

## **Rotary Australia World Community Service Limited**

### **submission to the**

### **Senate Foreign Affairs, Defence and Trade References Committee Inquiry into the delivery and effectiveness of Australia's bilateral aid program in Papua New Guinea**

#### **Background**

Rotary Australian World Community Service Limited (RAWCS) is a not-for-profit company run by Australian Rotarians to facilitate the provision of humanitarian aid. The company operates Australia wide and delivers aid to around 30 developing countries of which PNG is one. RAWCS delivers aid in three broad categories:

- undertaking specific projects managed by Australian Rotary volunteers;
- donations of goods and equipment to specific locations; and
- managing the distribution of long life insecticide treated bednets for the prevention of malaria

Each of these categories of activity is managed, monitored and accountable to RAWCS. RAWCS is a deductible gift recipient and this allows tax deductibility for gifts to aid activities in those countries declared as "developing" by the Minister for Foreign Affairs – this includes PNG.

RAWCS complies with the Department of Foreign Affairs and Trade (DFAT) - "Overseas Aid Gift Deduction Scheme - Guidelines for Obtaining Tax Deductibility" (OAGDS) which were issued in January 2014.

RAWCS has been providing overseas aid for 50 years through the facilitation of the provision of humanitarian aid by Australian Rotarians and Rotary Clubs. RAWCS is not a fundraising organisation, it registers projects to facilitate tax deductibility on behalf of Rotary Clubs and District from within Australia and seeks to assist Clubs in providing humanitarian aid in line with the Australian Government's OAGDS Guidelines. The OAGDS Guidelines require an organisation's funds to be used specifically for development and/or relief activities and not for evangelical, welfare or partisan political purposes.

RAWCS, like any organisation, has regulatory and governance overheads and up until recently these costs were fully met by Australian Rotarians. In more recent times, RAWCS has sought to shift the funding for its overhead expenses, away from a cost to Rotarians, in favour of a service charge on the cost of the project being undertaken (approximately 3%). RAWCS is working toward having the service charge fully fund the organisation in the near future.

## **Projects Managed by Australian Rotary Volunteers**

Development seeks to improve the conditions of communities in a sustainable way. RAWCS works with communities, rather than for or on behalf of communities. RAWCS volunteers assist in undertaking projects that can't be done by the community itself. The aim is that the project will benefit the community, be sustainable and improve the skill base of those who become involved in the project.

All RAWCS projects have local input - the local community decide what to do, and how to do it, and do as much of the work as possible. The involvement of local people helps RAWCS to better understand the needs and aims of the people who will come into contact with the project. It also increases the sense of ownership of the project by local stakeholders, which increases the likelihood of project objectives being achieved and local people being committed to carrying on the activity after outside support has stopped.

RAWCS projects seek to improve the well-being of those in need without favouritism or discrimination by race, religion, culture or political persuasion. Additionally, all our projects aim to produce benefits that are sustainable, that is, benefits that will continue after development assistance has ceased.

RAWCS relief projects aim to provide basic support to people following an emergency situation - tsunami, flood, etc. RAWCS is not an emergency response organisation. We undertake projects which will provide recovery assistance as part of a short term relief response aimed at putting people 'back on their feet'.

In the last two years RAWCS has undertaken fifteen (15) projects on PNG. The tax deductible donations to these projects amounted to \$40,672 and there were 159 volunteers who undertook these projects. The total value of the finished projects amounted to \$1,077,666.

## **The donation of goods to specific locations**

RAWCS through its Donations in Kind (DIK) activities, enables Australian Rotarians and Rotary Clubs to source and collect surplus goods and equipment for on forwarding to specific locations in developing countries. The goods and equipment ranges from surplus hospital beds and school desks and chairs (both often sourced after a hospital or school refit), to simple bush birthing kits or supplies of slates, chalk, pencils and paper. We have even supplied a fire fighting truck.

Many years ago, returned unused pharmaceuticals and stock nearing its expiry date, were able to be collected from Chemists and after checking by qualified pharmacists DIK supplied many a PNG clinic or remote hospital with vital otherwise non existent supplies. Unfortunately this avenue for supporting medical aid in PNG is no longer available.

Since 1990 RAWCS through DIK has delivered 589 containers of goods and equipment to PNG. This is conservatively valued at \$35,294,000. The cost of

transporting these containers to PNG has been paid for by Australian Rotarians and Rotary Clubs.

### **The distribution of long life insecticide treated bednets for the prevention of malaria**

The RAWCS, Rotarians Against Malaria (RAM) activities, started in the early nineties in PNG. Over this period we have seen quite a few changes in the way in which we provide our support. In the early days RAWCS supplied bed nets in a very limited way. We supplied the netting and the local women made the nets. Our resources could never supply the nets needed to cover the populations of PNG.

From this dilemma, the Adopt a Village program was born - a way in which Australian Rotarians and Rotary Clubs could cover PNG one village at a time. This approach was an improvement on the previous one but still did not have the capacity to bring about a dramatic reduction in the incidence of Malaria.

Under the auspices of the UN, the Global Fund was formed to collect and distribute funds from Donor Countries to combat three Diseases which were running rampant through the developing world. These were TB, HIV/AIDS and Malaria. Finally there was a mechanism for developing countries to tackle these diseases in a manner that would bring positive results.

Through the Global Fund, RAM in PNG has delivered over 6 million Long Life Insecticide Nets since 2010. During this time they have covered PNG twice. The success of the current program has reduced the incidence of malaria from 15% of the population to 1%., an overall reduction of 94%.

With the reduction in Global Funding RAM in PNG has had to better utilise their resources to ensure the excellent results they have achieved to date are not eroded.

RAM has launched a new programme called "Chasing Malaria". This programme will see RAM in PNG monitoring every aid post in the country for positive cases of malaria. Whenever a positive case is detected RAM will give a free net to that person and collect all of the information on where he or she lives. If two or three positive cases from the same village or area are found, RAM will send a team into that area with a view to providing additional nets and also to assist the villagers to clean up the area in order to remove any mosquito breeding and resting sites.

This program incorporates the Healthy Villages program so successfully run in the Solomon Islands. Under this program, villages are provided with a set of tools and instructions on how to eliminate mosquito breeding sites around their village. Each village becomes responsible for their set of tools.

The program will be expensive - around US\$2.2 million for each of three years. RAM is seeking the assistance of Rotary clubs around the world to help with this new initiative. To assist in getting the program started RAM has sent \$600,000 to

PNG. These funds have been donated by Australian Clubs over the last few years waiting for a suitable project in PNG.

This year RAM has commenced funding a three year Post Graduate Scholarship in Vector Control at James Cook University. This scholarship is open to suitable Graduates from PNG to allow them to complete a PHD in Vector Control and then return to PNG to utilise their new skills

From the commencement of our involvement in the early nineties Australian Rotarians, through RAM have contributed over \$1,400,000 to combat Malaria in PNG.

### **RAWCS's response to the Senate Committee inquiry**

RAWCS chooses to only address the terms of reference that are of relevance to it. These are as follows:

- a) the economic and social objectives of Australia's aid;
- b) the role of, non-government organisations, Australian civil society and other donors;

### **Economic and social objectives of Australia's aid**

Australian Rotarians through RAWCS are concerned to relieve the economic and social hardship or misfortune of others. PNG and Timor Leste are our closest neighbours and are developing countries with limited resources and capability. The assistance provided by Australian Rotarians to PNG is delivered in a very cost effective manner which relies on the good will and volunteered efforts of Rotarians across the country. The projects, goods and equipment are appropriately targeted through the involvement of Rotary Clubs in PNG. This humanitarian aid is planned, resourced and implemented independently of PNG government / political systems thereby ensuring it gets to where it is needed. The malaria bed netting program in PNG is another example of where Rotary's effectiveness in delivering a very successful outcome stands out internationally for its remarkable reduction in the incidence of malaria.

RAWCS has around 1000 volunteers undertaking projects overseas every year (in 30 odd countries - not all in PNG). We deliver projects, goods and services very effectively. The direct effectiveness of the tax deductibility of donations is difficult to quantify, suffice it to say that we deliver around twenty (20) times the value of the forgone tax.

We do face a dilemma however. A person who donates, say \$1000 to RAWCS for humanitarian aid receives a tax deductible receipt for the full \$1000. Another person volunteers their time and skills to go overseas and work on a RAWCS project and incurs a cost of say \$1000 in travel and accommodation in getting to and

from the project and using whatever accommodation (usually very merger) is available and they cannot receive a tax deductible receipt for their donation.

### **Role of, non-government organisations, Australian civil society and other donors**

Non-government organisations provide a huge contribution to the nation's economy (the Australian Charities and Not-for-profit Commission (ACNC) estimates are very conservative) and the philanthropy they represent reflect the values of Australian civil society. Australians generally are generous in their support of humanitarian causes with the proviso that their generosity quickly fades if there is suggestion that their good nature is being taken advantage of.

The current tax deductibility arrangements to this sector for aid in developing countries, is repaid many times over in the value of services delivered on the ground. In addition the social and political value of this support has a huge uncalculated longer term benefit.

RAWCS believes that the current level of government regulation of this sector, particularly as it relates to the effectiveness of the delivery of overseas aid, is adequate. The administrative burden on an organisation such as RAWCS in maintaining its legal compliance is substantial. Any additional compliance requirements would place an unpopular impost on a sector that already considers compliance costs a burden.

Rotary and RAWCS in particular take their legal and civil obligations and responsibilities very seriously. Whilst additional data on the effectiveness of program delivery is desirable, the reality of requiring a volunteer work force to undertake further requirements, means further bureaucratic red tape will be difficult to progress.

RAWCS requests that the Senate Committee consider the anomalies in relation to;

- the tax deductibility of costs for volunteers undertaking projects overseas; and
- the reinstatement of the donation of returned and near expired pharmaceuticals that RAWCS was previously been able to provide the PNG health sector.