

Dear Productivity Commission,

I am writing in response to your draft report on philanthropic giving in Australia, with particular interest in how it affects animal welfare and environmental issues. As someone deeply invested in these areas, I am grateful for the opportunity to provide feedback.

The draft's recommendations have filled me with hope for the potential transformation of Australia's for-purpose sector. The possibility of expanding Deductible Gift Recipient (DGR) status, particularly to charities working to prevent harm, is a significant step towards empowering myself and my community to make a difference on pressing societal issues.

I am in agreement with the draft report's conclusion that the current DGR system requires reform. The proposed simpler system promises fairer and more consistent outcomes, as outlined in draft recommendation 6.1. The inclusion of animal welfare charities is a particularly welcome addition. Currently, many charities doing important work on policy and advocacy, which greatly improves animal welfare, are excluded from DGR status if they do not provide direct care or rehabilitation of animals. This has hampered their ability to attract major donations or apply for grants.

The removal of these barriers will support all donors in their charitable giving and eliminate the disadvantage faced by those who prioritise preventative activities. This will create a level playing field for animal charities, allowing more funding to be directed to high-impact activities which aim to improve the lives of millions of animals in currently underfunded areas.

The lack of DGR status has disproportionately affected animal welfare policy and advocacy charities due to the minimal government funding they receive. This is far less than the 50% average cited in the draft report. Extending DGR status to these charities will increase their effectiveness and impact, improving societal treatment of animals.

Animal welfare is a cause that consistently garners strong support from Australian donors. I am confident that this change will not only have a positive impact but will also help charities reach new communities. An expanded DGR eligibility criterion will open up new fundraising channels currently inaccessible without DGR status.

The draft report's mention of DGR for policy advocacy, specifically the quote on page 205, was particularly exciting:

“Advocacy activities to further a charitable purpose, such as social welfare, would become eligible. This would expand DGR access to a range of charities that are currently ineligible for DGR status, such as those advocating for policies they believe are necessary to avert major global catastrophes, as well as social welfare and human rights organisations.”

Expanding DGR to include advocacy activities will deepen democratic engagement and empower individuals on a range of topics, including efforts to avert major global catastrophes and to further the welfare of animals.

Including advocacy activities under DGR status could create a richer ecosystem of for-purpose organisations, which would substantially support governments and society in addressing these pressing problems. However, I believe the final report should clarify that the proposed expansion is not limited only to advocacy activities. It should also encapsulate surrounding and supporting work, such as policy development or community engagement, which are integral to advocacy efforts.

To illustrate, supporting work for animal charities could include providing scientific and specialist veterinary animal welfare advice, collaborating with government organisations, researching and exposing illegal practices, and investigating non-compliance with current regulations and standards. Similar efforts would apply to all advocacy charities working to develop and advocate for rigorous and evidence-based policies.

Hence, I recommend that the Productivity Commission specify in its final report that granting DGR status to charities undertaking advocacy activities also extends to policy development and other supporting activities.

Thank you for considering my recommendations and I eagerly await the final report.

Regards, Jan O'Leary