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Submission to the Productivity Commission Review of Philanthropy

Many thanks for the opportunity to contribute to this important review.

ICAN Australia supports the “Charities for Impact” Initiative.

We would like to address several issues from the terms of reference, using these to highlight impediments to philanthropy as they apply to ICAN Australia:

- Current barriers to philanthropic giving- the Deductible Gift Reciprocity (DGR) Framework.
- How ICAN Australia aligns with public policy objectives and the priorities of the broader community.
- What benefits would flow from increased philanthropic giving?
- Information on the effectiveness of not-for profit organisations.
- Identifying and assessing reform options.

Background

ICAN was founded by the Medical Association for Prevention of War in Melbourne in 2006. Since then, the campaign has been embraced by individuals and organisations throughout the world. It has grown to represent over 650 organisations in 110 countries.

Since our founding, we have worked to build a powerful global groundswell of public support for the abolition of nuclear weapons.

By engaging a diverse range of groups and working alongside the Red Cross and like-minded governments, we have helped reshape the debate on nuclear weapons and generate momentum towards elimination.

We have worked locally and globally to highlight the human impacts of any nuclear weapons use, and the risk we face every day. Stigmatising these weapons, in the same way chemical weapons and biological weapons have been stigmatised, will lead to more pressure on nuclear weapons states to enter into balanced, negotiated, reductions in stockpiles. This will require a decade or two of diplomatic negotiation, but no weapons of mass destruction have been eliminated without first being made illegal under international law.

We were instrumental in three major international intergovernmental conferences in 2013 and 2014 which focused on the humanitarian impacts of nuclear detonations. The conferences were hosted by Norway, Mexico and Austria. ICAN served as the civil society coordinator for each of the conferences, which brought together most of the world's governments, along with international organisations and academic institutions. We helped garner the support of 127 nations for the "Humanitarian Pledge" to fill the gap in the existing legal regime governing nuclear weapons.

In 2017, 122 countries at the UN General Assembly voted to adopt the Treaty on the Prohibition of Nuclear Weapons (TPNW). In 2021 this Treaty became international law.

Also in 2017, ICAN was awarded the Nobel Peace Prize for our "*work to draw attention to the catastrophic humanitarian consequences of any use of nuclear weapons*" and our "*ground-breaking efforts to achieve a treaty-based prohibition of such weapons*".

Current barriers to philanthropic giving- the Deductible Gift Reciprocity Framework

For charities that lack DGR, the current DGR eligibility categorisation is a major obstacle to philanthropic giving. Despite being a registered ACNC charity, ICAN Australia does not "fit" into the current categories for DGR status.

We are the only Australian born organisation to ever be awarded the Nobel Peace Prize.

We are registered as a charity under the *Charities Act 2013*, but the lack of a suitable category for us to obtain DGR status is a major stumbling block in almost all areas of our fundraising. We have had expert legal advice from senior tax law partners at large firms confirming this on a number of occasions, most recently earlier this year.

The ICAN entities internationally do have deductible gift reciprocity. For example, in Switzerland, the USA, Germany Norway and France are among the countries where ICAN entities are recognized by their governments as stand-alone non-profit entities that give donors to those organizations who pay taxes in those countries income tax deduction benefits. Australia is out of line with international norms.

We have made repeated applications to foundations, many other funding bodies and individuals of significant net worth, only to be told that the lack of DGR status excludes us from even consideration for donations. This significantly impedes our ability to be fully effective, limits our employment of campaign staff and reduces funding for outreach activities. This means we are less effective in our campaign to reduce the risk of nuclear war.

How ICAN Australia aligns with public policy objectives and the priorities of the broader community

We have widespread public support, with 72 - 79% of the Australian population agreeing Australia should sign and ratify the UN Treaty on the Prohibition of Nuclear Weapons, and only 6-8% are opposed. In 2022, 86% agreed that threatening to use nuclear weapons was unacceptable.¹

¹ IPSOS 2018, 2020, 2022

We have wide support from a large number of community groups, with more than 80 diverse partner organisations across Australia.² We raise public awareness about the catastrophic humanitarian harm caused by nuclear weapons and put the UN TPNW squarely on the Australian political agenda.

One hundred and seven federal parliamentarians have signed the ICAN Parliamentary Pledge to work for Australia to sign and ratify the TPNW. This includes more than 75% of the ALP parliamentarians. Ten independent parliamentarians recently released a statement backing the TPNW and supporting increased engagement with it.

In 2021 the Australian Local Government Association unanimously passed a motion calling on Australia to sign and ratify the TPNW. Forty-two Councils have so far joined the call, as has the ACTU and more than two dozen unions.

At the 2018 ALP National Conference a policy platform committing to signing the TPNW was adopted unopposed. This was confirmed at the 2021 conference. Anthony Albanese said as he proposed the policy:

“I don’t argue that this is easy. I don’t argue that it’s simple. But I do argue that it’s just,” adding that it is consistent with the role that Labor governments have played internationally in the past. *“Nuclear weapons are the most destructive, inhumane, and indiscriminate weapons ever created.”*

What benefits would flow from increased philanthropic giving?

As noted in the background of the terms of reference, donations are often made as a response to a natural disaster or after public awareness of other causes of hardship. But prevention of disasters is considerably more cost effective.

Disaster prevention is valuable work that government can't do without the help of effective civil society organisations. If government were to replicate the ICAN campaign effort in a different way, it would take a substantial team of diplomats and significant expense.

In order to initiate UN treaty negotiations, countries needed to be informed and mobilised to understand the catastrophic humanitarian and environmental consequences of nuclear war, regardless of whether such a conflict starts by design or human/technical error. ICAN was instrumental in creating the momentum for governments to organise events to be updated on the latest research. As noted earlier, three conferences on the humanitarian impacts of nuclear weapons were held in 2013 and 2014.

ICAN organised large civil society Forums before the 1st Humanitarian Conference in Oslo in 2013 and the 3rd Humanitarian Conference in Vienna in 2014. ICAN participated in but didn't organise the Conferences themselves- the host governments did that, with varying amounts of input/consultation with ICAN both locally and internationally.

² <https://icanw.org.au/learn/support/>

Information on the effectiveness of not-for profit organisations.

Preventing nuclear war is undoubtedly a benefit to both Australia and the global community. However, impact assessment is more of a conceptual challenge for organisations working on things that might occur in the future, particularly where the probability is relatively low.

But equally it's precisely rigorously conducted impact assessments that have made people so passionate about the possibility of work in spaces like nuclear risk reduction. The back of envelope approach is to conduct an expected harm calculation (annual likelihood of the crises x consequence of crisis) and then think about the extent to which the activities could plausibly reduce either likelihood or consequence.

Methodology for impact assessment needs sensible ways of grappling with uncertainty and expected harm.

Depending on the size and number of nuclear weapons used, nuclear war and the subsequent nuclear winter could indirectly kill approximately 5 billion people.^{3,4} If weight is given to future generations the consequence would go up, potentially a lot depending on the assumptions (estimating 10 billion, but hard to quantify). It would go up even more if animal lives are valued.

Experts (although views vary a lot) estimate that chance of a nuclear war is between 0.5% and 3.0% per year. Given multiple past near misses over the last decades we will put it conservatively at 1%.⁵

On the basis of the likelihood and the consequence, the expected harm of a nuclear war is in the vicinity of 100 million human lives per year. Even if ICAN's global work is only reducing the chance of a nuclear war by 1% each year (i.e. from 1% to 0.99%; and that's probably a pessimistic assumption), it could be saving in the order of a million lives per year in expectation.

ICAN's total global budget is currently approximately AUD 5 million (note ICAN Australia's current budget is a much smaller subset at AUD 250,000). So ICAN is "saving a life" in expectation for \$5. Even if this is wrong in assumptions by two orders of magnitude, it is still an excellent outcome. If wrong by three orders of magnitude, we are still doing better than almost all Australian charities.

ICAN would welcome working with an Australian government funded or endorsed charity evaluator to refine and substantiate this estimate.

³Xia, L. Robock, A. et al (2022) Nature Food Global food insecurity and famine from reduced crop, marine fishery and livestock production due to climate disruption from nuclear war soot injection. <https://www.nature.com/articles/s43016-022-00573-0>

⁴Ruff, T. (2022) Pearls and Irritations. Ice age conditions after even "limited" nuclear war would starve billions. <https://johnmenadue.com/ice-age-conditions-after-even-limited-nuclear-war-would-starve-billions/>

⁵Lewis,P, Pelopidas,B. and Williams H.(2014). Chatham House. Too Close for Comfort: Cases of Near Nuclear Use and Options for Policy. <https://www.chathamhouse.org/2014/04/too-close-comfort-cases-near-nuclear-use-and-options-policy>

If a more detailed model/methodology for effectiveness assessment is wanted, please examine this recent post on the Effective Altruism Forum.⁶ This more detailed analysis at an international level finds the marginal expected value of lobbying for arsenal limitation to mitigate nuclear war to be 3,341,695 disability adjusted life years (DALYs) per USD 100,000.

Identifying and assessing reform options

Clearly, inclusion of organisations that prevent catastrophic harm in the categories that are eligible for DGR would encourage potential donors and enable these organisations to be more effective. We note, for the purposes of calculating tax liability should ICAN Australia gain DGR status, we would aim for the donor giving would increase by AUD 100,000 to 200,000. This would be largely be used to employ more staff.

Increasing our budget will enable greater education of the general public about why nuclear disarmament is a key priority. We have worked with indigenous communities, unions, church groups, environmental groups and many others, bringing them together due to their concern about the impacts of nuclear weapons and the risk they pose to us and future generations.

It will also enable us to do more advocacy in both the government and financial services space (ICAN Australia has a project in collaboration with the Medical Association for Prevention of War called “Quit Nukes”, which is working to get superannuation funds and other financial institutions to stop investing in nuclear weapons producing companies).

We would be very happy to discuss this with you or provide further information if that would be of assistance.

Yours sincerely,

Dr Margaret Beavis and A/Prof Marianne Hanson

Co-Chairs
ICAN Australia

⁶ Tan, J. Shallow Report on Nuclear War (Arsenal Limitation) (2023) Effective Altruism Forum.
<https://forum.effectivealtruism.org/posts/oGBBxHBPcsyqYt4SE/shallow-report-on-nuclear-war-arsenal-limitation>