

Dissenting report by the Australian Greens

Introduction

1.1 This inquiry has provided an opportunity to record concerns about the government's changes to the delivery of overseas aid, cuts to the aid budget and to reiterate the importance of Australia meeting its objective of poverty alleviation.

1.2 The Greens strongly agree with the Committee recommendation that an overarching policy framework for the Australian aid program is a necessary requirement for the May 2014 budget process, and that the aid program needs long term strategic objectives and identifiable measures to achieve those objectives.

1.3 In September 2013, the Coalition Government announced they would cut Australia's aid budget by \$4.5 billion over four years. On 18 January 2014, the Government announced that around \$640 million was being cut from the aid budget this financial year, which would reduce aid funding by \$107 million to what was spent last year.

1.4 Apart from a further shift away from meeting the UN MDG commitment of 0.7 per cent by 2015, this announcement was made more than halfway through the financial year, when funding and commitments were already in place. These cuts will bring Australia's ODA/GNI ratio down from 0.37 per cent to 0.33 per cent.

1.5 In September 2013 the Coalition Government announced the reintegration of AusAID into DFAT and that the objective of the aid program is primarily to serve Australia's national interests.

1.6 The Greens are concerned at the amount of aid funding that is being directed towards the costs of sustaining the Australian Government's policy on asylum seekers and refugees. We don't believe that this is an appropriate use of aid funding.

Greens vision for overseas aid

1.7 Bilateral and multilateral aid programs should facilitate positive and equitable change in social, economic and environmental standards for the citizens of aid-recipient countries.

1.8 Aid-funded programs should be consistent with a human-rights based approach to development; be economically and environmentally sustainable; should promote local participation and gender equality; and should enhance the political, economic and social rights of the communities affected by funded projects.

1.9 Australian aid should always aim to build economic self-reliance in developing nations. Affected communities should be empowered with decision-making abilities informed by free, prior and informed consent, and with transparent mechanisms ensuring a right to accountability.

1.10 Our aid and development dollar should not subsidise or favour Australian businesses in recipient countries. Nor should our aid funds be used to facilitate Australian businesses' claims to a developing country's natural resources or access to contracts that lead to profits being exported from the recipient country, displacement or disempowerment of local communities and workers, or environmental degradation.

1.11 While many communities benefit from aid and development projects, some large infrastructure and resource development projects can cause widespread social injustice and disempowerment. Many communities have suffered the dispossession of their land, destruction of their environments, and ruin of their livelihoods, cultures and identities as a result of aid-development projects.

1.12 The Australian Greens are concerned about the Australian government's Mining for Development Initiative. As noted in the Aid/Watch submission:

Mining projects have long been associated with what is referred to as the "resource curse": the dispossession of Indigenous peoples and other communities from their land; irreversible environmental destruction; increasing economic and social inequality; government corruption; corporate rent-seeking and violent conflicts.¹

1.13 Overseas aid funding should be stable and predictable, and the value of that funding should not fall over time. Those organisations delivering aid-funded projects cannot be expected to achieve strategic and sustainable long-term goals that are "value for money" without funding certainty.

Response to Committee recommendations

Committee Recommendation 3

The committee recommends the Australian Government maintain its commitment to increase the funding by the Consumer Price Index in 2014-15.

1.14 The Australian Greens are committed to the United Nations Millennium Development Goal target of 0.7 per cent GNP by 2015. The recent Labor government, under a succession of ministers, continually deferred even a conservative target of 0.5 per cent of GNI.

1.15 In 2008, Foreign Minister Stephen Smith committed Australia to a target of 0.5 per cent of GNI by 2015-16. This was reaffirmed in 2009, 2010 and 2011. In 2012 Minister Bob Carr deferred this target to 2016-17, and in 2013 he delayed it again to 2017-18. The Coalition Government's \$4.5 billion cut according to economist Professor Stephen Howes of the Australian National University will see aid falling

1 *Submission 25*, pp 3-4.

from 0.35 per cent of GNI in 2012-13 to 0.31 per cent in 2017.² An increase of aid funding by the Consumer Price Index in 2014-2015 will not achieve a 0.7 per cent GNI target by 2015.

Committee Recommendation 4

The committee recommends that, in future years, the Australian Government ensures that Australia's ODA/GNI ratio does not fall below 0.33.

1.16 The Greens are committed to the United Nations Millennium Development Goal target of 0.7 per cent GNP by 2015. For a country as rich as Australia the current aid commitment of 0.33 per cent is indefensible. We should at least commit to a 0.5 per cent target by 2016-2017 as per former Minister Carr's commitment and then work towards 0.7 per cent of GNI allocation to the overseas budget.

Committee Recommendation 5

The committee recommends the Minister for Foreign Affairs and the Shadow Minister for Foreign Affairs develop a bipartisan agreement for the long term funding of Australia's overseas aid and development assistance program to achieve the ODA/GNI target of 0.5 per cent by 2024-25.

1.17 As per the above comments, the Greens do not support an agreement that will delay an ODA/GNI target of 0.5 per cent by 2024-25. Australia should like other countries be meeting the 0.7 per cent by 2015. As this is now most certainly not an achievable target, we should be committing to the former Labor government's target of 0.5 per cent target by 2016-2017, and developing a timeline to reach the 0.7 per cent target as soon as possible. Labor and the Coalition should jointly commit to this target rather than the 2024-25 target.

Committee Recommendation 19

The committee recommends the Australian Government consider changing the title of the Department of Foreign Affairs and Trade to reflect the importance of its overseas aid and development assistance responsibilities.

1.18 The independent executive agency AusAID should be reinstated. The most effective way to reflect the importance of our aid and development responsibilities, to both a domestic and international audience, is to have them carried out through a politically independent executive agency like AusAID.

Dissenting report recommendations

1. Tied aid programs should not be considered as Official Development Assistance. Overseas development should contribute to poverty alleviation and should not be used as corporate welfare for Australian companies.

2 Mike Steketee, 'Foreign aid cut: saving lives is a low priority', *The Drum*, available at: <http://www.abc.net.au/news/2013-09-26/steketee-foreign-aid/4980840>.

2. Aid should not be linked to Australia's punitive refugee policy either through spending in Australia or overseas, and aid should not be used as a means of leverage deals with neighbouring countries.
3. The Government should maintain its commitment to the MDG's by ensuring all aid policy meets MDG guidelines.
4. The Government should end programs and policies that do not meet the objectives of the MDG's such as the Mining for Development Initiative.
5. Environmental aid, including climate change adaptation funds should be added to the aid program as priority areas.
6. The Government should reassess the aid for trade policy and cease the use of aid as a bargaining chip to further these negotiations.
7. A significantly increased level of scrutiny and accountability needs to be applied to where the Government partners with the private sector.
8. The Government to more regularly release information about the aid program and increase the transparency about decision making processes.

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Australian Greens