



31<sup>st</sup> January, 2024

Dear Productivity Commission,

I am the CEO of Animal Liberation, Australia's longest-running animal rights advocacy group. Since our inception in 1976, we have dedicated our efforts towards advocating for the welfare of animals subjected to agribusiness, laboratory testing, and entertainment. We've also been vocal about the cruelty of 1080 poison and the suffering of wild animals hunted for sport. As pioneers in this field, we have seen a shift in societal perspectives over time, and it is our conviction that we now represent the sentiments of the broader Australian population.

Our survival for nearly half a century has been possible due to the generosity of Australians who support our cause. However, the absence of Deductible Gift Recipient (DGR) status has hindered our ability to apply for a majority of grants. Despite this, we continue to operate, but acquiring DGR status would significantly strengthen our organisation.

In my previous response to your call for submissions, I emphasised the importance of extending DGR status to include a broader range of impactful causes. I applaud the Commission's agreement on the expansion of DGR status to include charities working on preventative issues. However, I am wary of the potential interference by powerful and well-funded organisations that might attempt to prevent the implementation of the draft report's recommendations.

I concur with the draft report's findings that the current DGR system needs reform and should be replaced with a simpler, fairer system (Draft recommendation 6.1). The proposed expansion of DGR status for animal welfare charities is a welcome change, which could attract significant donations and allow application for grants where DGR status is required.

Removing existing barriers will support donors in their charitable giving and allow more funding to be directed towards high-impact activities. This will improve the lives of millions of animals in currently underfunded areas like farmed animals, aquatic animals, wildlife, and animals in research. However, the lack of DGR status disproportionately affects animal welfare policy and advocacy charities, primarily because the sector receives minimal government funding. Hence, extending DGR status to this sector will augment the impact of charities working to improve societal treatment of animals.

Animal charities are among the top three causes supported by Australian donors. I believe that expanding DGR eligibility will open up new fundraising channels, enabling charities to reach new communities. However, there may be opposition from for-profit industries who may dispute the expansion of DGR status. I urge the Commission to consider these potential challenges and provide solutions to prevent any disruption to the implementation of the draft report's proposals.

Advocacy activities play a vital role in our democracy, and I was pleased to find the Commission recognising this in the draft report. However, I recommend a minor clarification that the proposed expansion of DGR is not limited to advocacy activities, but also includes supporting work like policy development and community engagement.



I also support the draft report's recommendation to expand the types of charities eligible for DGR status to include public interest journalism. However, I believe the final report should include a more detailed justification for this decision. Public interest journalism plays a crucial role in providing accurate, reliable, and independent information to the public, acting as watchdogs, giving voice to under-represented groups, and safeguarding freedom of expression. Therefore, a clear statement about the reasons why public interest journalism should be eligible for DGR and a clear definition of public interest journalism would be helpful.

Regarding the Commission's discussion of impact evaluation, I suggest a more realistic goal in line with terms of reference 3.ii. The government has an interest in ensuring that it achieves value for money for its subsidy and that charities achieve the greatest net benefit. Therefore, the case for government involvement in impact evaluation is strong. However, the bar for impact evaluation is set too high in the draft report. I would encourage the Commission to consider alternative models for impact evaluation, which are more practical and aligned with the terms of reference.

In conclusion, I recommend that the Productivity Commission consider the range of issues that may arise if a larger range of policy advocacy organisations obtain DGR status. The final report should include more pre-emptive discussion, including any consequential recommendations relating to disqualifying purposes, public benefit or other areas of law that may become more contested if the recommendations are adopted. This would ensure that the final report would be more comprehensive and effective in achieving its objectives.

Yours sincerely,

Lynda Stoner