

Dear Sir/Madam,

I am Katrina Larsen, a passionate advocate for non-human animals for over thirty years. My range of activities within this space includes direct rescue, fundraising, lobbying, sitting on committees, co-ordinating a letter-writing group, attending protests, event organisation, and supporting the Animal Justice Party. My motivation to do this work is driven by an innate sense of justice and compassion for all sentient beings.

I would like to share my thoughts and feedback on the recent draft report released by the Commission. I am particularly interested in the findings and recommendations related to philanthropy in Australia and the opportunities to grow it further.

I believe that charities benefiting non-human animals should receive assistance through Deductible Gift Recipient (DGR) status. Non-human animals share our world and are integral to our lives. They deserve compassion, respect, and support. I often donate to charities that work to assist non-human animals and would appreciate having more choices of recipients with DGR status.

The draft report has sparked my enthusiasm due to its positive recommendations and potential for significant change in Australia's for-purpose sector. I believe the proposal to expand DGR to charities working to prevent harm will make a significant difference.

I agree with the draft report's finding that the current DGR system requires reform and should be replaced by a simpler system that fosters fairer and consistent outcomes (Draft recommendation 6.1). The proposal to extend DGR status to non-human animal welfare charities is particularly encouraging. The current system's exclusion of these charities has hampered their ability to attract significant donations or apply for grants. This is concerning.

Removing the obstacles faced by many non-human animal charities will support all donors to this cause, rather than disadvantage those prioritising preventative activities over immediate needs. This will enable more funding to be directed towards high-impact activities aimed at improving the lives of vast numbers of non-human animals in underfunded areas such as what are commonly referred to as "farmed animals", fish and other aquatic sentient beings, wildlife, and non-human animals used in research.

Non-human animal welfare policy and advocacy charities are disproportionately affected by their lack of DGR status. The sector receives minimal government funding, far less than the 50% average cited in the draft report. Most major non-human animal welfare charities that do not provide direct care to non-human animals depend on donations and bequests for between 70–99% of their income. Extending DGR status across this sector will significantly enhance the effectiveness and impact of non-human animal welfare charities.

Non-human animal charities are consistently among the top three causes that Australian donors support. Many Australians are passionate about non-human

animal welfare. Expanding DGR eligibility criteria will open new fundraising channels, helping charities reach new communities and allowing for more effective fundraising through various platforms.

The draft report's discussion on impact evaluation surprised me. I think there's a better view to be had, more aligned with the terms of reference 3.ii. The Commission should consider how proven overseas charity evaluators operate, using opt-in models to understand the theory of change, relevant evidence, and the best ways of collection and evaluation.

The draft report notes that many donors don't prioritise net community benefit when making their donations. Consequently, the case for government involvement in impact evaluation is compelling. The Commission should review several resources illustrating this point, including "Donors vastly underestimate differences in charities' effectiveness" by Caviola, L; Schubert, S; Teperman, E; 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 Commission should consider several proposals to boost the sector's net impact without undue cost or risk. These include addressing the identified skills gap by providing guidance and toolkits to charities wishing to improve their impact, adopting optional opt-in measures that suit participating organisations, and offering grants to organisations capable of conducting impact assessments of services delivered in Australia.

I am particularly excited about the recommendation to expand DGR status to charities working on advocacy. However, I urge the Commission to anticipate potential opposition to this change and consider the range of issues that may arise if a broader range of policy advocacy organisations obtain DGR status. This includes a pre-emptive discussion on any consequential recommendations relating to disqualifying purposes, public benefit, or other areas of law that may become more contested if the recommendations are adopted.

Thank you for providing the opportunity to contribute my thoughts and feedback on this vital matter.

Regards,

Katrina Larsen