

Dear Productivity Commission,

I am Peter Johnson, a passionate animal welfare supporter and active volunteer at the RSPCA shelter in Canberra. I am writing to share my views regarding the Philanthropy Inquiry draft report. I was thrilled to see the potential for transformation in the for-purpose sector, particularly relating to the proposed changes for Deductible Gift Recipient (DGR) status. I believe these changes will greatly enhance our collective ability to address societal issues.

I wholeheartedly agree with the draft's assertion that the current DGR system requires reform and should be replaced with a more straightforward and equitable system (Draft recommendation 6.1). The prospect of extending DGR status to animal welfare charities, especially those engaged in policy and advocacy work, is particularly encouraging. This change would rectify the current exclusion of numerous charities that play a crucial role in improving animal welfare on a large scale, but are currently unable to attract significant donations or apply for grants due to the absence of DGR status.

By eliminating the obstacles that many animal charities face, we ensure that all donors to this cause are supported in their philanthropy. This will not only level the playing field for animal charities, but also ensure that more funding can be directed towards impactful activities that strive to improve the lives of millions of animals in currently underfunded areas. These areas include farmed animals, aquatic animals, wildlife, and animals used in research.

It's important to note that animal welfare policy and advocacy charities are disproportionately affected by the lack of DGR status, as they receive very little government funding – far below the 50% average cited in the draft report. Top animal welfare charities that do not provide direct animal care rely on donations and bequests for between 70-99% of their income. Extending DGR status across the sector will significantly enhance the effectiveness and impact of animal welfare charities.

As animal charities are consistently among the top three causes that Australian donors support, I know that this change will resonate with many Australians, particularly the younger generation. By broadening DGR eligibility criteria, we open up new fundraising channels, such as workplace giving, corporate fundraising, major donor and philanthropic giving, and various third-party fundraising and crowd-funding platforms.

I am also supportive of the draft report's recommendation to expand DGR status eligibility to public interest journalism, a crucial public good. However, I believe the final report would benefit from a more detailed justification for this decision. A comprehensive explanation would help readers understand the merit of the argument, thereby increasing its likelihood of implementation.

Public interest journalism plays an integral role in our society by providing accurate and independent information, holding institutions accountable, and actively participating in democratic processes. It often shines a light on marginalised communities or neglected issues that may not receive adequate coverage from commercial media outlets, thereby promoting fairness in society.

The draft report acknowledges that only 40% of registered charitable news organisations currently have DGR status. The Public Interest Journalism Advocacy (PIJA) submission explains that public interest journalism 'informs public discussion and decision making, ensures open justice and holds powers to account'. Given the powerful interests that may oppose this change, I believe the report should include a clear statement about why public interest journalism should be eligible for DGR status, backed with a clear definition of this journalism type.

In my view, the expansion of DGR status to advocacy charities is one of the draft report's most significant recommendations. However, I am aware that for-profit industries with considerable policy influence may oppose this change. To mitigate this, I suggest the Productivity Commission consider potential issues that may arise if a larger range of policy advocacy organisations obtain DGR status. A detailed and pre-emptive discussion, including any consequential recommendations relating to disqualifying purposes, public benefit or other areas of law, would be invaluable.

In conclusion, I believe the proposed changes to the DGR system will significantly impact the for-purpose sector, particularly animal welfare charities, public interest journalism, and advocacy organisations. By addressing potential challenges head-on, we ensure the success and sustainability of these vital initiatives.

Regards,

Peter Johnson