

ATTENTION: Productivity Commission,

I'm writing to share my feedback on the draft report recently released in connection with the Philanthropy Inquiry. My name is Sheree Sellick, and I regularly donate to a number of animal advocacy charities. I am eager to share my thoughts on the draft report's recommendations, as I believe they hold great potential for transforming the for-purpose sector in our country. Specifically, I believe the proposed changes to Deductible Gift Recipient (DGR) status, particularly its expansion to charities focused on preventing harm, will make a significant difference.

The draft report rightfully highlights the need for reform in our current DGR system. I fully support Draft Recommendation 6.1, which recommends replacing the current system with a simpler, fairer, and more consistent one. I am particularly keen on the proposal to extend DGR status to animal welfare charities. The current exclusion of such charities that do not directly care for or rehabilitate animals from DGR status has unfairly hampered many organisations from attracting substantial donations or applying for grants, despite their important work in animal welfare advocacy.

By removing these barriers, we enable all donors to support this cause without being disadvantaged for prioritising preventative activities over immediate animal care. Leveling the playing field for animal welfare charities will allow more funds to be directed towards high-impact activities that aim to improve the lives of millions of animals in areas that are currently underfunded, such as farmed animals, aquatic animals, wildlife, and animals in research.

Animal welfare charities, particularly those engaged in policy and advocacy work, are disproportionately affected by their lack of DGR status, receiving significantly less government funding than the 50% average cited in the draft report. Most major animal welfare charities that do not provide direct care to animals rely on donations and bequests for between 70-99% of their income. Extending DGR status to this sector will greatly enhance the effectiveness of these charities, improving societal treatment of animals.

Given that animal charities consistently rank among the top three causes that Australian donors support, expanding DGR eligibility criteria will open up new fundraising channels such as workplace giving, corporate fundraising, major donor and philanthropic giving, Instagram and Facebook fundraisers, PayPal Giving Fund, and various third-party fundraising and crowd-funding platforms. This will not only have a positive impact but also help charities reach new communities.

However, I am mindful that for-profit industries with significant policy influence will likely oppose these organisations gaining DGR status. They may seek to challenge the DGR change in submissions to the Productivity Commission or before Parliament, using any gaps or hooks in the final Productivity Commission report to justify their position.

The Commission has made some references to the importance of policy advocacy and the ability to express views that differ from the government or the wider public. I believe this should be expanded further to pre-empt possible ways the proposals could be thwarted in practice. For instance, incumbent for-profit organisations may seek to argue that policy advocacy organisations fail at some other legal requirement, such as not being in the “public benefit”, or having a “disqualifying purpose” because they are “contrary to public policy”.

The final report 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, such as any consequential recommendations relating to disqualifying purposes, public benefit, or other areas of law that may become more contested if the recommendations are adopted.

The draft report's proposal to expand DGR to include advocacy activities is a welcome change. Policy advocacy charities have allowed me to engage more deeply in our democracy, and I believe that granting them DGR status will support governments and society in tackling pressing problems. However, clarification is needed to ensure that the proposed expansion of DGR is not limited to advocacy activities themselves, but also includes surrounding and supporting work like policy development or community engagement.

The inclusion of public interest journalism among the types of charities eligible for DGR status is another commendable recommendation. However, I believe the final report should provide a more detailed justification for this decision. Public interest journalism plays a crucial role in providing accurate, reliable, and independent information to the public, acting as watchdogs, focusing on marginalised communities or neglected issues, and protecting their independence through charitable status can help safeguard freedom of expression.

Lastly, I was surprised by the Commission's discussion of impact evaluation in its response to Terms of Reference 3.ii. I believe that a more realistic goal would be “optional, opt-in measures that suit participating organisations” rather than “universal, mandated standardised quantitative measures”. As many donors and charities often lack the interest, skills, or incentives to prioritise impact, government involvement in impact evaluation is necessary. The government should pilot different approaches to encouraging the for-purpose sector to focus on increasing its impact.

I appreciate the opportunity to provide my insights and I hope they will be considered in your final report. Thank you for your dedication to improving the for-purpose sector in Australia.

Regards,

Sheree Sellick