

Dear Productivity Commission,

I hope this letter finds you well. My name is Jordan von Eitzen and I work in customer service for one of the big four banks. I'm reaching out concerning the Commission's recent draft report on philanthropic giving in Australia, as I have a vested interest in the reform of our charity laws. I have previously submitted my views on the need to expand Deductible Gift Recipient (DGR) status to a broader range of impactful causes. With this letter, I aim to reiterate some of those points and provide further insights on the draft report findings and recommendations.

It is encouraging to see that the Commission acknowledges the need for reform in the current DGR system. I support the recommendation for a simpler and fairer system (Draft recommendation 6.1), particularly the proposal to expand DGR status for animal welfare charities. Many of these charities work on large-scale policy and advocacy measures, which significantly improve animal welfare, yet they struggle to attract donations due to the exclusivity of the current DGR status.

By removing these barriers, we can ensure that donors are supported in their charitable giving and these charities can effectively direct more funding towards high-impact activities. This, in turn, can improve the lives of millions of animals in underfunded sectors such as farmed animals, aquatic animals, wildlife and animals in research.

However, I am concerned that the discussions surrounding impact evaluation in response to terms of reference 3.ii could be better aligned with the terms of reference. The draft report acknowledges the disconnect between the donor and beneficiary, the government's interest in achieving value for money, and the need for charities to achieve the greatest net benefit. As an aside, I do wonder why the government has committed to doubling philanthropy in Australia if none of the key stakeholders care too much about what this philanthropy is or could be achieving. These points argue for a strong case for government involvement - through expressive powers and contributing to a nascent shift in norms - in impact evaluation.

It is crucial to note the potential for high-impact interventions to often outperform average interventions by significant margins. This is a key insight for donors and the government, and it is supported by various research findings. I recommend that the Commission review work by Caviola, L; Schubert, S; Teperman, E; Kevin Star, and Benjamin Todd to gain deeper insights into the effectiveness of charities and the potential for greater net benefit.

While I understand the concerns about practicality, cost and unintended consequences, I believe we can navigate these concerns by looking to overseas charity evaluators as models. To boost the impact and net benefit that the sector achieves without undue cost or risk, I propose the following:

1. Address the identified skills gap by providing charities with guidance and toolkits for developing their theory of change, collecting evidence and conducting evaluations.
2. Implement "optional, opt-in measures that suit participating organisations" rather than "universal, mandated standardised quantitative measures".

3. Offer government grants to organisations that can conduct impact assessments of services delivered in Australia.

Expanding DGR status to include policy advocacy charities is a significant recommendation that the draft report has proposed. However, I foresee potential opposition from for-profit industries that currently hold significant policy influence. These organisations may seek to argue that policy advocacy organisations fail at some other legal requirements such as not being in the "public benefit" or being "contrary to public policy". Therefore, I recommend that the Commission consider these potential issues in greater detail and pre-emptively include more consequential recommendations.

In conclusion, the recommendations in the draft report have the potential to significantly improve the charity sector in Australia. However, it is crucial that we consider potential opposition and challenges that may arise in implementing these recommendations. I look forward to seeing the Commission's final report and the positive changes it will bring about in our charity sector.

Regards,  
Jordan von Eitzen