

Coalition senators' dissenting report

Coalition senators do not support the Bill

1.1 It is important at the outset to note that opposition to the Bill is neither a reflection of the African Development Bank (ADB) nor is it an antithetical view of the need to improve cooperation with our aid partners to further the development outcomes of the African continent.

1.2 Coalition senators oppose the Bill on the grounds that the Government's strategic priorities for Australia's aid program, and its track record of poor economic management of the same, are far from commendable.

1.3 We hold no dissention of the view that the ADB is a highly regarded institution that has some remarkable achievements in improving the lives of many Africans since its inception. The growth of the bank's membership to now include a number of the world's largest economies, including the United States and the United Kingdom, is testament to these accomplishments, as is the bank's steadfastness in returning to a AAA credit rating just over a decade ago. Many Africans have witnessed an improvement in their health and education standards and a reduction in inequality as a result of the bank's projects.

1.4 The coalition supports the Millennium Development Goals that go to the core of much of the ADB's operations but more needs to be done if Africa is to make valuable inroads in this area. In this regard, Australia will always stand ready to offer assistance to those that are in need and to the causes and aims we believe in.

1.5 Coalition senators believe, however, that providing support cannot come at any cost which is the case with the government's proposed membership of the ADB Group.

1.6 Australia's membership of the group would require an initial contribution of \$249 million over three years at a time when the government is moving further away from the bi-partisan commitment of 0.5% of GDP to be provided as official development assistance (ODA). This quarter of a million dollars is just the start with additional ongoing payments necessary from 2014, the size of which are as yet undetermined.

1.7 The reality is that money is being borrowed from one country to be given to another. The coalition does not believe this is the correct way to go about membership of the ADB.

1.8 Only with a strong economy can we afford to provide the type of assistance that we should strive to achieve through membership of the ADB. Sadly, the Labor government cannot lay claim to such an economy.

1.9 Coalition senators believe that before further diluting our aid budget, more must be done to ensure current allocations are delivered the way they should be. As it stands, significant deficiencies remain.

1.10 AusAID is not meeting its performance benchmarks when it fails to address the poor conditions at Daru Hospital. The sale of Australian education scholarships for profit by so-called officials in Afghanistan is not evidence of our aid money being appropriated properly. Performance benchmarks are not being met when AusAID pushes money out the door in order to reach its expenditure targets.

1.11 At a time when the pressure on the nation's finances is so great, the government should not be locking Australia into additional commitments at a cost of hundreds of millions of dollars. Coalition senators believe the focus right now should be on what is essential, not what is desirable.

1.12 Dissent to this report should not come as a surprise. In his 2012-13 budget-in-reply speech, the leader of the opposition, Hon Tony Abbott MHR, questioned why the Gillard Government was spending millions of dollars to join the ADB in an environment where it is actually borrowing money to support its ODA. Alarmingly, a proportion of our aid budget is even being spent on the off-shore processing of illegal boat arrivals.

1.13 Once again, the coalition has no objection to the fine work undertaken by the ADB and is similarly fully cognisant of the challenges that confront many African nations.

1.14 The coalition's objection centres on the fact the government has mismanaged the aid budget to the point that the time is not right to spread our already thinning ODA even further. A more appropriate time to consider the not insignificant cost of membership will only come when the nation's finances improve and when our aid budget is used most effectively.

1.15 Coalition senators oppose the Bill.

Senator Alan Eggleston
Deputy Chair

Senator David Fawcett