

Dear Productivity Commission,

My name is Phuong Truong, a current Masters student at the University of Melbourne studying Epidemiology. Having spent my academic career valuing an evidence-based approach, I believe it is important to apply this same principle to the philanthropic sector. My research has informed me that animal welfare charities often have a more significant impact in reducing suffering compared to those charities currently holding Deductible Gift Recipient (DGR) status. This disparity in DGR status seems unfair, particularly concerning animal welfare charities. As societal values evolve to include animal welfare, it is incumbent upon us to ensure our charity laws reflect this shift.

I am writing in response to the recent draft report released by the Commission, which I found both insightful and encouraging. The suggested changes to the DGR system, notably expanding DGR to charities working to prevent harm, resonate strongly with me. I believe such amendments would significantly enhance the for-purpose sector's ability to address pressing societal issues.

The draft report's conclusion that the current DRG system requires reform aligns with my perspective. I appreciate the proposal to extend DGR status to animal welfare charities, as their current exclusion from DGR status has hindered their ability to attract significant donations or apply for grants. By removing these barriers, not only are donors supported in their charitable giving, but more funding can also be directed towards high-impact activities that improve the lives of countless animals.

With limited government funding, the lack of DGR status disproportionately impacts animal welfare policy and advocacy charities. Ensuring that DGR status is extended to this entire sector will significantly enhance the effectiveness and impact of these charities, enabling them to improve societal treatment of animals. Moreover, this change will resonate with many Australians, particularly the younger generation who are passionate about animal welfare. By expanding DGR eligibility criteria, it will open up new fundraising channels for these charities.

The draft report's mention of extending DGR to include advocacy activities, particularly those furthering a charitable purpose, like social welfare, was an exciting read. The inclusion of advocacy activities in DGR status has allowed me to engage more deeply in our democracy, outside of the typical election cycle. I believe that granting DGR status to these organisations will support governments and society in tackling pressing problems.

However, I believe there is a need for clarification that the proposed expansion of DGR is not limited to advocacy activities alone, but also includes surrounding and supporting work. Advocacy efforts require a range of supporting work, such as policy development and community engagement, which should also be included in the DGR status. To illustrate this point, animal charities, for instance, provide scientific advice, collaborate with government organisations on global health initiatives, research and expose illegal practices, and investigate

non-compliance with regulations and animal welfare standards. Similar efforts apply to other advocacy charities working to develop and advocate for rigorous and evidence-based policies.

Therefore, I recommend that the Productivity Commission clarify in its final report that granting DGR status to charities undertaking advocacy activities extends to policy development and other supporting activities and isn't limited only to advocacy itself.

While expanding DGR status to charities working on advocacy is a crucial recommendation in the draft report, it is also essential to anticipate potential obstacles. For-profit industries with significant policy influence may oppose organisations with alternative views gaining DGR status and may seek to undermine the DGR change by scrutinising the final Productivity Commission report for potential weaknesses.

In this context, I appreciate that the Productivity Commission has included references to the importance of policy advocacy, even when it differs from government or the wider public view. I recommend that the Commission further pre-empt possible ways that its proposals could be hindered in practice and expand its recommendations to address these issues.

In terms of impact evaluation, I believe the draft report could be better aligned with term reference 3.ii. There is a need for a more realistic goal than “universal, mandated standardised quantitative measures”. Overseas evaluators use opt-in models where evaluators cooperate to understand the theory of change, what evidence is relevant, and how it can best be collected and evaluated.

The draft report rightly identifies a disconnect between the donor and beneficiary in the charity sector. Many donors and charities lack the interest, skills or incentives to prioritise impact. I urge the Productivity Commission to pilot different approaches to encourage the for-purpose sector to focus on increasing its impact. This could include providing charities with guidance and toolkits relating to developing their theory of change, collecting evidence and conducting evaluations.

Finally, I am pleased to see the 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 and giving voice to under-represented groups. Therefore, providing a clear definition of public interest journalism would be beneficial in creating a new category of charity.

Thank you for considering my comments and for the opportunity to contribute to this important discussion.

Regards,  
Phuong Truong