

Dear Productivity Commission,

I am Aditi Basu, an energy markets analyst with a background in Engineering and Artificial Intelligence. Over the past five years, I have devoted myself to supporting charities advocating for animal welfare, a cause close to my heart. However, I've encountered challenges due to the absence of Deductible Gift Recipient (DGR) status for many of these charities.

I'm writing in response to your draft report on philanthropic giving in Australia. The proposed recommendations offer promising potential to transform the for-purpose sector in our country. Particularly, I'm enthusiastic about the suggestion to expand DGR to charities aiming to prevent harm to both human and non-human animals. This expansion could lead to significant societal benefits by alleviating suffering.

A key insight from the draft report that resonates strongly with me is the necessity for reform within the current DGR system. The proposal to simplify and make the system more equitable, notably Draft Recommendation 6.1, represents a positive stride forward. I wholeheartedly support the notion of extending DGR status to animal welfare charities. Such a move would address the exclusion of charities focused on advocacy work, which is instrumental in advancing animal welfare on a broader scale.

By removing existing restrictions, we can ensure that donors to animal charities are not penalized for prioritizing preventative efforts. This adjustment would level the playing field for animal charities, enabling more funding to support impactful activities aimed at improving the lives of animals in various sectors, including farmed animals, aquatic animals, wildlife, and those in research.

The lack of DGR status has disproportionately affected animal welfare policy and advocacy charities, which rely heavily on donations and bequests. By extending DGR status across the sector, we can significantly enhance the effectiveness and impact of these charities, offering a cost-effective means to alleviate animal suffering.

Animal charities rank among the top causes supported by Australian donors, including myself. I'm confident that the proposed changes will not only yield positive impacts but also facilitate charities in reaching new communities. Expanding DGR eligibility criteria would unlock new fundraising avenues, making it easier for charities to attract support.

While I appreciate the Commission's discussion on impact evaluation, I believe there's room for further alignment with the terms of reference 3.ii. Directing the Commission to examine proven overseas charity evaluators' practices, particularly those involving opt-in models, would provide valuable insights into effective evaluation methods.

The draft report correctly identifies a disconnect between donors and beneficiaries in charity, emphasizing the government's role in ensuring value for money and maximum net benefit from charities. However, I suggest that the bar for impact evaluation, as outlined on page 30 and in finding 9.1, may be set too high. More pragmatic options exist that don't mandate standardized measures but still promote accountability and effectiveness.

Research indicates significant disparities in the effectiveness of interventions within the for-purpose sector. Recognizing this, the government's involvement in ensuring value for money is crucial. I recommend exploring alternative approaches, as highlighted in readings such as 'Donors vastly underestimate differences in charities' effectiveness' by Caviola et al., 'Don't Feed the Zombies' by Kevin Star, and 'How much do solutions to social problems differ in their effectiveness? A collection of all the studies we could find' by Benjamin Todd.

Expanding DGR eligibility to include public interest journalism is commendable, given its vital role in democratic societies. However, a more detailed justification for this decision in the final report would enhance understanding and support for the proposal.

Similarly, the planned expansion of DGR to encompass advocacy activities is a positive development. However, it's essential that the final report clarifies that this expansion extends beyond advocacy to encompass policy development and related supportive activities.

Thank you for considering my feedback. I eagerly anticipate witnessing the positive changes that the final recommendations will bring to the Australian philanthropy landscape.

Warm regards,
Aditi Basu