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Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Overseas Aid (Millennium Development Goals) Bill 2013

The Australian Christian Lobby (ACL) welcomes this opportunity to comment on the *Overseas Aid (Millennium Development Goals) Bill 2013*.

ACL supports the government reaching the goal of 0.5 per cent of Gross National Income (GNI) being given to foreign aid by 2015-16, rising to 0.7 per cent by 2020-21.

Australia signed the Millennium Development Goals in 2000. At the time it was estimated that developed countries would need to contribute 0.7 per cent of GNI by 2015 to achieve the goal of halving global poverty.

In 2010, the Labor Party made an election promise to increase foreign aid to 0.5 per cent of GNI by 2015-16, and committed to increasing this to 0.7 per cent “as economic and fiscal conditions permit”. The Coalition also supported the target of 0.5 per cent without committing to a time frame, and supported the UN goal of 0.7 per cent while not agreeing with “time-bound targets to reach this goal”.¹

Unfortunately these commitments have not been met.

In the 2012 budget, foreign aid was reduced by \$2.9 billion in an effort to find savings in the budget.² Later in 2012, the Government announced it would divert \$375 million from foreign aid to pay for onshore processing of asylum seeker.³ Such spending on a domestic policy issue is contrary to the purpose of delivering aid to the international poor.

¹ Australia Votes 2010, Labor and Liberal National Coalition answers to Question 3: Overseas Aid, http://2010.australiavotes.org.au/policies/index.php?topic_ids=46.

² ABC (May 8, 2012), ‘Foreign aid delay to save \$2.9b’, <http://www.abc.net.au/news/2012-05-08/foreign-aid-delays/3998968>.

³ ABC (December 18, 2012), ‘Australia to cut aid to fund asylum seeker costs’, <http://www.abc.net.au/news/2012-12-17/australia-to-cut-aid-to-fund-asylum-seeker-costs/4432606>.

In the 2013 budget, foreign aid was delayed by another year when the Government announced that the 0.5 per cent target would be pushed back to 2017-18.⁴

In addition, the Coalition has stated it won't keep the commitment to increase to 0.5 per cent by 2015.^{5, 6} The willingness of both major parties to dispense with their commitments to delivery of foreign aid demonstrates the need to enshrine Australia's international aid commitment in law.

Foreign aid cannot be treated as a luxury to be dispensed with when savings need to be made or other expenses met. Australia is one of the world's wealthiest countries, and its commitment directly affects the lives of hundreds of thousands of vulnerable people in poor parts of the world.

The proposed timeline in this bill is also necessary to keep the government accountable to achieving the goal of 0.7 per cent of GNI by 2020-21. ACL supports the inclusion of this timeline.

Foreign Aid Commissioner

ACL supports accountability in foreign aid and believes effective oversight should be in place to ensure efficient delivery of funds. However, ACL questions the need for a Commissioner for Aid Effectiveness. This will increase the cost of implementing foreign aid, diverting funds to administrative costs instead of ensuring they go where they are most needed. There should be other ways to ensure the effectiveness of aid spending without establishing an additional level of bureaucracy.

Conclusion

ACL commends the bill, but recommends against the establishment of a Commissioner for Aid Effectiveness. ACL supports enshrining in law "the Australian Government's moral duty to meet its existing commitment to United Nations aid targets".⁷ ACL also supports the timeline proposed in the bill, which would meet the original commitment to increase foreign aid to 0.5 per cent by 2015-16.

Yours sincerely,

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Chief of Staff

⁴ Joe Kelly (May 13, 2013), 'Bob Carr says the budget hit to foreign aid was inevitable, but aid groups are disappointed', *The Australian*, <http://www.theaustralian.com.au/national-affairs/treasury/bob-carr-says-the-budget-hit-to-foreign-aid-was-inevitable-but-aid-groups-are-disappointed/story-fnhi8df6-1226640958638>.

⁵ Bianca Hall (May 11, 2012), 'Coalition won't keep aid commitment', *Sydney Morning Herald*, <http://www.smh.com.au/business/federal-budget/coalition-wont-keep-aid-commitment-20120510-1yfni.html>.

⁶ Australia Votes (2013), Liberal National Coalition answer to Question 5: Overseas Aid, http://www.australiavotes.org.au/policies/index.php?topic_ids=98#question2.

⁷ Overseas Aid (Millennium Development Goals) Bill 2013, Explanatory Memorandum, p 2.