



Final Submission re: Future foundations for giving, Draft report

I am writing in response to your draft findings and recommendations on the motivations for philanthropic giving in Australia. I am thrilled by the potential these recommendations have to reshape the for-purpose sector and, on behalf of all of us at Vegan Australia, we are eager to see their successful implementation.

The proposed changes to Deductible Gift Recipient (DGR) status, specifically extending DGR status to advocacy charities is, in our opinion, the most essential recommendation in the report. This would enable numerous impactful organisations, including Vegan Australia, to make a much more significant difference in addressing society's most pressing problems such as climate change and improved health outcomes, than is currently possible with the limitation on philanthropic funding by not having DGR status.

However, I am aware that many powerful and well-funded for-profit industries that currently enjoy significant policy influence may oppose these changes. These organisations may look to the final Productivity Commission report for any gaps they can exploit to justify their opposition. Therefore, I want to strongly express our appreciation for the Commission's references to the importance of policy advocacy, including the ability to express differing views from the government, industry lobby groups or the wider public.

While some legal and public debate has already occurred, I believe the Commission should pre-empt potential obstacles to its proposals. For instance, incumbent for-profit organisations might argue that policy advocacy organisations fail at other legal requirements, such as the "public benefit" or have a "disqualifying purpose". These arguments, although unconvincing to me, may gain traction if well-presented by well-funded organisations.

We recommend that the Commission consider these potential issues and include a more detailed, pre-emptive discussion in its final report. This could include recommendations relating to disqualifying purposes, public benefit, or other areas of law that may become contested if the recommendations are adopted. We feel that reiterating or, preferably, including wider discussion on the statement that advocating for a change in government policy or law does not, in itself, constitute a disqualifying purpose would be helpful.

One specific point I'd like to highlight is the quote on page 205 of the draft report, which mentions extending DGR to advocacy activities. I passionately agree that such a move is positive. Advocacy charities have facilitated and enabled deep engagement in our robust, Australian democracy, empowering debate and progress on a range of topics, including efforts to avert global catastrophes and campaigning on behalf of farmed animals.

However, I suggest a minor clarification in the final report. The proposed expansion of DGR should not be limited solely to advocacy activities, but also extend to supporting work, such as policy development or community engagement. Including these in the definition of advocacy would provide a richer and more impactful ecosystem for for-purpose organisations.

For example, in animal charities, this supporting work could include collaborating on global health initiatives (such as the Plant Based Treaty), researching and exposing illegal practices, and investigating non-compliance with current regulations and standards. These activities are vital for advocacy charities to develop and advocate for improved, evidence-based policies that will ultimately benefit every member of our society including non-human animals.

We strongly support the draft report's finding on the need for reform in the current DGR system. The proposed expansion of DGR status for animal advocacy related charities is especially welcome. This change will ensure donors supporting preventative activities are not disadvantaged and will help direct more funding to high-impact activities aimed at improving the lives of millions of animals in currently underfunded areas.

In conclusion, we commend the Commission for recommending changes to DGR status, but we ask for some additional clarity and pre-emptive measures to counter industry and lobby groups who are likely to cite disqualifying purposes or query the public benefit of groups such as Vegan Australia because our advocacy challenges the current status quo.

Thank you for your work.

Written by Associate Professor Heidi Nicholl on behalf of Vegan Australia

Heidi has a PhD in ethics (City University, 2008) and, having moved to Australia in 2016, was made an Adjunct Associate Professor at La Trobe University in 2019. She is currently on the Clinical Ethics Committee at Royal Children's Hospital. Her last position prior to moving to Australia was teaching on a summer program at the Interdisciplinary Center for Bioethics at Yale University. She taught medical ethics and law to students at University College London and at City University School of Health & Psychological Sciences between 2006 and 2014. She has an honours degree in zoology from Imperial College London and is an Associate of the Royal College of Science.