics they focus almost exclusively on “response” measures. A key reason for this is that for-profit industries stand to make or lose a lot of money from pandemic response – so they ensure response is front-of-mind with the public, advisers and decision-makers. In a world where few or no charities work on systemic risk reduction, they don't have meaningful funding, and they don't have a meaningful voice, there's no mechanism to point out that there are better policy options that would better serve the needs of Australians.

Importantly, the restriction of advocacy doesn't just exist in specific measures, like gag clauses, that are discussed in the Issues Paper. We think that a major way that advocacy is excluded is through the causes that are eligible for DGR status. That is, if a cause cannot accept tax-deductible donations, that cause ends up being underserved, and there isn't a vibrant ecosystem of organisations to be gagged in the first place. This issue of DGR status for a broad range of impactful causes is discussed in more detail above.

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<sup>13</sup> [International Campaign to Abolish Nuclear Weapons \(ICAN\) Australia \(icanw.org.au\)](https://www.icanw.org.au)

<sup>14</sup> [Australian Alliance for Animals](https://www.austlii.edu.au/au/other/auflife/auallianceforanimals/)

<sup>15</sup> [ALLFED - Alliance to Feed the Earth in Disasters](https://www.allfed.org.au/)

<sup>16</sup> [Policy — The Good Ancestors Project](https://www.goodancestors.org.au/)

<sup>17</sup> [Chapter 3 – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au/parliamentary_business/committees/standing_committees/committee_on_environment_and_sustainable_development/chapter_3)

<sup>18</sup> Bernstein, A. S., Ando, A. W., Loch-Temzelides, T., Vale, M. M., Li, B. V., Li, H., Busch, J., Chapman, C. A., Kinnaird, M., Nowak, K., Castro, M. C., Zambrana-Torrel, C., Ahumada, J. A., Xiao, L., Roehrdanz, P., Kaufman, L., Hannah, L., Daszak, P., Pimm, S. L., & Dobson, A. P. (2022). The costs and benefits of primary prevention of zoonotic pandemics. *Science Advances*, 8(5), eabl4183. <https://doi.org/10.1126/sciadv.abl4183>

## Other pro-social benefits of policy advocacy

Policy advocacy by charities also have other pro-social benefits. Satisfaction and trust in democracy in Australia are dropping alarmingly, and underperforming many comparable nations. Many younger people do not feel they have a meaningful voice in democracy.<sup>19</sup> This makes our nation vulnerable in various ways, including to foreign interference. A key driver is cynicism and a view that democracy primarily services the narrow agendas of interest groups not a wider range of voices representing more altruistic concerns.

Conceding that EAA does not have expertise in corporate tax minimisation, our understanding is that there are various mechanisms by which lobbying and policy advocacy by for-profit businesses can be made tax-deductible, in Australia and overseas.<sup>20</sup> It seems common sense that, if the for-profit community receives tax benefits for making arguments in favour of higher carbon emissions, constructing weapons of mass destruction, mistreating animals to increase profits by cents serving,<sup>21</sup> or disregarding opportunities to prevent pandemics, the not-for-profit community should have equal or greater support to make its own arguments.<sup>22</sup>

**Recommendation: The Blueprint should aim for a future where the for-purpose sector has a voice in democracy equivalent to, or louder than, the for-profit sector.**

**Recommendation: The Blueprint should preserve the right of charities to advocate, as well as actively take steps to foster a more diverse ecosystem of advocacy charities working on a wider range of important issues.**

**Recommendation: The Blueprint should propose mechanisms for supporting for-purpose organisations engaging with advisers and decision-makers. This could include:**

- **A grant program to support smaller policy advocacy charities working on neglected issues.**
- **A transparency regime that encourages advisers and decision-makers to spend a proportionate amount of time talking to the for-purpose sector as they spend talking to the for-profit sector.**

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<sup>19</sup> [Current government systems rated poorly by many | Pew Research Center Democracy2025-report1.pdf](#)

<sup>20</sup> [Deductions for mining company lobbying cost taxpayers \\$20m a year | Mining | The Guardian Political Disclosures | Lockheed Martin](#)

<sup>21</sup> Gauci, Hannah & Guy, J.H. & Cain, P.J.. (2003). Impact of Animal Welfare on Costs and Viability of Pig Production in the UK. *Journal of Agricultural and Environmental Ethics*. 16. 10.1023/A:1022994131594.

<sup>22</sup> Note that philanthropic arguments will not necessarily oppose for-profit arguments. For example, many members of the effective altruism community prioritise the prevention of great power conflict and therefore support sensible defence spending aimed at promoting peace and security.