

Dear Productivity Commission,

I am Kate Blaszk, an experienced professional in the not-for-profit and advocacy sector with a focus on animal welfare. As a Board Director of a welfare charity and having previously served another social charity with DGR status, I have witnessed the transformative power of DGR status in nurturing and promoting fundraising initiatives. I am writing in response to the recently released draft report on philanthropic giving in Australia. I appreciate the opportunity to share my thoughts, particularly on the potential expansion of Deductible Gift Recipient (DGR) status to charities working on preventative harm measures.

The draft's positive recommendations have the potential to significantly transform the for-purpose sector in Australia. As someone deeply invested in this sector, I am excited about the potential to create a larger societal impact by addressing pressing issues. A key recommendation that resonates with me is the proposed changes to DGR, particularly expanding it to charities working to prevent harm. Such a move could have far-reaching effects.

I wholeheartedly agree with the draft report's analysis that the current DGR system requires reform and needs to be replaced with a fairer, more streamlined system. I am especially excited about extending DGR status to animal welfare charities. Currently, many charities involved in crucial policy and advocacy work that significantly improve animal welfare on a large scale are excluded from DGR status.

Removing these barriers will empower donors to contribute to this cause without being penalised for prioritising preventative measures over immediate care. This will create a fair playing field for all animal charities and ensure funding is directed towards high-impact activities that can improve the lives of countless animals in underfunded areas such as farmed animals, aquatic animals, wildlife, and research animals.

The lack of DGR status disproportionately affects animal welfare policy and advocacy charities, as these organisations receive minimal government funding. Most major animal welfare charities rely on donations and bequests for a significant portion of their income. Extending DGR status across this sector will greatly enhance the impact and effectiveness of animal welfare charities.

Animal charities consistently rank among the top causes supported by Australian donors. I believe that expanding DGR eligibility will not only have a positive impact but will also help charities reach new communities. It will also open up new fundraising channels such as workplace giving, corporate fundraising, major donor and philanthropic giving, and various third-party fundraising and crowdfunding platforms, currently inaccessible without DGR status.

However, I am well aware that for-profit industries may oppose organisations with alternative views gaining DGR status. They may seek to argue that policy advocacy organisations fail at some legal requirement, such as being "contrary to public policy" or not providing "public benefit". While I find these arguments unconvincing, they could potentially create hurdles for

charities. Therefore, I believe that the Productivity Commission should preemptively address these potential issues in its final report.

I also commend the draft report's recommendation to extend DGR status to public interest journalism, an important public good. However, I believe that a more detailed justification for this decision is needed in the final report to ensure readers understand the merit of this argument and increase the likelihood of implementation. Public interest journalism plays a vital role in a healthy democracy by providing accurate information, acting as watchdogs, focusing on marginalised communities, and ensuring diverse perspectives are heard.

I am thrilled about the potential expansion of DGR to include advocacy activities. This change will not only enrich the ecosystem of for-purpose organisations but also empower individuals to engage in democracy outside the typical election cycle. However, I believe there is a need for clarification that the proposed expansion of DGR is not limited only to advocacy activities but also includes surrounding and supporting work such as policy development and community engagement.

Finally, I would like to address the Productivity Commission's discussion of impact evaluation in response to terms of reference 3.ii. The terms of reference do not require "universal, mandated standardised quantitative measures" but instead direct the Commission to consider how proven overseas charity evaluators operate. These evaluators use opt-in models where they cooperate to understand the theory of change, what evidence is relevant, and how best to collect and evaluate it.

The government has an interest in ensuring that it achieves value for money for its subsidy and that charities achieve the greatest net benefit. Given the evidence shows substantial room for improvement, it is crucial that the government pilots different approaches to encouraging the for-purpose sector to focus on increasing its impact.

In conclusion, I believe the draft report presents a golden opportunity for us to revolutionise the for-purpose sector in Australia. With strategic changes, particularly the expansion of DGR status, we can empower charities to make a more significant societal impact. I look forward to seeing these recommendations brought to life in the final report.

Regards,
Kate Blaszak