

THE CHURCH AGENCIES NETWORK

PRE – BUDGET SUBMISSION FEDERAL BUDGET 2017/2018

The Minister for Small Business
The Hon. Michael McCormack
Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

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ABOUT CAN

The Church Agencies Network is a consortium of Australian church-based aid and development agencies who are members of ACFID. Currently our membership comprises Act for Peace, the Adventist Development and Relief Agency Australia, Anglican Board of Mission, Anglican Overseas Aid, Australian Lutheran World Service, Baptist World Aid Australia / Transform Aid International, Caritas Australia, Global Mission Partners, Quaker Service Australia, Salvation Army Australia, and UnitingWorld.

Our constituencies in Australia are the church members and their communities within each of our denominations and networks. We work with these constituencies to inspire and empower people, providing avenues for them to engage in overcoming poverty and injustice.

Our constituencies overseas are predominantly the churches, church-based and faith-based agencies, their members and communities with whom we partner. We work with indigenous, grass-roots organisations to overcome poverty and injustice through empowering the local people and building on their capacity.

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SUMMARY OF RECOMMENDATIONS

The Church agency network calls on the federal government to:

- Contribute closer to its proportionate share to climate financing based on the scale of Australia's Gross National Income compared to other OECD countries.
- Commit that any new climate financing commitments are additional funding, over and above, Australia's existing ODA commitment.
- Sustain, and over the course of future budgets, increase the funding for disaster risk reduction and resilience initiatives in the Pacific region.
- Restore the previously sound framework for research, monitoring and evaluation (M&E) for the Australian aid program.
- Establish an independent Office of Development Effectiveness to monitor, evaluate and report on the effectiveness of Australia's aid program.
- Reinstate the government practice of presenting an 'aid blue book' for a public audience when announcing the federal budget.
- Restore the previous funding commitment for collaboration between DFAT and Australian NGOs to effectively communicate the achievements and outcomes of the Australian Aid Program to the wider Australian community.

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INTRODUCTION

As former Coalition Treasurer, Peter Costello, told the 2004 National Thanksgiving Service: "The Judeo-Christian tradition is the single most decisive influence on Australian society. As a society we are who we are, because of this heritage".

A feature of Australia's Christian heritage is that national institutions and citizens respect and assist, where possible, the most disadvantaged members of society. Similarly, as one of the world's wealthiest nations, successive Australian governments have acknowledged that this heritage means playing our part in addressing the causes of global poverty.

Over the last 60 years, Australia came to be seen as a constructive middle power, through many of its diplomatic, trade and overseas aid program contributions. In terms of private giving, Australians have been consistently among the most generous in their private giving for global poverty.¹ This explains the support by every Federal government for over forty years of a unique and joint investment channel called the Australian NGO Co-operation Program (ANCP).

We call on the Australian Government to redefine the core objective² of Australia's official aid program so that it focusses principally on reducing poverty and 'achieving measurable sustainable development goals', rather than focussing principally on pursuing national interest. This change would be consistent with the official approach to aid of most OECD countries.³ It would also reflect Australian community values more accurately and provide a clearer point of policy reference when policy makers consider competing immigration, defence or trade policy considerations.

CLIMATE CHANGE

Climate change is exacerbating poverty and undermining decades of hard-won development gains. Australia's region is already experiencing some of the most severe impacts of climate change with many countries throughout Asia and the unpredictable

¹ According to the Charities Aid Foundation World Giving Index See: <https://www.cafonline.org/about-us/publications/2016-publications/caf-world-giving-index-2016>

² What we do: re-shaping the aid program: <http://dfat.gov.au/aid/pages/australias-aid-program.aspx>

³ As captured in NZAID's mission: https://www.mfat.govt.nz/assets/_securedfiles/Aid-Prog-docs/New-Zealand-Aid-Programme-Strategic-Plan-2015-19.pdf

⁴ As captured in USAID's mission: <https://www.usaid.gov/who-we-are/mission-vision-values>

weather patterns, an increase in extreme weather events and sea level rise. This has had a profound impact on the poor.⁵

The nexus between climate change impact and poverty reduction has become much clearer over the last decade. In light of the challenges which this presents for implementing an official aid program, we urge the government to develop a climate change and disaster risk reduction strategy that cuts across the aid program.

Australia is working in partnership with the Conservative UK government to outline how the world will meet its commitment to contribute \$100bn per year by 2020 for climate financing (aimed at supporting developing countries' climate mitigation and adaptation policies and programs).⁶

It is important that Australia's desire to lead on global climate financing is also reflected in the proportionate scale of Australia's financial contributions.

Recommendations:

- (i) We call on the Australian government to contribute closer to its proportionate share to climate financing based on relative national GDP size.
- (ii) We also ask that any new climate financing commitments represent additional funding, over and above, Australia's existing ODA commitment. This would mean that new Australian commitments do not come at the expense of other aid program commitments, as has been the case in recent years.

DISASTER RISK REDUCTION and PREPAREDNESS

In May 2016 the Department of Foreign Affairs and Trade launched Australia's new Humanitarian Strategy. A cornerstone of this key element of the Aid Program is a commitment to assisting the vulnerable island states of the Pacific to increase their resilience and capacity to respond to natural disasters.⁷ The Australian Humanitarian Partnership which will be launched in July 2017 contains funding up to \$45 million until

⁵ See for example Caritas' (Australia, New Zealand and Tonga) annual State of the Environment Report. The report captures the widespread impact of extreme weather events throughout Oceania which have resulted in millions of people experiencing hunger and thirst: <http://www.caritas.org.au/act/our-common-home/hungry-for-justice>

⁶ Referenced in <https://acfid.asn.au/media-releases/climate-change-strategy-crucial-next-step-paris-agreement-kicks>

⁷ See, for example, strategic goals 2 and 3 in Humanitarian Strategy, Department of Foreign Affairs and Trade, Canberra, May 2016.

2021⁸ for this critical work. We strongly endorse this rational and forward thinking policy commitment.

The World Disasters Report 2016 highlights the important role that building resilience and response capacity, through national to local preparedness and response systems, should play in Australia's commitment to humanitarian aid and assistance. The report cites extensive research that indicates the benefits of up-front investment in resilience in terms of reducing costs for both immediate response, and recovery, in the event of a disaster.⁹

It is worth noting that this is precisely the approach that Australia takes domestically on the recommendation of the Productivity Commission¹⁰. High levels of expertise within Australian government, business and civil society communities can be effectively leveraged to assist our neighbours in the Pacific to strengthen their own preparedness and resilience to disasters.¹¹

The Australian Church Agencies Network has a substantial institutional network with its local partners across the Pacific region. We have the capacity to leverage additional resources to match and deliver on the objectives of the Australian Humanitarian Strategy.¹²

Effective disaster risk reduction and preparedness require collaboration across the full range of stakeholders both here in Australia and overseas. Future funding commitments to building resilience through the Aid Program should require collaboration and be based on evidence of operational effectiveness before commitment of additional funds.

Recommendation:

- (i) We call for the Australian Government to sustain, and over the course of future budgets, increase the funding for disaster risk reduction and resilience initiatives in the Pacific region.

⁸ See Objective 2 and budget commitments in Investment Design Document – Australian Humanitarian Partnership, Department of Foreign Affairs and Trade, Canberra, May 2016.

⁹ See, World Disasters Report 2016: Resilience, saving lives today, investing for tomorrow, International Federation of the Red Cross and Red Crescent Societies, Geneva, October 2016.

¹⁰ Refer <http://www.pc.gov.au/inquiries/completed/disaster-funding/report>

¹¹ Refer <https://www.pm.gov.au/media/2016-09-09/remarks-pacific-island-forum>

¹² See, for example, Roadmap to Resilient Communities, Church Agencies Network, Sydney, May 2016. <http://www.churchagenciesnetwork.org.au/can-do-consortium/can-do-road-map/>

TRANSPARENCY and ACCOUNTABILITY

In the face of a growing list of global challenges (as examples, climate change, transnational crime and epidemics), it is more important than ever that Australian citizens are confident about the accountability and measurement of the various components of the official aid program. Goal 16 of the Sustainable Development Goals captures the need for “effective, accountable and inclusive institutions at all levels.”¹³ An effective aid program relies on accountability and transparency. Improved government accountability can be expected to enhance public confidence in this program. The following recommendations will provide greater transparency to the Australian people (tax payers), international non-governmental organisations and, most centrally, the people in developing countries who benefit from Australia’s development assistance.

Recommendations:

- (i) We call for the restoration of a sound framework for research, monitoring and evaluation (M&E) for the Australian aid program.
- (ii) We also recommend the establishment of an independent Office of Development Effectiveness. The core purpose of the Office would be to monitor, evaluate and report on the effectiveness of Australia’s aid program.
- (iii) We call on the government to reinstate the practice of producing an ‘aid blue book’ when announcing the federal budget.

AWARENESS in AUSTRALIA about the AID PROGRAM

Australia along with all other nations has committed to the Sustainable Development Goals. The Australian Aid Program will play an important role in assisting our nearest neighbours in the Indo-Pacific to make progress against these goals that are designed to be a pathway to a sustainable and prosperous future for all people on this planet.

Unfortunately many in the Australian public remain unaware or misinformed about the nature and effectiveness of the Australian Aid Program¹⁴. Recent surveys indicated that

¹³ See Goal 16: <http://www.un.org/sustainabledevelopment/peace-justice/>

¹⁴ Cf: <http://devpolicy.org/what-do-australians-think-about-foreign-aod-20150903/>

the majority vastly overestimate the size of the program and few have a clear understanding of how it is used effectively.¹⁵

As development practitioners we recognize that aid is only one tool in an extensive toolkit used by many stakeholders to achieve human progress and development. As stakeholders in the use of this tool both Australian NGOs and the Department of Foreign Affairs and Trade have a shared responsibility and motivation for communicating to the public the benefits of the aid program.

Recommendation:

- (i) We call for the restoration of a funded collaboration between the Australian Government and Australian Non-government Organisations to effectively communicate to the general public, the useful outcomes of the Australian Aid Program.

We recognize the skepticism in some quarters that such a funded arrangement simply funds NGOs to argue for more funds. However, the reality is that previous funding agreements, for example, within the ANCP, have always included provisions to prevent the use of funds for such purposes and we would strongly endorse retaining similar controls on any future investment in joint collaboration.

CONCLUDING COMMENTS

The Church Agencies Network would like to thank the Treasury for the opportunity to provide this pre-budget submission to the Commonwealth Government. The proposals outlined in this submission provide examples of effective uses of both existing and potential future increases in the Australian Aid budget. Until recently, Australia has seen a bi-partisan commitment to meeting its international commitment to the 0.5% aid funding target. Australian Churches recognize the fiscal restraints on all OECD governments but ask that Australia re-commit to the principle of sharing the effort among wealthy countries to achieve the Sustainable Development Goals.

CAN would welcome the opportunity to discuss any aspect of this submission in greater detail. For further information, please contact Dr Bob Mitchell or send an email to cansecretariat@unitingworld.org.au.

¹⁵ See: - <http://www.essentialvision.com.au/foreign-aid-budget-2>.