

30.01.2024

Dear Productivity Commission,

My name is Bryony Sumner, a dedicated volunteer for several charities. I was genuinely surprised to learn that contributions to animal advocacy charities are not tax-deductible. The significant impact Deductible Gift Recipient (DGR) status could have on these hardworking organisations, helping them boost their efforts in alleviating animal suffering, has urged me to submit my thoughts for your consideration.

I am profoundly grateful for the opportunity to review the draft report, and I am enthusiastic about its potential to transform the for-purpose sector in Australia. The proposed changes to DGR, particularly the idea of extending it to charities striving to prevent harm, could make a significant difference.

I concur with the draft report's assertion that the current DRG system requires reform. A simpler, fairer system would create more consistent outcomes, as suggested in draft recommendation 6.1. I am particularly encouraged by the idea of expanding DGR status to animal welfare charities. The exclusion of certain animal welfare charities from DGR status has hampered the ability of these organisations to attract significant donations or apply for grants, thus limiting their potential impact.

By removing these barriers, we can ensure that all donors to this cause are supported in their charitable giving. This would level the playing field for animal charities, enabling more funding to be directed towards high-impact activities aimed at improving the lives of animals in underfunded areas such as farmed animals, aquatic animals, wildlife, and research.

Animal welfare policy and advocacy charities are impacted disproportionately by their lack of DGR status, given the sector receives minimal government funding. Most animal welfare charities that do not provide direct care to animals rely heavily on donations and bequests for their income. Extending DGR status to the entire sector will significantly enhance the effectiveness of these charities and their work towards improving societal treatment of animals.

Animal charities are consistently ranked among the top three causes that Australians support. I believe this proposed change would not only positively impact these charities but also help them reach new communities. 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 currently inaccessible without DGR status.

However, I foresee potential opposition to these changes from for-profit industries. They may argue against for-purpose policy advocacy organisations, claiming that opposing recognised industries is not in the public benefit or that it is a disqualifying purpose because it is contrary to public policy. To address this, I suggest that the Productivity Commission further

emphasise the importance of policy advocacy and pre-empt potential issues that could arise if a larger range of policy advocacy organisations obtain DGR status.

I was thrilled to read about the expansion of DGR for policy advocacy in the draft report. This move will undoubtedly enhance my engagement with advocacy charities and make me feel more empowered on a range of topics. However, I believe the final report would benefit from a minor clarification that the proposed expansion of DGR encompasses not only advocacy activities but also the surrounding and supporting work.

In relation to impact evaluation, I believe the draft report's summary sets the bar too high. Many viable options do not require mandating standardised measures or metrics of charity effectiveness across all charities. The key insight is that highly impactful interventions can often do significantly more than average interventions.

Given that donors aren't focused on impact, and charities often aren't skilled or incentivised to focus on impact, the government must fill the gap to ensure it gets value for money. To address this, I propose several measures, including addressing the identified skills gap, introducing optional, opt-in measures, and offering grants to organisations that can conduct impact assessments of services delivered in Australia.

In conclusion, the government should pilot different approaches to encouraging the for-purpose sector to focus on increasing its impact. Given the evidence shows substantial room for improvement, it would be wrong to try nothing and say that we're all out of ideas.

Regards, Bryony Sumner