

WHY AUSTRALIA SHOULD KEEP ITS PROMISE TO INCREASE AID TO 0.5% GNI BY 2015

Prepared by World Vision 4 February 2011

- The floods and cyclones in Queensland have shown how tragedy can hit any of us and how we all need a 'hand up' in times of crisis. Australians have a long history of helping those in need - here in our own communities and those who need help around the world. We are a nation blessed with good governance and a strong economy - the envy of our larger OECD partners - and we are in a position to help those in need. As fellow humans, it is our natural and right response.
- Australia is a very wealthy country - our average per capita income is 32 times that of people in the ten countries receiving the most Australian aid.
- Aid is an effective and affordable commitment. It represents less than 50c in every \$100 of our national income and not only does it save lives it also helps build our own national security and economic prosperity. Yet amid the devastation and tragedy of floods and cyclones in Australia critics have sought to attack our foreign aid spending.
- Aid makes up just 1.2% of the Federal budget this year yet it saves tens of thousands of lives every year.
- Aid helps to foster economic growth in neighbouring and far-flung nations. Helping communities to lift themselves out of poverty benefits them, but also benefits Australians. Australia earns an estimated \$130 billion in export dollars from countries that receive aid. Stability and economic growth benefits all countries. As a rich nation, and one that avoided the worst of the global financial meltdown, Australia has the capacity to help those in need both at home and beyond our borders.
- Aid also produces a lasting dividend to Australia. We may be an island nation but we are not immune to the world's ills, as the swine flu crisis demonstrated - a disease outbreak in Mexico one day can close schools in our own suburbs another day. By building strong communities, aid protects us against the impact of disease, instability and violence that incubates amid the very worst poverty. By giving aid now we can avoid having to spend more to respond when a crisis erupts, a penny of prevention equals a pound of cure. When violence erupted in the Solomon Islands Australia responded for the sake of stability in our region by setting up the Regional Assistance Mission to the Solomon Islands. RAMSI has cost Australia more than \$1 billion since 2003.
- Poverty also creates the right environment in which terrorist organisations can recruit. Australian aid has improved education in schools in countries like Indonesia

where rather than receiving an education children can be exposed to indoctrination and become radicalised.

- Of course Australia is not the only developed nation that gives aid, in fact Australia ranks 16th out of 23 OECD nations in terms of level of foreign aid, hardly generous when we alone survived the global financial crisis. This is not a right -left issue as demonstrated by the Conservative PM in the UK David Cameron ring-fencing aid from the deep cuts in the UK budget. The UK is already at 0.52% of GNI (compared to Australia's 0.33%) and has legislated to be at 0.7% by 2013.

- In Australia there is bipartisan political support to lift Australia's level of overseas aid to 0.5% of gross national income (GNI) by 2015. This level reflects Australia's commitment to the Millennium Development Goals (MDGs) which represent the world's blueprint for combating severe poverty - the poverty that still today kills more than 8 million children every year.

- Australians do respond generously in times of disaster both domestically and internationally. We must not let our compassion end at our borders. Indeed it is short-sighted and dangerous if we do. When Hurricane Katrina devastated the United States, the government did not cut overseas aid, when the United Kingdom suffered enormous damage from record flooding, they maintained their commitment to overseas aid. Australia can and should do the same.