

FOR IMMEDIATE RELEASE

Date of Issue: 13/05/2014

Broken promises and aid cuts in Abbott Government's first budget

Micah Challenge is deeply disappointed that the Coalition Government has chosen to balance its first budget on the backs of the poor by making further cuts to aid, delaying inflation increases and abandoning its commitment to increase aid towards 0.5% of Gross National Income (GNI).

Despite the Coalition's repeated assertions that foreign aid will increase each year at the Consumer Price Index, the Government has now announced that it will make a further \$3.1 billion cuts to forward estimates, on top of the \$4.5 billion cuts announced last September, by delaying CPI increases until after 2016.

"We are extremely disappointed to see the poorest people in our region bear the brunt of our Government's budget savings yet again," said Micah Challenge's Political Engagement Coordinator Ben Thurley.

"Tonight's announcement of a \$7.6 billion cut in aid is a broken promise to the Australian public and the global poor, and follows three shameful years of Government raids on the aid budget to reduce expenditure," said Mr Thurley. "Two-thirds of the world's poor people live in Asia and the Pacific, so these cuts have real impacts on real people and on Australia's standing in the region."

The Government has also announced it will no longer target an increase in foreign aid to 0.5% of Gross National Income - the longstanding bipartisan commitment.

"This represents an unconscionable delay in meeting our commitment to the Millennium Development Goals, and is a breach of faith with the Australian people who overwhelmingly support a generous and effective aid program," said Mr Thurley. "Almost two million households donate each year to international aid organisations, yet the Government is finding 20% of its total budget savings from the overseas aid budget."

According to the Department of Foreign Affairs and Trade, Australian aid last year helped to vaccinate more than 2.7 million boys and girls against killer diseases, provide safe water for an additional 2.2 million people, decent sanitation for 1.9 million people, enrol an additional 1 million children in school and provide life-saving assistance to 11.8 million in conflict or crisis.

"Despite the progress in the fight against poverty, more still needs to be done. Our neighbours are some of the poorest nations in the world and Australia's aid helps save lives, improve education, provide opportunity, and help communities prepare for and recover from natural disasters," said Mr Thurley.

"We strongly reject the notion that a wealthy nation like Australia, with one of the lowest government debt levels in the world, needs to choose between the world's poorest people and Australia's future needs."

“Mr Hockey said his economic strategy is about ‘making decent compassionate choices in the future’ but if we’re not prepared to make them in the present, I worry that we will forget what these choices look like altogether.”

Government statements indicate the Australian aid program will prioritise trade, infrastructure, education, health and empowering girls. Yet according to Mr Thurley, the level of detail around what kinds of aid projects are being developed will not be available until the Government releases its new aid policy and performance benchmarks later in the year.

-ENDS-

Ben Thurley, Micah Challenge’s Political Engagement Coordinator, is available for interviews.

Media Enquiries:

Angela Owen – Media and Communications Coordinator, Micah Challenge

M: 0422 985 288 | E: angela.owen@micahchallenge.org.au

Ben Thurley | Political Engagement Coordinator, Micah Challenge

M: 0431 985 009 | E: ben.thurley@micahchallenge.org.au

Micah Challenge is a global movement of Christians speaking out against poverty and injustice in support of the Millennium Development Goals. In Australia, more than 50 aid and development agencies, as well as churches, schools, groups and individual Christians endorse the campaign.

www.micahchallenge.org.au.