

Micah Australia – Australian Aid Briefing Sheet

Australian aid has helped achieve some truly amazing things. In the past year alone, Australian aid has helped ensure:

- 2.3 million children were vaccinated
- 2.9 million people gained access to clean water
- 9000 classrooms were built
- 1 million births were supported by skilled birth attendants
- 66,000 women who survived violence received support and services
- More than 400,000 farmers were supported with better technology
- Life-saving support was given to Syrian refugees and communities recovering from Typhoon Haiyan in the Philippines and the Nepal earthquake

Australian aid helps to provide much-needed resources to support communities and countries in their fight against poverty, to build security and stability, and to ensure that all people are able to live dignified lives.



INDEPENDENCE: Development programs help people in the world's poorest places overcome the barriers that make & keep them poor.



SHARED VALUES: People born in the world's poorest places deserve the chance to achieve their full potential, because every human life is valuable.



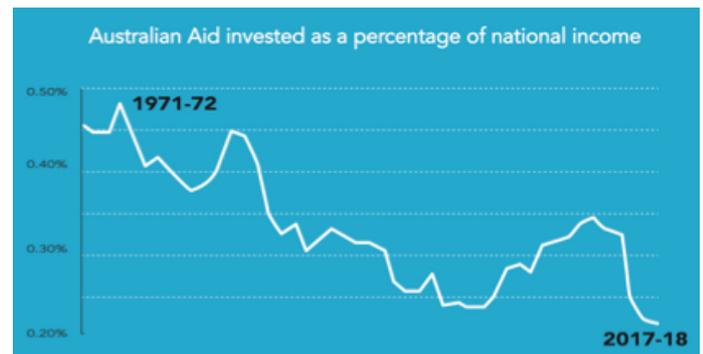
PARTNERSHIP: Development programs work because people from across countries and communities join forces to share knowledge, resources and responsibility.



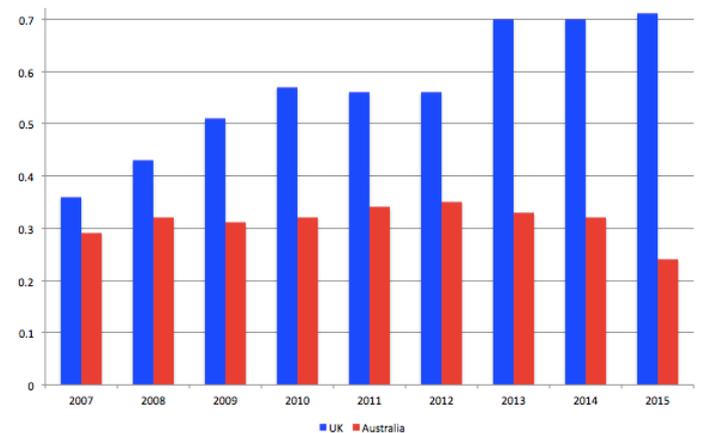
PROGRESS: Development programs work. We've beaten smallpox, nearly defeated polio and helped millions receive education and training.

Although Australian aid saves and transforms lives, successive governments have cut funding for Australian aid in recent years. On top of cuts totalling \$11.3 billion since 2013, the most recent budget confirmed a cut in \$224 million that means that Australia has reached the lowest level ever at 0.23% of Gross National Income (GNI). This is despite the commitments globally to reach 0.7% GNI for global development assistance.

The Micah Australia coalition has welcomed the ALP's recent commitment to reverse the \$224 million cut. However, even with this Australia will fall to 19th least generous aid donor country over the next few years, and our aid program will continue to shrink as a proportion of our national income.



Compare Australia to the United Kingdom. Despite more severe budget pressure and a higher level of debt, the UK have reached and exceeded the international aid target of 0.7% GNI. British Prime Minister, David Cameron, famously said "Britain will not balance its books on the backs of the poorest."



Aid as a proportion of Gross National Income
OECD & Australian Budget data



Frequently Asked Questions

Can we afford it?

Yes. Compared to other OECD nations we fall behind on a number of measures. On wealth per person Australia ranks as one of the wealthiest nations, according to Credit Suisse's Global Wealth Report. Australia's income per middle class worker is only exceeded by Switzerland, Norway and Denmark. All three of these nations give close to 1% of GNI to Aid, compared to just 0.23% for Australia. We have experienced twenty-seven years of uninterrupted economic growth, and since the Global Financial Crisis, Australia's wealth has actually increased.

Aid makes up only around 0.9% of the federal budget, yet it has been targeted for more than 25% of total budget cuts since 2013. At a time when Australia is making multi-billion dollar commitments to building submarines or providing corporate tax cuts to large businesses, the question should be how can Australian *not* afford to invest in the health, opportunity, stability and security of all people, and particularly those in our global neighbourhood?

Are we borrowing to give aid?

Borrowing for government expenditure (through the issuing of government bonds) is a regular activity of all governments. Australia's debt is low by developed country standards, and well below what any economists regard as causing any problems. Government currently borrows funds to provide economic stimulus, support expenditure on health, education, infrastructure and the military. Yet, these areas are not targeted for cuts because they are partly funded through debt.

Australia's aid program saves lives, educates children, helps to build peace and supports economic development and inclusion. It is part of the contribution we, as a wealthy nation, make towards a better, fairer world for all. In the past five decades, government debt has fluctuated and government expenditure has risen consistently. Yet funding for Aid has been cut drastically in the last few years – a trend which bears no relation to either our income or our debt level. Our capacity to provide support in the fight against global poverty should be based on our national wealth, not short-term and false arguments about debt.

Can't trade and growth solve poverty?

Trade and growth can lead to poverty reduction as long as the poorest people are included in the benefits of growth. However, trade and growth cannot unilaterally overcome poverty. Trade doesn't help communities recover from disasters, or build resilience to climate change, support the empowerment of women and girls, or address the rights of all people to clean water, education and health care. More importantly, aid helps to contribute to a healthier, more educated, population which is the basis on which sustainable and inclusive economic growth is built.

The assistance of Australian Aid provides empowerment to the region and leads to stronger trade partners. China, India, Vietnam and Malaysia are fantastic examples of regional success. These nations that have been among Australia's strongest aid partners are now amongst Australia's strongest trade partners.

What about corruption?

This problem can be easily overstated. Australian aid is directed at helping people in challenging environments, including environments at risk of corruption. But it is important to remember that Australia's aid program has comprehensive accountability mechanisms that guard against corruption, and ensure that the money we send is going to the people that need it.

The most recent review of aid spending suggested only 26 cents out of every \$1000 (0.026%) was *potentially* lost due to fraud (as in previous years, much of this money will be recovered, meaning the *actual* losses to fraud are much lower). Even this potential loss is less than the amount of money that is lost in corruption and fraud to Medicare.

Australian aid also works directly to eradicate corruption in governments and public service organisations in developing countries. The Australian Federal Police, for example, has successfully been working to achieve this with the local police force in the Solomon Islands.

