

## **Summary and possible responses**

### **Overview**

In 2011-12, the Australian Government will increase its official development assistance (ODA) to \$4.8 billion, an increase of 8.4% in real terms. The Budget paper on international development assistance also maintains the timetable for increasing aid towards the target of 0.5% of gross national income (GNI) by 2015-16, which was set out in last year's budget.

While maintaining the previous timetable may not sound exciting, in recent weeks campaigners had been concerned that the Government would announce slower growth in the period to 2014-15, and rely on a huge increase in 2015-16 to achieve the target. Therefore, restating the previous timetable is welcome. Even with this timetable, the growth rate in aid from 2011-12 to 2015-16 to achieve the 0.5% of GNI target will need to be very high (close to 13% in real terms per year).

The expected growth in Australia's aid in the coming years is much higher than for most other donor countries – the preliminary statistics on aid in 2010 released by the Development Assistance Committee (DAC), the association of OECD donor countries, indicated that overall aid by its members had continued to increase in 2010, but the expected growth in aid by DAC members in 2011 to 2013 would be only about 2% in real terms per year.

### **Aid to sectors in which RESULTS has taken action**

Changes in the sectors of most interest to RESULTS are:

**Education:** Aid for education in 2011-12 is estimated at \$842 million, an increase of almost \$100 million from 2010-11. Nearly all of the increase is directed to basic and secondary education, which is in line with what RESULTS had requested in our January action. The additional funding in 2011-12 includes the first year of a \$124 million initiative over four years to increase school enrolment and completion rates in the Pacific.

**Health:** The Government is now grouping aid for water and sanitation with health in the aid budget paper. This makes sense, as access to clean water and safe sanitation has significant health benefits. However, the combination of these sectors also disguises stagnation in funding for health in real terms and a real reduction in spending on water and sanitation in 2011-12. In the following three years, spending on water and sanitation will increase, as the Budget does include a \$433 million initiative over four years to improve water, sanitation and hygiene in Asia and Africa.

**Global Health Contributions:** The Budget paper restates the commitments the Government has announced previously to provide funding to the Global Fund to Fight AIDS, TB and Malaria (\$210 million over 2011 to 2013) and to the Global Alliance on Vaccines and Immunisation (GAVI) - \$60 million from 2011 to 2013. However, the Budget paper lists the contribution to the Global Fund in 2011-12 as a tiny \$10 million, suggesting that nearly all of the three year contribution would occur in the following two financial years.

**Microfinance:** The Budget restates the commitment in 2010 to increase aid for microfinance to \$18 million by 2012-13. However, as aid for microfinance has already reached this level in 2010-11, this could imply no further growth in this sector over the next two years.

### **Possible points to make in letters to Parliamentarians or to the media**

- Welcome the Government's decision to retain the timetable for progressing towards the target for aid of 0.5% of GNI by 2015-16.
- Welcome the increased funding for education, and the focus of the additional spending on primary and secondary education.
- Express disappointment that overall aid for health has not increased in real terms, and that the Government would contribute very little of its \$210 million pledge to the Global Fund in 2011-12.
- If you are still to write based on the RESULTS April action, call on the Government to commit to \$33 million per year to GAVI at the pledging conference next month, which would require some supplementary funding from the Budget.
- Suggest that the Government set a higher goal for microfinance assistance in 2012-13, given that it has already reached its original target of \$18 million per year.