

This is a submission from Dr Dan Epstein, Director of The Long Game Project and academic with some previous research interests around philanthropic giving.

I would like to recommend several high level changes which I will outline and one more detailed recommendation to workplace giving based on my background as an academic with some research expertise in behavioural economics/behaviour change and understanding of existing giving literature.

**1. Government should provide structural support to workplace giving and lower existing barriers to adoption by employers and employees. This should be designed to make workplace giving commonplace and to normalise a giving culture in Australia. To further this goal, the government should consider:**

**a. The increase in trust that would come from government-provided workplace giving infrastructure**

Lowering the barrier to workplace giving is the main goal here. Australia is well below other countries in workplace giving compared to other comparable countries. I attribute this to a combination of status quo bias in the culture and lack of good infrastructure to make doing the right thing easy. Lowering barriers here is key and if there was any one thing that would make a big difference it would be government supported rails to easily help workplace accept and process workplace giving. Even a system so that every employer had to attribute a percentage of pay check to this charitable giving system to each employee and setting this fortnightly to 0% would be enough of a behavioral nudge to HR/finance payslip managers to start grassroots changes. Current workplace giving orgs fill this service gap by offering SASS and operations help to workplaces that want to give, but they scalp anywhere between 5-9% off the donations for 'operation costs'. This should not be gold standard practice, far from ideal and often obfuscated from donors.

**b. Draft contract terms to support workplace giving, including “opt-out” clauses for workplaces choosing to adopt that approach**

Defaults are one of the sharpest tools in the behavioural shed, but you must be careful when dealing with taking money away from people by default. Instead of this being the default across the board (I agree this is politically unlikely to get up and likely make people angry), it should be an optional tool for very keen workplaces to include in their contract terms if they want their workplace culture to support this. There is anecdotal evidence of a few orgs in Australia that went from opt-in to opt-out giving and their cohort of contributing employees went from 2% to 80%!!!! (more research required to test repeatability of these lofty outcomes)

Default opt-out systems are too good a tool not to try.

The legality here is the problem and from the sparse contract law advice I have received would need to be very carefully worded. Gov support on language would help.

**c. Providing data from any government-backed charity evaluator to workplace giving systems to encourage the prioritisation or default selection of high-impact charities**

**d. Providing workplaces 'impact reports' about the good that giving from each workplace and workplace donor achieved, and**

**e. The collection of analyse of data necessary to understand which approaches to workplace giving yielded the most donations and the highest impact.**

*Terms of reference 1 and 4.*

- 2. DGR status should be prioritised for philanthropic cause areas based on a principle of how much good can be achieved in that cause area and the extent to which Australians are passionate about, and want to build communities around, the topic. DGR status should be urgently expanded to charities working on reducing the risk of catastrophic disasters and a broader range of charities pursuing animal welfare.**

*Terms of reference 1, 2.iii and 5.*

- 3. The Commonwealth Government should create an impact-orientated Australian charity evaluator based on international best practices, and widely promote its findings. While evidenced-based evaluation is challenging, the field of expertise is now mature and has a proven track record. Given such evaluation has the potential to make the sector much more impactful at marginal cost, this opportunity is too good to miss.**

- 4. The "Conduit Policy" (*Income Tax Assessment Act 1997 [ITAA] Section 30-270 (2)*) and related requirements are overly prescriptive and should be scrapped. We live on one planet and under one atmosphere – it does not make sense to put hurdles between Australian donors and the world's most impactful environmental initiatives.**

*Terms of reference 2.ii, 3.i and 6.*