

Dear Sir/Madam,

My name is Gaetan Selle and I am a French resident living in Sydney, Australia, with a deep-seated interest in creating a positive impact in the world. I am particularly passionate about enhancing animal welfare, improving global health and poverty, and preventing potential catastrophes that could adversely affect the future of humanity. As an engaged citizen, I find it essential to voice my perspective on crucial matters.

Last year, I had the opportunity to submit a response during the initial call for submissions, and I am writing again now to further elaborate on those views. I am grateful to the Commissioners and the team for their effort in compiling the draft report. Notably, I am glad that the Productivity Commission has agreed with arguments advocating for the expansion of Deductible Gift Recipient (DGR) status to a wider range of charities, particularly those working on preventive issues such as animal welfare and catastrophic risks. I am, however, wary of the potential resistance from powerful, well-funded incumbent organisations that may attempt to obstruct this progressive change.

I wholeheartedly endorse the draft report's conclusion that the current DGR system needs an overhaul and should be replaced by a simpler, fairer system producing more consistent outcomes. The proposal to expand DGR status to animal welfare charities is particularly commendable. The existing system has excluded numerous charities involved in policy and advocacy work aimed at improving animal welfare on a large scale, thereby discouraging significant donations and grant applications.

Eliminating these barriers will ensure that all donors are supported in their charitable giving. A level playing field for animal charities will also allow more funding to be directed towards high-impact activities that aim to improve the lives of millions of animals in areas currently lacking sufficient funding. These include farmed animals, aquatic animals, wildlife, and animals used in research.

The lack of DGR status has disproportionately affected animal welfare policy and advocacy charities, as they receive minimal government funding. By extending DGR to this sector, the effectiveness and impact of animal welfare charities aiming to improve societal treatment of animals will significantly increase.

I realise that many Australians, especially the younger generation, feel strongly about animal welfare. The proposed change will not only have a positive societal impact, but also aid charities in reaching new communities. The expansion of DGR eligibility criteria will pave the way for new fundraising channels, enhancing the sector's overall effectiveness.

In response to the Productivity Commission's discussion of impact evaluation, I believe there is scope for a more realistic goal that aligns better with the terms of reference 3.ii. The terms of reference do not call for the consideration of universal, mandated standardised quantitative measures, but rather, they direct the commission to consider how proven overseas charity evaluators operate. These evaluators use opt-in models that emphasise cooperation, understanding the theory of change, and identifying relevant evidence.

The draft report acknowledges a market failure in the charity sector, where donors are disconnected from beneficiaries. The government has an interest in ensuring it gets value for money and that charities achieve the greatest net benefit. However, many charities lack the skills for impact evaluation and many donors do not prioritise net community benefit when making donations. Therefore, the government's involvement in impact evaluation is crucial.

The bar set by the Productivity Commission for impact evaluation is extremely high. Many viable options do not require mandating standardised measures of charity effectiveness across all charities. It's important to acknowledge that highly impactful interventions can often achieve 10 or 100 times more than average interventions. It's essential to bridge the dramatic disparity in impact by piloting different approaches to encourage the sector to focus on increasing its impact.

Further, expanding DGR status to charities working on advocacy is one of the most significant recommendations in the draft report. However, I am wary that for-profit industries may oppose this change. I encourage the Productivity Commission to pre-empt potential obstructions and propose solutions to these issues.

Moreover, I am thrilled to see the inclusion of advocacy activities under DGR status in the draft report. I believe the final report would benefit from clarifying that the DGR status expansion isn't limited to advocacy activities but extends to policy development and other supporting work. This will create a richer ecosystem of organisations working on these issues, which in turn, can greatly support governments and society in tackling these pressing problems.

In conclusion, I recommend that the Productivity Commission consider the range of issues that may arise if a larger range of policy advocacy organisations obtain DGR status, and to include more pre-emptive discussion and consequential recommendations in its final report.

Thank you for considering my views on this matter and for your continued efforts in this area.

Regards,

Gaetan Selle