

Dear Productivity Commission,

My name is Mel Ellis, I am a long-time advocate and donor for animal rights and welfare and I volunteer for a couple of small pet charities locally. Over the years, I have supported both DGR registered and non-DGR registered animal charities, including Animals Australia. These groups play a crucial role in raising public awareness and advocating for better animal welfare standards. They invest substantial resources towards these ends, and I firmly believe that they ought to receive tax concessions on their donations. It is my hope that this inquiry will consider the importance of such organisations.

I am grateful for the opportunity to review and comment on the draft report. The current recommendations are encouraging and hold the potential to significantly transform the for-purpose sector in Australia. I am particularly interested in how these changes will enable my community and me to make a difference in addressing critical societal issues. Expanding Deductible Gift Recipient (DGR) status to charities working to prevent harm from occurring would be an especially meaningful change.

I completely support the suggestion to extend DGR eligibility to public interest journalism, which serves as a vital public good. However, I propose that the final report provide a more detailed justification for this decision, which would aid readers in understanding the merits of the argument and increase the likelihood of its implementation.

Public interest journalism plays a critical role in providing accurate, reliable, and independent information to the public, facilitating informed decision-making, holding institutions accountable, and promoting active participation in democratic processes. Journalists in this sector act as watchdogs, shining a light on wrongdoing or corruption and contributing to a more transparent and accountable society. They often focus on marginalised communities or overlooked issues, thus promoting social equality and fairness.

The draft report observes that only 40% of registered charitable news organisations currently enjoy DGR status, as there is no category that covers the specific purpose of producing or supporting public interest journalism. I believe the final report should include a clear statement about the reasons why public interest journalism should be eligible for DGR. Providing a clear definition of public interest journalism would also be helpful, as this could be used to create a new category of charity.

I was interested by the Commission's discussion of impact evaluation in its response to terms of reference 3.ii. I believe there is room for a more realistic goal and better alignment with the terms of reference. The draft report acknowledges a disconnect between the donor and beneficiary and agrees that the government has an interest in ensuring value for money and maximum net benefit. It also identifies a skills gap in many charities when it comes to impact evaluation and notes that many donors do not prioritise net benefit to the community when making their donation. Consequently, government involvement in impact evaluation is crucial.

However, I believe the bar for impact evaluation set in the Productivity Commission's summary and finding 9.1 is too high. There are many viable options which do not require "mandating standardised measures or metrics of charity effectiveness across all charities." I would encourage the Commission to review pertinent literature on this subject, such as "Donors vastly underestimate differences in charities' effectiveness" by Caviola et al., "Don't Feed the Zombies" by Kevin Star, and "How much do solutions to social problems differ in their effectiveness?" by Benjamin Todd.

The draft report's discussion of DGR for policy advocacy on page 205 was also interesting. I am a firm believer in the positive change that can come from expanding DGR to include advocacy activities. However, I believe 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.

In conclusion, granting DGR status to charities undertaking advocacy activities should extend to policy development and other supporting activities and should not be limited only to advocacy itself. I believe the commission should clarify this in its final report.

Thank you for taking the time to consider my input as part of this inquiry.

Regards,

Mel Ellis