



Alex Robson
Julie Abramson
Krystian Seibert
Commissioners
Philanthropy inquiry
Productivity Commission
<https://www.pc.gov.au/inquiries/current/philanthropy/make-submission#lodge>

8 February 2024

Dear Commissioners

1. Thank you for this opportunity to comment on the Productivity Commission's **Future Foundations for giving** Draft report, and to provide input into your final report.

Introduction

2. To introduce our organisation, the Rare Breeds Trust of Australia (ACN 098 118 300) is a very small, completely voluntarily run, registered charity.
3. The purpose of the Rare Breeds Trust of Australia ("the RBTA") is to conserve livestock genetic diversity.
4. The RBTA is not currently eligible to be endorsed as a deductible gift recipient ("DGR"). The RBTA has no financial backing from government, industry, or other major supporters. To function, the RBTA relies on volunteers gifting their time, skills and services and donors donating money and/or genetic material.
5. The RBTA strongly supports changes to the charity sector to:
 - a. increase the number of charities gaining DGR status;
 - b. replace the current DGR eligibility rules (which result in an ad hoc and piecemeal eligibility system) with a simpler, fairer, and more transparent one; and
 - c. encourage the donations of money and other assets.
6. The RBTA's submission is set out below, with our final suggestions for improvements at paragraph 30.

RBTA goals and experiences with DGR status

7. The RBTA is an example of a charity which, whilst similar to animal welfare charities that receive DGR status, is not itself eligible for DGR status.
8. DGR status is available to a registered charity whose principal purpose is that of animal welfare that comes within the definition set out in the *Income Tax Assessment Act 1997* (Cth), see Item 4.1.6 in the welfare and rights categories. The principal activity must be one or both of the following:
 - providing short-term direct care to animals (but not only native wildlife) that have been lost, mistreated or are without owners; or
 - rehabilitating orphaned, sick, or injured animals (but not only native wildlife) that have been lost, mistreated or are without owners.
9. As other submissions to the Report have pointed out, the scope of what constitutes an animal welfare charity is currently very narrow, resulting in entire groups or species of animals being completely overlooked or under-represented as worthy of benefitting from DGR status (see e.g. Coalition of Animal Welfare Charities, submission 109, pp 2-4).
10. The purpose of the RBTA is to:
 - a. preserve, promote and protect breeds of domestic livestock which are in danger of extinction in Australia and worldwide;
 - b. preserve, promote and protect breeds of domestic livestock which form part of Australia's heritage;
 - c. strengthen the appeal of endangered breeds of domestic livestock to the domestic and overseas food markets;
 - d. maintain international links with organisations striving to stabilize and increase the genetic diversity between and within agricultural livestock breeds;
 - e. provide an active forum on domestic livestock for the communication of information and for the education of members and of the public; and
 - f. undertake promotional activities and any other activities conducive to the achievement of the foregoing objectives of the company.
11. Accordingly, the RBTA's purposes are for the long-term welfare and genetic diversity of livestock rather than the short-term, direct welfare of individual animals.
12. We submit that both:
 - a. long-term (for future generations) and short-term; and
 - b. individual animals and breeds of livestock,are deserving of DGR status.
13. The RBTA supports the recommendations in the Report (see e.g. page 185) for:

- a. a more diverse set of charities having DGR status; and
 - b. expanded access to DGR status for animal welfare charities.
14. The RBTA's concern is that the reforms will retain a definition of animal welfare charity that excludes long-term livestock care. That is, the RBTA requests that the current, narrow, definition of animal welfare charity is *not* replaced with a new definition that includes a range of animal welfare charities that is different but still piecemeal.
 15. At present the RBTA must operate without being able to offer tax deductions to donors.
 16. People do ask the RBTA whether their donation would be tax deductible. Whilst we cannot provide an accurate figure on the proportion of potential donors who do not give because of the RBTA's lack of DGR status, we can say it is a factor of consideration to many donors.
 17. It is hard to explain to potential donors why some charities have DGR status and the RBTA does not.
 18. A very small, voluntarily run charity has a number of difficulties in competing for donations, including lacking visibility to attract donations, whilst in turn lacking the resources to run promotional campaigns. Not having DGR status is an additional disadvantage.
 19. The more complicated the tax and general regulatory system is, the greater amount of limited resources must be allocated to complying with that system. This constrains the resourcing available to carry out the RBTA's important work.
 20. The RBTA is currently in the process of establishing a gene bank ("the Gene Bank") to store semen and embryos in one facility, from breeds which are at risk of extinction and from animals which have been inspected and deemed suitable.
 21. Please note that the expense of maintaining the Gene Bank is considerable and ongoing. The Gene Bank requires steady revenue – it is not an expense that can be 'paused' while the charity awaits further funding.
 22. It is frustrating for an organisation, which badly needs more funding, to feel that the system is restricting their ability to raise funds, for a reason which is unknown and appears arbitrary (i.e. why – at a policy level - does one charity get DGR status and another doesn't?).

Importance of the RBTA

23. Protecting genetic diversity is an important part of protecting productivity in the livestock industry, thereby benefitting individuals, businesses, and the broader Australian economy. It also increases Australia's agricultural production resilience, providing insurance against the impacts of Climate Change and exotic pest and disease incursions.

24. We submit that the RBTA is critically important to Australia going forwards into the future in a time of changing climate, with unpredictable weather patterns and an increasing human population. Modern commercial livestock breeding selects a limited number of production traits for example, meat quality, meat quantity or speed of animal growth and therefore modern animals can lose other traits such as thrift, vigour, and adaptability. Maintaining a greater range of breeds, will enable commercial breeders to use that genetic diversity in the future to best meet (a) changing climate and environmental conditions and (b) mitigate the severity or contagiousness of unforeseen disease outbreaks.

Complexity of current system

25. We note the Report is aware that the current system:

- a. is not fit for purpose as a mechanism for determining which entities undertaking activities that benefit the community should receive tax-deductible donations from individuals;
- b. is overly complex;
- c. and that complexity increases as new DGR endorsement categories are added in a piecemeal manner.

26. The RBTA welcomes the recommendation for:

- a. a simplified system for determining which entities should receive DGR status; and
- b. a more diverse set of charities to be eligible for DGR status, thereby contributing to a vibrant charity sector.

27. We submit that diversity, by its nature, must include small and large charities. We suggest that small charities are important, for many reasons, including to:

- a. give donors and volunteers choice; and
- b. give any charity somewhere to start from.

28. The RTBA requests that the Commission considers the specific difficulties experienced by small charities when making its recommendations.

Concluding comments

29. The RBTA welcomes this once-in-a-generation review of Australian philanthropy and the Productivity Commission's analysis of motivations for philanthropic giving in Australia to identify opportunities to grow it further. The benefits to the Australian community associated with philanthropy, and the positive impact that DGR status has on encouraging philanthropic donations, is undisputed.

30. Therefore, the RBTA recommends that the Productivity Commission consider:

- a. broadening the eligibility criteria for DGR status, and thus increasing the number and diversity of charities able to gain DGR status, and their ability to resource their charitable work;
- b. including within the definition of animal welfare charities provision for long-term protection of livestock breeds for future generations; and
- c. streamlining the current DGR eligibility rules (which result in an ad hoc and piecemeal eligibility system) with a simpler, fairer, and more transparent system, reducing the regulatory burden on often volunteer-run charitable organisations, and allow more of their limited resources to be allocated towards their charitable endeavours.

Finally, the RBTA would like to thank you again for the opportunity to provide feedback into this inquiry.

Sincerely

Anne Sim
President
Rare Breeds Trust of Australia