



5 May 2023

Philanthropy inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Via Email: philanthropy@pc.gov.au &

Via online webpage: <https://www.pc.gov.au/inquiries/current/philanthropy/make-submission#lodge>

Dear Sir/Madam,

We welcome the Productivity Commission (PC) inquiry 'Review of Philanthropy' and are pleased to provide specific input on behalf of Animals Australia.

For clarity - Animals Australia is a founding and core member of the ***Australian Alliance for Animals*** (the Alliance) and has contributed to that submission which encompasses the collective views of the major national animal welfare organisations in Australia. **We fully endorse the Alliance submission** in its entirety. We have however determined that it may be useful to the PC reviewers to have a **more detailed insight or case study into the past and current work of Animals Australia** which is not feasible in a joint submission.

About Animals Australia:

Founded in 1980, Animals Australia is now a leading animal protection charity in Australia; an animal protection and advocacy organisation which also provides advocacy services through its international arm, Animals International. Our social media following is the largest of any charity in Australia (e.g. 1.7 million Facebook followers) and we have a membership of over 40,000 individuals.

Animals Australia's approach centres on respectfully highlighting and directly calling for change in laws, systems, and sectors that cause large-scale or routine suffering to animals and to encourage the community to take progressive steps to raise the standards of animal care and protection. This includes (but is not limited to) the live export industry, factory farming and other animal 'production' industries, and the commercial and non-commercial killing of wildlife.

Animals Australia's input to government and industry policy and practices stretches back to the 1980s and is recognised (alongside RSPCA Australia) as key national stakeholders to provide animal welfare advice. Further information on the social value of our work and areas of influence towards a kinder world for animals forms the basis of the second section of this submission (below).

Tax Concessions situation:

Formally Animals Australia Federation Ltd is a Company Limited by Guarantee under the Corporations Act, and is registered with the ACNC (*ACNC number 617 080 387 and ABN 65 016 845 767*).

However, despite recognition as a large charity with the ACNC, our ability to raise crucial funds is undermined¹ by the restrictive and narrow definition of ‘charitable purposes’ in the Charities Act (2013); this means that **Animals Australia does not qualify for *Deductible Gift Recipient*** (DGR) status under current law.

The definition of an animal welfare charity (as it relates to DGR status) current means that the only groups able to claim DGR status are those working primarily on behalf of native wildlife or providing direct animal care services such as rehabilitation or sheltering. The limited scope of this *legal* definition results in a huge range of charitable activities being excluded from tax-deductibility and other tax concessions (e.g. from full Fringe Benefit Tax concessions), including those activities of Animals Australia.

For information, the Animal Australia **Constitution** provides the formal vision and ‘*Object(s) of the Company*’ as:

The Company’s vision is for a world where kindness, compassion, and respect extend to all living beings. To this end, the Object of the Company is to promote kindness to all, and to prevent or alleviate the suffering of animals, including by:

- (a) generating and supporting initiatives to enhance human-animal relationships, grow human consciousness and encourage compassion for animals, people and the planet;
- (b) raising public awareness of animal cruelty and its causes, and increasing human understanding of the ethical importance of the prevention and alleviation of animal suffering;
- (c) providing representation to improve the treatment of animals through the introduction, updating or improvement to relevant law, policy, practice or custom;
- (d) acting as trustee and performing and discharging the duties and functions incidental thereto where this is incidental or conducive to the attainment of the Object; and
- (e) doing such other things as are incidental or conducive to the attainment of the Object.

Animals Australia submits that the *vision and objects* of our organisation, and importantly the demonstrated activities of our organisation (which are further explained below), contribute significantly to the social and community standards in Australia and must be recognised through charitable concessions alongside the many wonderful human-centred charities. Such a change is also important for the vast majority of people who care deeply about the welfare of animals but currently have their generosity diminished when donating to our organisation in comparison with the tax concessions if donating to a charity with DGR status.

Animals Australia is a large charity supported entirely by donations and bequests – we receive no government or other funding. The funding for our of operations then **contributes substantially to the economy** with some \$12M to \$15M expenditure each year, the direct employment of 35 skilled people with a further (approximate) 6 contractors. Our operations also see expenditure to many

¹ Please see the Alliance submission for details of the effect on fundraising of not having DGR status on the animal welfare groups collectively.

Australian businesses and the net result being individual and company tax dollars flowing back to the Government.

Animals Australia's work, role, reputation and standing:

In the first decade of its existence, the primary activity of Animals Australia (then called AFAS) was contributing to the Senate Select Committee on Animal Welfare. Since then, Animals Australia has expanded its functions to include investigations and public campaigns as well as advocating to and consulting with State and Federal governments on a range of issues affecting the welfare of animals.

Animals Australia is recognised by the Federal government as a key stakeholder in matters relating to animal welfare issues in the live export trade and with particularly the review of the Australian farmed animal Codes of Practice and the review of outdated Codes to form the Australian Animal Welfare [Standards and Guidelines](#).

In addition, Animal Australia senior personnel (particularly but not only this author), serve and have served on State and Federal government animal welfare committees (AWACs), including importantly those prior to and related to the Australian Animal Welfare Strategy (AAWS). In particular, the author was a member of the National Advisory Committee to the Federal Agriculture Minister, the National Consultative Committee on Animal Welfare 1989 – 2011 which founded the AAWS, and a member of the Australian Animal Welfare Advisory Committee (the AusAWAC 2011 - 2013) which then oversaw the implementation of the AAWS. The Albanese Government is about to renew the AAWS (in the May 2023 budget) and Animal Australia expects to again provide a key national voice and advice on animal welfare reform needs in this forum.

As an example (only) of the significant contribution Animals Australia has made to Australian animal welfare practices and standards, and the subsequent recognition of its standing in this field, our work on live animal export has been world leading. In particular we have contributed to:

- regulation and investigation of live animal (cattle, sheep, goats) exports over the past 40 years, and especially importing country investigations and breach complaints in the last almost 20 years;
- assisting and consulting with government about live export standards in the same period;
- attempting to improve standards and adherence to standards for live exports through direct and scientific evidence;
- informing government and the public about the treatment of exported Australian animals in importing countries (over 85 investigations relating to some 13 countries, with ~70 formal legal complaints just since the 2012 ESCAS system was introduced). The ESCAS complaints by has have resulted in most cases of DAFF findings of 'critical' or 'major' non-compliances, in some cases closures/de-registering for Australian animals of previously approved overseas abattoirs or feedlots;
- investigation and exposure of conditions on board live export vessels in 2018 which then led to the introduction of the prohibition regulations and other associated regulatory changes (the [ESCAS system](#));
- informing the federal Agriculture Secretary, including with expert scientific advice, about adherence to regulations and required standards in respect of vessels for which export permits are granted, and in regard to [complaints of breaches of ESCAS](#).

Our important role in the live export issue has been recognised over many years with regular and key contributions to particularly the Federal Agriculture Department (under different names), particularly

in consultation with and on direct working groups during and after shipping disasters (e.g. MV Cormo Express rejections in the 2000s, the Indonesian cattle slaughter crisis in 2011, the MV Awassi Express sheep heat stress events in 2018). More recently Animals Australia is recognised as a key stakeholder through our invited membership of *LEAWAG – the Live Export Animal Welfare Advisory Group* formed in 2018.

In addition to live export activities, through investigations and the provision of advice and at times legal and regulatory action, Animals Australia has been involved with many issues including recreational duck shooting, puppy farming, the live baiting of greyhounds and wildlife welfare (such as during the Black Summer bushfires). Animals Australia is recognised as a key stakeholder on many animal welfare issues including with respect to regulatory reform, standards setting, advice and consultation, but with particularly focus and animal welfare expertise on farmed animals.

As indicated, Animals Australia also operates a global arm, Animals International, which carries out similar work overseas including in Europe, Indonesia, South America, North Africa, the Middle East and Asia. Animals International has conducted investigations in many further countries including an 8-month investigation into the live export of animals from Europe and South America to the Middle East.

The evidence gathered has been provided to the European Commission and to governments in other importing countries, and animal welfare issues continue to be contributed to by Animals International in full collaboration with our international animal welfare organisation partners. Those partners include the International Coalition for Animal Welfare (advising the World Organisation for Animal Health/OIE), the World Federation for Animals (of which we are founding members and on the Board – working with the United Nations SDGs), Eurogroup For Animals, and Compassion in World Farming.

In addition to the above, Animals Australia has a mature and generous grants program which provides critical support in emergencies and disaster relief in some of the most deprived areas of the world, where conditions for animals and often their carers, are severe and their lives are at risk. Internationally this includes war zones, hostile political climates and countries experiencing catastrophic natural disasters. All of this work is widely supported by hundreds of thousands of people in Australia and internationally, and yet those donors/donations and this work is not eligible for DGR status.

When required Animals Australia’s legal ‘standing’ has been recognised by Australian courts.

Animals Australia’s activities (*links to further information*):

General information can be found on our [website](#), and an online timeline of our public-facing major campaign, awareness work and outcomes can be seen [here](#).

Note: the following **areas of animal welfare activities** are derived from those presented by the Alliance which represent the activities of many animal welfare charities that are currently denied DGR and other tax concessions due to the narrow definitions in the Charities Act.

In this section **we repeat only those animal welfare activities** (from the Alliance submission) which **relate to the activities of Animals Australia**. We then provide short descriptions of our work and online links to further illustrate to the PC Reviewers the variety and importance of the work that Animals Australia in particular undertakes.

Areas of animal welfare work **excluded from the ATO definition of animal welfare** include:

- Global animal rescue missions such as the transport, rescue and relocation of wild animals kept under inappropriate conditions (including bears, elephants, big cats and more, often used for entertainment or tourism, or privately kept).

Whilst not a frequent part of the work of Animals Australia, our Grants Program and assistance to international partners has involved this activity – some examples:

<https://animalsaustralia.org/latest-news/mongolia-bear-rescue/>

<https://animalsaustralia.org/latest-news/changing-hearts-and-minds-in-jordan-zoo/>

- Engaging and advising industry stakeholders, agricultural bodies, United Nations, World Organisation for Animal Health, governments, animal research institutions, shelters and smaller animal care groups on best practice animal welfare, as it relates to regulations, policies, public guidance, and best practices.

This is a **key area of the work of Animals Australia** and therefore difficult to condense to any number of links. Reading through our annual reports will provide an overview, and a live animal export information link will provide *an example* of our advocacy in many of these forums and to stakeholders.

<https://animalsaustralia.org/about-us/annual-reports/>

<https://animalsaustralia.org/our-work/live-export/millions-of-australian-sheep-spared-live-export/>

- Tackling legalised cruelty in animal systems to align with modern day community expectations and standards (e.g. animal experimentation, factory farming, slaughter facilities, hunting and feral animal management).

Again, this is a **key area of the work of Animals Australia**. The example of factory farming, abattoir deficiencies, and the failure to even provide pain relief for husbandry mutilations to farmed animals, are provided to illustrate some of this work.

<https://animalsaustralia.org/latest-news/invisible-cruelty-factory-farming/>

<https://animalsaustralia.org/latest-news/how-are-animals-slaughtered-australia/>

<https://animalsaustralia.org/latest-news/reality-farming-animals-painful-mutilations/>

- Disaster preparedness and resilience as it relates to animals, and disaster and crisis emergency response for animals, such as the recent earthquakes in Türkiye and Syria, rescue of animals from war zones, Australian bushfires and floods.

The Animals Australia Grants Program assists many overseas groups to recover and rebuild after disasters, during and after war, during Covid downturn, and in Australia as needed (e.g. the Black Summer bushfires).

<https://www.animalsinternational.org/our-projects/global-grants/>

<https://animalsaustralia.org/latest-news/covid-19-grants-helping-animals-delhi-to-cairo/>

- Provision of scientific research, specialist veterinary advice, insights into animal behaviour and how it relates to animal welfare e.g. how this links to the five domains of animal welfare (nutrition, environment, health, behaviour, mental state).

This occurs routinely and frequently – we employ a Veterinary Director, a Research Lead who is a qualified veterinarian, a qualified Animal Behaviourist and Trainer, and provide lectures, detailed scientific papers, and comprehensive submissions to numerous inquiries, committees and government and industry consultations.

- Raising awareness and campaigning for better conditions around key animal welfare issues impacting Australian animals such as live exports, puppy farming, animals in entertainment (racing, zoos), mulesing and welfare conditions for farmed animals.

Again – this is a key area of our work. Some examples (in addition to above) of the hundreds that could be provided:

<https://animalsaustralia.org/latest-news/animals-australia-launches-new-campaign-to-help-farmed-animals/>

<https://animalsaustralia.org/take-action/campaigns-and-investigations/be-their-hero/>

<https://animalsaustralia.org/latest-news/puppy-factory-problem/>

<https://animalsaustralia.org/our-work/greyhound-racing/background/>

<https://animalsaustralia.org/latest-news/sheep-painful-procedures/>

- Investigations demonstrating non-compliance with current regulations and animal welfare standards, e.g. humane slaughter and keeping conditions, mislabelling consumer products, conditions on live export vessels.

Much of the material (links) already provided will give insight into our investigations – but also see our MV Awassi Express expose which further cemented Australian views against live export, and subsequently enabled significant further legislation of the live export industry, and a planned phase out of live sheep export.

<https://animalsaustralia.org/latest-news/new-live-export-footage-of-suffering-kept-secret/>

- Community education and awareness on animal welfare issues.

This element is fundamental to all we do.

- Representing public interests on the commercial hunting of Australian native wildlife.

Animals Australia is (for example) advocating for an end to the commercial and permit killing of kangaroos – it is cruel and unsustainable.

<https://animalsaustralia.org/latest-news/kangaroo-shooting-is-wildlife-slaughter-for-profit/>

- Holding truth to power - animal welfare advocacy and lobbying on behalf of the Australian community when industry or government are not making decisions that are representative of their constituents' interests.

As discussed above – this is fundamental to all we do.

- Collaborating with government and health organisations on global health initiatives such as ‘One Health, One Welfare’, highlighting the human health risks of industrial animal agriculture e.g. in the creation of pandemic treaties, or via the passing of UN resolutions such as the Animal Welfare – Environment – Sustainable Development Nexus resolution, adopted at UNEA-5.

Over the past several decades we have become involved and effective in our national and international work with key institutions. At ‘home’ providing advice and input to the Departments of Foreign Affairs and Trade and Agriculture on animal welfare aspects of Free Trade Agreements, and through our international partners and membership of international animal welfare collectives and organisations (such as [ICFAW](#) and the [World Federation for Animals](#)) providing advice and submissions to WOAHA and the United Nations (for example on the [nexus between animal welfare, people and the planet](#)).

<https://animalsaustralia.org/latest-news/global-superbug-threat/>

<https://animalsaustralia.org/latest-news/zoonotic-disease-animal-agriculture-wildlife-pandemics/>

Barriers to fund raising due to current tax laws:

The lack of DGR status **affects all donor or potential donors** to Animals Australia. It is a clear barrier for those wishing to make major donations, both individuals and companies, who seek to provide generous donations for causes they support and to simultaneously reduce their own tax burden. This affects fundraising for our organisation, and we contend that it also is counterproductive to the need to address the root cause of injustice and thus suffering caused to animals; instead contributing to an imbalance of funding to DGR-approved organisations that are providing direct assistance to animals. The latter is absolutely important work, but as a community we must seek to simultaneously address problems at their source rather than being more focussed on the ‘ambulance at the bottom of the cliff’. The broad range of animal welfare activities and strategies must be supported.

Another key funding option for many charities is that of **philanthropic trusts**. Trust funds are almost entirely unavailable to Animals Australia because we do not have DGR status. Even where the trust deeds indicate the funds are to be distributed to support our area of work, those deeds also impose the DGR hurdle – a barrier likely not understood when the deed was originally drawn up. It is concerning that it could be supposed that a DGR threshold was inserted into trust deeds with a reliance on the ATO/Government to fairly assign a certain ‘credibility’ to a charity. The current charity system (in our strong view) is no longer fit for purpose in this regard.

Other key potential areas for fundraising for Animals Australia are either unavailable or highly restricted due to the lack of DGR status for our work. These include workplace giving, corporate fundraising, Instagram & Facebook fundraisers, the PayPal Giving Fund and some other third-party applications such as crowd-funding platforms.

Competition in the skilled labour market:

Animals Australia as an advocacy organisation is reliant on the commitment, skills and creativity of our people to effectively pursue our purpose of a kinder world – we do not make widgets in a factory, we do not produce ‘products’ for sale! It is therefore crucial that we can attract and maintain key skilled people in this challenging field; we must be competitive in the labour market.

Our recruitment priorities will always place values-alignment at the top, but a close second will be the skills and experience of those joining us to ensure our team remains efficient and effective. The current post-COVID era, with a very tight labour market and the cost-of-living crisis are providing increasing challenges for us. The ability to provide added benefits has never been more important.

Along with values alignment for candidates, flexibility has always been a key attractant for Animals Australia employees. However, since COVID workplace changes, particularly flexibility is in most employers' toolkit! Inflation is now causing significant strain on potential employees such that salaries are a more significant part of a candidate's considerations. Employers able to offer generous salary packaging arrangements are therefore ahead of the game – not only for new candidates but even for existing employees.

Animals Australia is not currently eligible for full Fringe Benefits Tax (FBT) concessions, and along with the additional operational costs of administering salary packaging, it is rarely feasible for us to offer this benefit to employees. If the tax arrangements were altered to provide the full FBT concession it would certainly be a benefit we could offer and so then be more competitive for key people in the labour market.

Summary:

We summarise our submission as follows:

- Our work is important and contributes to the health and welfare of our community. We seek to address the root cause of animal suffering and cruelty through increasing awareness and contributing to changed individual, government and corporate practices, but also provide grants and in-kind support during times of disaster or hardship for animals and their carers;
- Despite the significant and demonstrated activities, contributions and many key areas of work undertaken by our organisation, as explained in this submission, we do not qualify for DGR status under current law. This is despite:
 - That funding generates organisational operations which contribute substantially to the economy with some \$12M to \$15M expenditure each year, the direct employment of 35 skilled people with a further (approximate) 6 contractors;
 - Our operations also see expenditure to many Australian businesses and the net result being individual and company tax dollars flowing back to the to the Government;
- While we hold significant membership and public support, those who wish to support a better deal for animals (and that is the majority) by making financial contributions to our cause, are disadvantaged by our lack of DGR status. The improvement of tax benefits afforded to our donors would mirror the value placed on animal welfare by the Australian community;
- Our lack of DGR status impedes our fundraising capacity, and is counterproductive in addressing the root cause of injustice (and thus suffering) caused to animals, in the same way or even more so than current DGR-approved organisations;

- Trust funds are almost entirely unavailable to Animals Australia because we do not have DGR status, thus imposing an additional limitation on the optimisation of organisational financial management;
- Other key potential areas for fundraising for Animals Australia are either unavailable or highly restricted due to the lack of DGR status, include workplace giving, corporate fundraising, Instagram & Facebook fundraisers, the PayPal Giving Fund and some other third-party applications such as crowd-funding platforms;
- Animals Australia is not currently eligible for full FBT concessions and is thus not positioned to offer this benefit to employees as a competitive strategy in attracting key people to the organisation, in a very tight labour market and rising inflation;
- Similarly, to be afforded the benefit of DGR status indirectly optimises donor monies, insofar as offering competitive salary packages to attract and engage the best professionals available to achieve excellence in productivity and best practice;

We appeal to the PC to recommend that the animal welfare definition for charities to be fair and inclusive of the important role we play supported by our long-suffering donors. The amendment of the DGR criteria to also incorporate animal charities would be a significant step toward acknowledging the valuable work undertaken by those organisations on behalf of the animals, their membership bases, and the broader community who take a keen and natural interest in raising the standards of animal care and protection.

We stand ready to provide any clarification or further information on the position outlined in this submission.

Yours sincerely,

Glenys Oogjes
Chief Executive Officer
Animals Australia