

Dear Productivity Commission,

I am Dr Mulik, a Consultant Paediatrician with over four decades of experience in clinical medicine. I am thrilled to have the opportunity to provide feedback on the draft report surrounding philanthropic giving in Australia. My deep involvement in the for-purpose sector has instilled in me a passion for making a difference in society's most pressing issues. The recommendations in this draft report, particularly the proposed changes to DGR, illuminate the potential for significant positive change in our sector.

The recommendation to extend DGR status to a broader range of charities, including public interest journalism, is a move I wholeheartedly agree with. Public interest journalism serves as a vital pillar of a healthy democratic society by providing accurate, reliable, and independent information. It acts as a watchdog, investigating corruption, giving voice to marginalised communities, and challenging powerful institutions to maintain transparency and accountability.

However, I believe that a more detailed justification for this expansion of DGR status would be beneficial. The final report could provide a comprehensive explanation of why public interest journalism merits eligibility for DGR, ensuring that readers fully grasp the soundness of this argument. A clearly defined concept of public interest journalism would be particularly useful, supporting the creation of a new category of charity as proposed in the PIJA submission.

The report's reference to DGR for policy advocacy on page 205 was another highlight for me. This proposal would open the door for a variety of charities currently unable to attain DGR status, including those advocating for policies to avert global catastrophes and further social welfare and human rights. My own interactions with advocacy charities have deepened my engagement with our democracy and empowered me on various issues, including animal welfare.

The report, however, would benefit from a minor clarification. It should be made clear that the proposed expansion of DGR encompasses not just advocacy activities, but also surrounding and supporting work. Advocacy efforts are often underpinned by other essential tasks, such as policy development and community engagement. Thus, the report should specify that granting DGR status to charities undertaking advocacy activities extends to policy development and other supporting endeavours.

I fully endorse the expansion of DGR status to charities working on advocacy. Still, I am aware that this recommendation may face opposition from for-profit industries with significant policy influence in certain fields. The Productivity Commission should anticipate and address potential counterarguments these organisations may present, such as for-purpose policy advocacy organisations failing at some other legal requirement.

The Commission has already begun to engage with these arguments, as seen in the discussion of the Aid/Watch case. Yet, I believe there is room for more proactive and in-depth consideration of these issues. The final report should delve deeper into the potential challenges that may arise if more policy advocacy organisations gain DGR status, providing a more comprehensive discussion and making any consequential recommendations.

Regarding the Commission's discussion of impact evaluation in response to terms of reference 3.ii, I believe we can adopt a more realistic goal that aligns better with the terms of reference. The terms of reference direct the Commission to consider how proven overseas charity evaluators operate, which employ opt-in models for evaluators to understand the theory of change and how evidence can best be collected and evaluated.

The draft report correctly highlights the disconnect between donors and beneficiaries in the charity sector and the necessity for government involvement in ensuring value for money. However, the bar set for impact evaluation in the report's summary and finding 9.1 is too high. Instead, we should strive for "optional, opt-in measures that suit participating organisations" as a more achievable and practical goal.

I urge the Productivity Commission to consider proposals to address the identified skills gap and encourage impact thinking across the sector. One such proposal is to offer government grants to organisations capable of conducting impact assessments of services delivered in Australia. These grants could attract overseas charity evaluators to Australia or encourage Australian charity evaluators to work on domestic charities.

In conclusion, the government should explore various strategies to encourage the for-purpose sector to increase its impact. The evidence of substantial room for improvement calls for proactive efforts rather than a lack of action.

Regards,

Dr Roopa Mulik