

Dear Productivity Commission,

I am Vanathy Arudselvan, a young Australian citizen with a deep interest in the substantial positive influences that Australian charities can create across various social and environmental sectors. I am encouraged by the genuine steps taken by the Productivity Commission to understand the concerns about the current state of DGR status provision from members of the public, including myself. I am hopeful that this review will unveil additional viewpoints that will contribute to a more logical and consequently, a more equitable system for DGR provision.

I am grateful for the chance to review the draft report and to provide my comments on it. The draft report's positive recommendations and their potential to transform the for-purpose sector in Australia were encouraging to read. My involvement in this sector is primarily driven by my passion to make a difference in the most pressing societal issues. The proposed changes to DGR, especially the expansion to charities working to prevent harm, seems particularly impactful.

The draft report's recommendation to broaden the range of charities eligible for DGR status to include public interest journalism is indeed commendable. Public interest journalism is an essential public good. However, I believe the final report should include a more elaborate justification for the decision to expand DGR status in this way. This would ensure readers understand the argument's merit and increase its likelihood of implementation. Public interest journalism plays a pivotal role in providing accurate, reliable, and independent information to the public, fostering informed decision making, promoting accountability, and supporting active participation in democratic processes. It acts as a watchdog, investigating and exposing corruption, thus contributing to transparency, accountability, and the functioning of a healthy democracy. Moreover, it often focuses on marginalised communities or neglected issues that may not receive adequate coverage from commercial media outlets. This helps address social inequalities and promotes fairness in society.

The draft report mentions that only 40% of registered charitable news organisations currently have DGR status as there is no DGR category that covers the specific purpose of producing or supporting public interest journalism. The PIJA submission explains that public interest journalism 'informs public discussion and decision making, ensures open justice and holds powers to account'. Given the strong interests that would oppose this change, the report would benefit from a clear statement on why public interest journalism should be eligible for DGR.

The draft mentions the expansion of DGR for policy advocacy. This is a positive change. Policy advocacy charities have helped me engage in our democracy in a deeper way and outside of the typical election cycle. I believe that granting DGR status to these organisations could significantly support governments and society in tackling these pressing problems. However, the final report would benefit from a minor clarification that the proposed expansion of DGR is not limited only to advocacy activities themselves, but also surrounding and supporting work.

I was surprised by the Productivity Commission's discussion of impact evaluation in its response to terms of reference 3.ii. Many viable options do not require "mandating

standardised measures or metrics of charity effectiveness across all charities”. Highly impactful interventions can often do far more than average interventions. Some charitable programs can even do harm. The key insight is that government should not want to provide one subsidy when it is possible to provide a subsidy that achieves significantly more net benefit.

In conclusion, I firmly believe that expanding DGR status to charities working on advocacy is one of the most critical recommendations in the draft report. The Productivity Commission should consider the range of issues that may arise if a larger range of policy advocacy organisations obtain DGR status, and include more pre-emptive discussion, and any consequential recommendations relating to disqualifying purposes, public benefit or other areas of law that may become more contested if the recommendations are adopted.

Regards,

Vanathy Arudselvan