

Dear Productivity Commission,

I am Harry Lee-Jones, a Process Engineer with BHP, and the treasurer of the Effective Altruism Club at the University of Queensland. I am writing to contribute to the ongoing Philanthropy Inquiry, with a particular focus on the importance of animal welfare, public interest journalism, advocacy, and charity effectiveness. These are areas that hold great significance for me as I believe they provide some of the most impactful channels for philanthropic investment.

I would like to express my appreciation for the opportunity to review the draft report and provide comments. The recommendations contained in the report are promising and hold the potential to significantly transform the for-purpose sector in Australia. I am particularly encouraged by the proposal to expand the Deductible Gift Recipient (DGR) status to charities focused on preventing harm, as this could greatly enhance the sector's ability to address pressing societal issues.

The draft report rightly acknowledges the need for reform in the current DGR system. The proposed simpler system, as outlined in Draft recommendation 6.1, promises fairer and more consistent outcomes. I am especially pleased with the idea of extending the DGR status to animal welfare charities. The current exclusion of charities that do not provide direct care or rehabilitation to animals from DGR status has hindered the work of many organisations that are involved in crucial policy advocacy efforts to improve animal welfare on a large scale.

By removing these barriers, we can ensure that all donors to animal welfare causes are supported in their charitable giving. This will help create a level playing field for animal charities and allow more funding to be directed towards high-impact activities aimed at improving the lives of millions of animals that are currently underfunded, such as farmed animals, aquatic animals, wildlife and animals used in research.

Furthermore, the draft report's recommendation to expand DGR eligibility to public interest journalism is greatly welcomed. Nevertheless, I believe that the final report would benefit from a more detailed justification of this decision. This is an important public good that plays a critical role in providing accurate and reliable information to the public, acting as a watchdog against wrongdoing or corruption, highlighting issues affecting marginalised communities, and safeguarding freedom of expression.

I am particularly thrilled by the draft report's stance on granting DGR status to policy advocacy activities. Such a move could enrich the ecosystem of for-purpose organisations working on these issues. However, I suggest that the final report should clarify that the expansion of DGR applies not only to advocacy activities themselves but also to related supportive work, such as policy development and community engagement.

The discussion around impact evaluation in response to terms of reference 3.ii in the draft report caught my attention. I believe that the Productivity Commission can offer a more realistic goal and align better with the terms of reference 3.ii. The terms of reference do not require the

commission to consider “universal, mandated standardised quantitative measures”, but rather to consider how proven overseas charity evaluators operate. These overseas evaluators use opt-in models where they cooperate to understand the theory of change, what evidence is relevant, and how it can best be collected and evaluated.

Given the evidence of substantial room for improvement, I propose that the government should pilot different approaches to encouraging the for-purpose sector to focus on increasing its impact. This could include providing charities that want to improve their impact with guidance and toolkits relating to developing their theory of change, collecting evidence and conducting evaluations, encouraging an incremental approach to impact thinking across the sector, and offering grants to organisations that can conduct impact assessments of services delivered in Australia.

I look forward to seeing these recommendations considered in the final report. Thank you once again for this opportunity.

Regards,
Harry Lee-Jones