

# Aid Briefing Sheet

Micah Challenge



Australian Aid makes a world of difference. It saves lives, educates children, helps people recover from disasters, provides life changing opportunities and strengthens economies. Just last year, Australian aid supported the vaccinations of 2.3 million children; saw 900,000 additional births attended by a skilled birth attendant; provided life-saving assistance to 10.2 million people affected by disasters and emergencies; trained 100,000 teachers; helped 1.3 million children attend school; funded education programs for more than 2.5 million children fleeing the crisis in Iraq and Syria.<sup>1</sup>

**Case Study:** Since 2009, the Australian Government has been working with a local NGO and farmers on the eastern side of Flores, Indonesia, to improve their understanding of what their cashew crops are really worth. The program takes farmers thousands of kilometres along the same path as their product, showing them the re-sale value at each new market. The farmers found their cashews had much greater value than they realised. With better information about the cashew market and simple communication technology (a mobile telephone), cashew farmers identified ways to improve the income from their crops, doubling their income.

Source: [goodaidworks.com.au](http://goodaidworks.com.au)

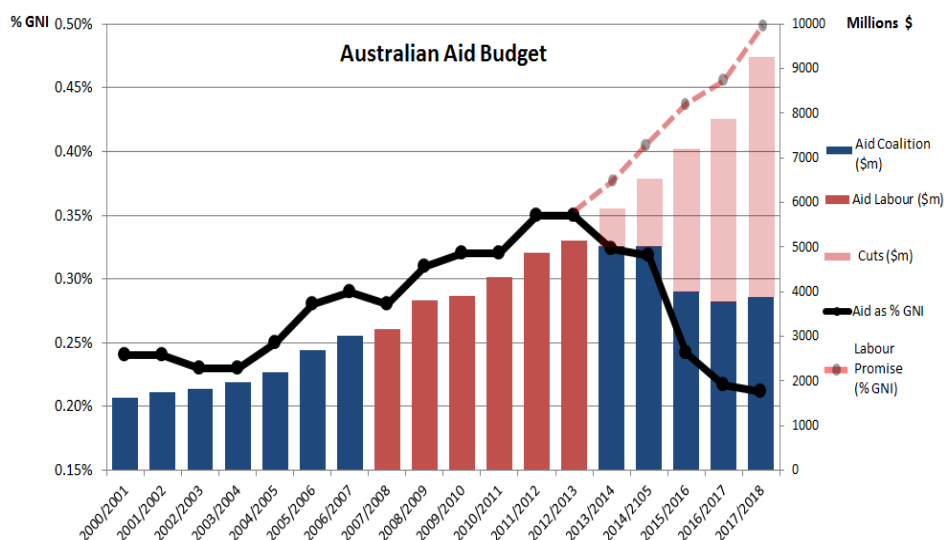
## Why Aid

Aid is one way rich nations help people around the world overcome poverty and make the planet a better and fairer place. Between 1990 and 2013 the number of children dying before their fifth birthday was halved, falling from 12.7 million to 6.3 million<sup>2</sup>. Over the same time period the number of mothers dying during child birth and pregnancy has also fallen dramatically from 523,000 to 289,000<sup>3</sup> (a 45% decrease). Aid has been part of this story. But there is more to do. 1.2 billion people still live in extreme poverty; and despite the progress, 17,000 children still die every day from mostly preventable causes.

This is why all 189 United Nation member countries agreed in the 2000 Millennium Conference to spare no effort in freeing every man, woman and child from the abject and dehumanising conditions of extreme poverty. It is also why rich nations recognised the importance of being generous to developing nations by reaffirming the long-held international aid target of 0.7% of Gross National Income (GNI), just 70c out of every \$100.

## Political Commitment

When it comes to being generous global citizens, Australia has not been doing its fair share and we are going backwards quickly. Between 2004, when Prime Minister Howard generously injected \$1 billion for East Asian Tsunami relief, and 2013, the last federal election, aid was on an upward trajectory. Between 2007 and 2013 there was bipartisan support to increase aid to 0.5% of GNI, short of the 0.7% commitment but



<sup>1</sup> DFAT, DFAT Annual Report 2013-2014, Appendix 5. Aid Performance

<sup>2</sup> Unicef, Levels and Trends in Child Mortality 2014.

<sup>3</sup> WHO, Unicef, UNFPA, The World Bank & United Nations, Trends in Maternal Mortality 1990-2013.

moving in the right direction. While in government, Labour pushed the target date to hit the 0.5% target out from 2015 to 2017, which cut billions from forward estimates. **Since the election however, The Abbott Government have announced the biggest cuts to the aid program in its history, slashing \$11 billion and damagingly reducing aid to its lowest point ever, by 2017/2018 aid will likely fall to just 0.22% of GNI (see graph<sup>4</sup>).**

This will mean that Australia, while being the wealthiest nation on the planet<sup>5</sup> will become one of the least generous nations on the planet, falling to 19<sup>th</sup> place amongst donors<sup>6</sup>.

## Too Much Debt to be Generous

Over the medium term, Australia needs to balance its budget. Sadly, this has disproportionately been done by neglecting our commitment to help people overcome poverty. Of all the savings the Government has announced since being elected, over 25% of them have come in the form of cuts to the aid program, despite aid representing just a little over 1% of Government spending<sup>7</sup>. This is happening at a time when other nations, with much bigger debt and deficit problems continue to do more.

In the most recent year that we have data for (2013) globally aid increased by 6.1%<sup>8</sup>. One of the biggest contributors to this increase was the conservative government of the United Kingdom, which increased and is now maintaining its aid levels at 0.7% of GNI despite having a debt level that is triple that of Australia. Prime Minister David Cameron, in speaking about the pressure to cut aid to help repay debt, stated that he 'will not balance the budget on the backs of the poor'.

Australia has the second lowest level of debt amongst all aid-giving nations (only Luxembourg has less<sup>9</sup>). Amongst nations with similar debt levels such as Luxembourg, Sweden and Norway, all give around 1% of their GNI in Aid, more than 4 times what Australia will be giving once the cuts are fully enacted.

## Who We Are

We're here as part of the Baptist Churches of Australia, who have been advocating alongside Micah Challenge, a coalition of Christian churches, aid and development agencies and individuals, for Australia to give its fair share of aid since 2004.

## What We Are Asking For

We are very disappointed by the aid cuts and we ask that both parties commit to a generous and effective aid program.

- We want a timetabled commitment to increase the aid budget to 0.5% of GNI by 2025, on its way to achieving the long held international aid commitment of 0.7% of GNI.

## What You Can Do

1. Write to and meet with the Treasurer expressing your support of these asks, and the concern about the recent aid cuts in your electorate
2. Raise awareness about the importance of Australian aid and the difference it makes through your newsletter and website
3. Make a speech in parliament against the aid cuts and the impact this will have on the world's poor.

<sup>4</sup> Mid Year Economic and Fiscal Outlook (MYEFO) 2014, Government Budget Papers 2014/2015 and 2013/2014 and Economic Statement August 2013 (budget.gov.au)

<sup>5</sup> Credit Suisse, Global Wealth Report 2014.

<sup>6</sup> OECD Development Assistance Committee, Aid Statistics and Tables 2013 (released December 2014), MYEFO 2014 (*aid generosity is measured as giving as a % of GNI, in absolute dollar terms we will fall to 13<sup>th</sup> place*).

<sup>7</sup> MYEFO 2014, Government Budget Papers 2014/2015

<sup>8</sup> OECD DAC (2013 statistics)

<sup>9</sup> IMF World Economic Outlook, Database October 2014