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About us

The Development Policy Centre is part of the Crawford School of Public Policy at the Australian National University.

We undertake analysis and promote discussion on: Australian aid, PNG and the Pacific and global development policy.

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Election 2013

Separated at birth?—How to tell Labor and the Coalition apart on aid and development

Robin Davies



1. Introduction

In the 2010 UK election campaign, the Tories made a strong bid for the overseas aid vote, such as it is, and also sought to soften their 'nasty party' image, by committing to increase aid to 0.7 per cent of GNI by 2013. Here's how they summarised their policies on aid and development in their election manifesto:

We will honour our commitment to spend 0.7 per cent of national income in aid, and ensure our aid is transparent and properly targeted. We will spend at least £500 million a year to tackle malaria. Both the British people and those who receive aid will get more control over how it is spent. We will push for a trade deal which brings growth to the poorest countries, helps those countries adapt to climate change, and puts in place the building blocks of wealth creation. ([The Conservative Manifesto 2010](#) [pdf], p. 117)

In Australia, by contrast, aid and development barely figure in federal election campaigns. Incumbent parties feel no need to articulate policies for a new term. Opposition parties tend to make a few low-profile and often random-seeming commitments that, perhaps, appeal to specific constituencies. The policy offering of the Australian Labor Party (Labor) when in opposition in 2007 was skeletal, comprising a commitment to increase Official Development Assistance (ODA) to 0.5 per cent of Gross National Income (GNI) by 2015 and to spend more on water and sanitation, climate change adaptation and avoidable blindness at a total cost of less than \$500 million over several years.

The 2013 federal election campaign is no exception. Labor has to date said nothing about its third-term aid and development priorities, offering, by default, more of the same. The Liberal-National Coalition (the Coalition) has riffed on several themes in its comments on aid and development policy since the 2010 election but has yet to convey a clear or always consistent position on what it would do with Australia's aid program. We can expect a few lines on aid in the Coalition's foreign affairs and trade policy, when that emerges, but not much more than that.

In the absence of a rich body of policy commitments, any attempt to analyse the aid policies of the major parties, and in particular identify points of significant variance, must rely largely on existing Labor policies and on what Coalition politicians say in occasional speeches, interviews and exchanges in the parliament. What Coalition politicians have said in these latter contexts is not always carefully considered, perfectly informed or consistent with what others on the same side of politics have said. However, by concentrating on recurring themes and consistent lines on major points of policy, and ignoring ephemera, one can arrive at a fairly good sense of some of their main lines of thinking.

This policy brief draws together what is known at the present time (22 August 2013) about the direction of the major parties', and also the Australian Greens', thinking on aid and development policy. Annex 1 [on page 13](#) provides a quite comprehensive summary of the three parties' positions under six headings:

- geography
- policy and strategy
- multilateral aid
- sectors and cross-cutting issues
- partnerships
- aid management.

The narrative summary below highlights the main areas of broad commonality and specific difference between the two major parties and concludes with some remarks on what, from the perspective of the Development Policy Centre, should be the principal aid and development policy priorities for the incoming government. On specific points of policy where no substantial differences have been detected—as for example in the case of funding for NGOs—nothing is said.

2. Policies in common

The Shadow Minister for Foreign Affairs, Julie Bishop, [recently](#) nominated aid as one of several points of differentiation between the parties on international policy. At the level of broad policy, the facts are otherwise. By comparison with the situation during, say, the 1996 election campaign, the two major parties have a great deal in common on aid and development.

There at least five points on which there is agreement or at least a broad consistency of approach between the two major parties, as follows.

1. Both parties maintain a general commitment to **aid growth**, of which more below. Certainly many people would prefer that the parties' past commitments to very steep aid growth were maintained, and have been dismayed by Labor's [multiple cuts](#) to the aid program's forward estimates. However, it is important to recognise that regardless of the election outcome Australia is likely to be one of the few countries in the world that is not intent on reducing aid below recent levels.
2. Both parties are, for the first time, committed to having a dedicated **minister for international development** and both might well be open to the formation of a **standing parliamentary committee on aid**, as [recommended](#) most recently by the Senate inquiry into Australia's aid to Afghanistan.
3. Both parties endorsed all the recommendations of the [2011 aid review](#).
4. Both parties are committed to increasing the emphasis of the aid program on **private sector development**, including through support for '[aid for trade](#)' and partnerships with business. Moreover, neither party has expressed any keenness to revive the policies of the pre-Howard era when aid was tied in various ways, most notably through the [Development Import Finance Facility](#) [pdf], to Australian commercial interests.
5. Both parties are equally likely to call upon the aid program to support at least some of the offshore elements of Australia's **asylum-seeker management regime**, including [community detention](#), claims processing, local and international resettlement and [broader aid packages](#) negotiated in the context of regional resettlement arrangements.

That's not to deny that there have been some party-internal wobbles in several of the above areas. Most importantly, there have at various times been signs of strong discord within the Coalition about aid volume in general and about the level of aid to Africa. And, given Labor's many downward revisions of the forward estimates for the overseas aid budget since the 2009-10 budget, and their continuing adherence to an increasingly dubious ODA/GNI target, it is safe to assume there has also been discord within the Labor ministry about the scale and pace of aid growth. However, the party lines on all the topics above look rather similar from a distance.

On the whole, then, to tell the parties apart on aid policy, as much as on economic and other areas of policy, one has to zoom in quite a bit and examine the details. There are in fact many differences on specific points of policy, some of which are quite significant from the standpoints of individual interest groups. The main such differences are summarised below in five categories: aid volume, geographic distribution, sectoral priorities, multilateral aid and aid management. More details, and sources, are given in Annex 1.

3. Aid volume

Labor cuts a sad figure on aid volume, not because it has been a niggardly provider of aid but because it promised vastly more than the large amounts actually provided. On the one hand, it has delivered a remarkable series of aid increases over its six budgets, often confounding expectations. On the other hand, it has repeatedly, in four of those six budgets (all but the first and third) and in the August 2013 Economic Statement, stripped funding out of the forward estimates for the aid program. Close to \$6 billion

has been removed from the forward estimates in the present and previous financial years alone.¹

In addition, Labor has commenced charging to the aid program very substantial costs relating to asylum seekers, both in Australia and in countries party to 'regional resettlement' arrangements, with serious impacts on existing and planned programs and on aid effectiveness generally. It has so far committed almost a billion dollars from the aid program (\$375 million in each of 2012-13 and 2013-14, and another \$236 million over four years from 2013-14) to meet costs associated with asylum seekers living in the community in Australia and Papua New Guinea (PNG), and another \$420 million in additional aid for PNG in order to close the deal on the Australia-PNG regional resettlement arrangement. Lesser sums of aid are also being allocated for other related purposes such as improving PNG's capacity to undertake refugee status determination, and reconstructing infrastructure destroyed by rioting asylum seekers on Nauru.

Labor goes into the 2013 election with a commitment to increase aid to 0.5 per cent of GNI by 2017-18 and a notional trajectory which would deliver the majority of that increase through a near-vertical (approximately [\\$1.9 billion](#)) jump in aid from 2016-17 to 2017-18, which is conveniently one year beyond the forward estimates period. A local repeat of this year's aid [high-jump](#) in the UK is not out of the question but appears extremely unlikely. Labor's 0.5 per cent commitment must now be considered to have very little credibility.

At the same time, Labor's track record would suggest that more proximate annual aid increases, in line with the figures in the August 2013 economic statement, are likely to be delivered at something like the promised levels—which are still in the hundreds of millions. In short, Labor has consistently and wildly over-promised but has demonstrated a capacity to deliver generous aid increases. The Coalition's last aid budget in 2007-08 was \$3.2 billion. Labor's 2013-14 budget, six years later, was \$5.7 billion, about 50 per cent higher in real terms.

The Coalition, for a time, bought into Labor's 2007 commitment to increase aid to 0.5 per cent of GNI by 2015-16, which, combined with substantial Howard-era aid increases, would have delivered a 'double doubling' of Australia's aid program over the decade to 2015. It is not clear how carefully this policy was considered by opposition leader Tony Abbott, and it was never tested. When Labor reneged on its 0.5 per cent ODA/GNI commitment in the 2012-13 budget, pushing back the target year for the first time, the Coalition dropped the timeframe for its own commitment. Bishop [said](#) that Labor's cuts had made it 'impossible' for the Coalition to deliver on its commitment. The slope had become too steep to climb—the reason why it is also practically impossible for Labor to deliver on its current 2017-18 commitment, given the forward estimate for aid in 2016-17. However, Bishop has [indicated](#) that the Coalition will set a new deadline if elected: 'we will review it when we get into government to see how long it would take'.

¹ Comprising [\\$2.92 billion](#) [pdf] in the 2012-13 budget, [\\$1.92 billion](#) [pdf] in the 2013-14 budget and \$0.9 billion in the August 2013 [Economic Statement](#) [pdf]. Cuts were also made in 2009-10 and 2010-11 by means of trajectory changes but there is not sufficient information on the public record to quantify these accurately, in part because the basis for calculating GNI [changed](#) in 2010-11.

Bishop's remarks, and [similar](#) remarks by Abbott, tend to imply, but do not guarantee, that the trajectory to 0.5 per cent would at all times slope upward under a Coalition government, if not always steeply. There has certainly been no indication that aid might be reduced relative to current levels. Even dry party elder Nick Minchin, a former finance minister, [thinks](#) that, while the federal budget remains in the deficit, the aid budget should be 'frozen in real terms' rather than reduced. Overall, our guess is that the Coalition would not cut aid, would deliver smaller annual increases than Labor over the next few years and would set a more distant but credible 0.5 per cent ODA/GNI target year.

It is important to note that Bishop has often [said](#) the Coalition would make aid growth conditional on the achievement of a series of pre-specified 'benchmarks' or 'hurdles' as recommended by the aid review. In her view, Labor has effectively ignored this recommendation, while claiming to have accepted it. The Coalition has not stated what benchmarks they might wish to establish, or even broadly what these might look like. Their main concern has been to ensure that Australia's aid delivery apparatus, principally AusAID, is able to demonstrate at all times a capacity to manage increased aid levels. However, once in government, the Coalition itself will be ultimately responsible for AusAID's departmental resourcing and its management performance. AusAID is an Executive Agency, not a statutory authority or contracted delivery agent. It is therefore not obvious how a scheduled aid increase could be cancelled or deferred on the basis that a benchmark had not been met, without this constituting a failure of the government itself.

A final point to note about aid volume is that Labor's Comprehensive Aid Policy Framework (CAPF) for the period to 2015-16 will need to be revised and reissued if Labor is re-elected, to reflect the level of resourcing now provided for the aid program in the forward estimates period to 2016-17. The CAPF, while rather quickly rendered a theoretical document after its release in May 2012, was the first attempt by any Australian government to inject some level of multi-year predictability into the aid allocation process. While its existence did nothing to enforce that predictability—AusAID's current and future budgets were subsequently reduced or 'reprioritised' in December 2012, May 2013 and August 2013—it did serve to highlight the consequences of Labor's cuts to the forward estimates. It is unclear whether the Coalition would itself prepare a revised CAPF if elected. The Coalition's generally very supportive attitude toward the recommendations of the 2011 aid review would suggest that it might.

4. Geographical distribution

Here, differences between Labor and the Coalition exist but are rather slight. The Coalition has criticised the dispersion of aid across regions, particularly in the context of Australia's UN Security Council campaign which ran feverishly from March 2008 to October 2012. The Coalition would presumably phase out aid to Latin America and the Caribbean over several years whereas, according to the CAPF, Labor intends to reduce the share of aid going to that region while keeping it roughly constant in dollar terms.²

² CAPF allocations, indicative in the first place, are now all the more so since they assumed a much higher level of resourcing in the forward estimates period than will actually be available. However, they remain

The Coalition wants to concentrate aid on 'our region' but sometimes describes our region as the 'Indo-Pacific' rather than the Asia-Pacific, such that the future of aid to sub-Saharan Africa under the Coalition is not at all clear. Bishop and the leader of the opposition, Tony Abbott, had a public spat about aid to Africa in early 2011, with Bishop winning the battle (on the side of aid to Africa) but not necessarily the war. All in all, it seems likely that under the Coalition aid to Africa might be held fairly stable at current levels, but might also be consolidated and focused to a greater extent on southern and eastern Africa.

As for the Asia-Pacific, the Coalition has regularly criticised Labor for inattention to PNG and the Pacific island countries, and for its handling of the situation in Fiji. However, it is impossible to tell whether greater attention would, in their view, entail larger aid increases than are envisaged in the CAPF. Perhaps not, as Bishop often says she wants to move bilateral relationships with countries like PNG and Timor-Leste beyond their current donor-recipient status. As part of that agenda, she has placed considerable emphasis on 'expanding' the existing [Seasonal Worker Program](#), which is quite limited in both scope and uptake relative to New Zealand's similar program. However, increasing the impact of the Seasonal Worker Program will require more than an expansion of the number of places available, given that the existing program is [not fully subscribed](#). Bishop has also called for a shift from [PACER Plus](#) to a more [stepwise](#) approach to regional economic integration.

There is no reason to expect any major differences of view about aid to South and East Asia. The Coalition has supported Labor's decision to graduate China and India from aid. Abbott, after losing the battle with Bishop about aid to Africa in 2011, instead said he would cut Australian aid to Indonesian schools. However, it is unlikely the Coalition would now follow through with that idea, as the occasion (the Queensland floods) has receded into history and the idea attracted criticism even from [conservative quarters](#). It is in any case hard to imagine that the Coalition would contemplate any significant reduction in the overall volume of aid to Indonesia, one of its avowed highest foreign policy priorities, early in its first term.

5. Sectors

Here, the most significant difference, in terms of funding and potential development impact, relates to financing for action on climate change in developing countries. The Coalition has [said](#) that such financing should not form part of the aid program.³ We can safely assume, therefore, that under a Coalition government the aid program would not

relevant insofar as they provide a sense of what share of any aid growth would be allocated to each region.

³ The rationale for this has not been fully explained. At one point, Bishop [said](#) providing climate change financing from the aid budget was inconsistent with the Copenhagen Accord, which indicated such financing would be 'new and additional'. This is the position of the Greens. However, other donors have provided most of their climate change financing from their aid programs since the Copenhagen conference in 2009, and regard this as consistent with the language of the Accord. A possible reason for the Coalition's opposition to the use of aid for climate change mitigation programs is that such programs generally aim to help developing countries achieve readiness for participation in a future global carbon market, which would involve pricing emissions and trading emission permits internationally. It remains to be seen what view the Coalition would take of international 'direct action' climate change mitigation programs.

be used to finance greenhouse gas emission reductions—climate change ‘mitigation’—in developing countries, whether through bilateral or multilateral channels. (This is despite the fact that one large such initiative, the International Forest Carbon Initiative, was in substance if not name an initiative of the Howard government, under the joint stewardship of Alexander Downer as foreign minister and Malcolm Turnbull as environment minister). It is, however, more difficult to believe that the Coalition would follow through on its [intention](#) to withdraw or reduce funding for climate change adaptation measures, particularly for the benefit of the Pacific island countries.

Labor, by contrast, can be expected to maintain something like existing levels of aid funding for both adaptation and mitigation measures, at around \$200 million per annum, and to consider within the next year or two a reasonably substantial initial contribution to the multilateral Green Climate Fund, in the establishment of which Australia has played a [leading role](#). Its commitment to bilateral action on reducing emissions from deforestation in Indonesia, however, inexplicably evaporated in mid-2013, with the effective [termination](#) of the Indonesia-Australia Forest Carbon Partnership.

‘Aid for trade’ might appear to be an area of stronger emphasis for the Coalition than for Labor. Bishop has certainly presented it as such. However, both parties are about equally firm in their commitment to aid for trade in the usual sense of that term—namely aid that seeks to reduce supply-side constraints to the growth of export industries in developing countries, in the context of the 2005 WTO-led Aid for Trade Initiative. Such constraints might include poor infrastructure, low productivity in various sectors and inhospitable legal and regulatory frameworks. Australia’s aid for trade, in this sense, has [grown](#) from around 12 per cent to 17 per cent of the aid program since 2006.

There has perhaps been a tendency for Bishop to use the term in a broader sense, to cover all support for private sector development and employment generation in developing countries. For example, in talking about aid for trade as a ‘cornerstone’ or ‘flagship’ of the aid program she has variously made reference to the existing [Enterprise Challenge Fund](#) for the Pacific and Southeast Asia, the Seasonal Worker Program, the Australia-Pacific Technical College and a ‘business mentoring’ initiative. It does appear likely the Coalition would bring more energy, and probably more funding, to these initiatives and to private sector development more generally. The Coalition has had little to say about Labor’s [Mining for Development Initiative](#), but would probably continue it. They would also be likely to accord high priority to funding for economic infrastructure, as they did in their 2006 [White Paper](#) on aid.

The Coalition might also be more active in prosecuting a business engagement agenda. Labor began pursuing such an agenda in 2012, but has not clearly articulated its aims in this area and in practice has done little more than [talk](#) to business. The Coalition might do better, provided it can resist pressure from business, and from within its own ranks, to apply aid to commercial ends. At this stage we have been given no reason to believe that either side of politics is interested in resurrecting a commercial objective for the aid program, whether explicitly or by back-door means, but the pressure to do so is ever present.

The Coalition has pledge to establish a '[reverse Colombo Plan](#)' that would send young Australians to study and undertake internships in Asia. It has 'yet to determine' how this will be funded. It cannot be ruled out that the aid program would be tapped, with said young Australians badged as volunteers for some part of their time overseas. If this were to happen, the costs would be high and the development benefits almost certainly very low.

The Coalition has also [flagged](#) that it will consider establishing, as part of its approach to the development of northern Australia, aid-funded centres of excellence in medical research and training, to serve the Asia-Pacific region. The final Coalition policy document on this provides no costings but a [leaked early draft](#) specified a figure of \$800 million, over an unspecified period of time. Given that capital costs within Australia are not an eligible charge to the aid program, it is difficult to see how such a large sum could be spent even over four years. The Coalition's promised White Paper on the development of northern Australia would need to take this into account and, more importantly, assess the cost-effectiveness of this initiative relative to an approach that expands support for existing Australian and international research and training capacities.

6. Multilateral aid

Traditionally, the Coalition likes this form of aid somewhat less than Labor does. Bishop has duly been [reported](#) as saying that 'money will be redirected to the region and to "practical" projects like infrastructure and away from international organisations.' We cannot be sure of the veracity of this but it is certainly the case that the Howard government, in which Abbott and Bishop were ministers, was sceptical about the effectiveness of multilateral organisations, particularly UN organisations. In the end, though even a slower-growing aid program will need to make quite heavy use of the multilateral system to distribute aid. Most likely, the Coalition would not greatly vary its use of the system overall, but would take a somewhat harder-edged approach than Labor to assessing the effectiveness of individual multilateral organisations, building on the multilateral assessment process which has been put in place by Labor in response to the aid review. The Coalition, judging from [remarks](#) made by Bishop in July 2013, might also be inclined to increase discretionary funding to the private sector arms of the World Bank and the Asian Development Bank.

Labor wants to rejoin the Rome-based International Fund for Agricultural Development (IFAD), from which Australia withdrew in 2007 as a result of a Coalition decision in 2004. Legislation is pending. It seems unlikely this will happen if the Coalition is elected: the Coalition has [argued](#) that the reasons given for Australia's withdrawal remain valid and that the financial contribution Labor proposes to make upon rejoining is unreasonably high.

More significantly, Labor also wants to join the African Development Bank, in line with a recommendation of the aid 2011 review. Again, legislation is pending. The Coalition hasn't expressed a definitive view on this, though Abbott [questioned](#) the proposal in his 2012 budget reply speech and Coalition senators [dissented](#) from the report of the recent Senate inquiry into the provisions of the African Development Bank Bill 2013, which recommended passage of the legislation. A reasonable guess is that the Coalition

would ultimately agree to pursue membership, which would be consistent with—or in fact facilitative of—a policy of consolidating aid to Africa.

One could expect discretionary funding to the International Labour Organisation (ILO) to be a casualty if the Coalition is elected. Labor entered into a five year [partnership agreement](#) with the ILO in 2010 but provided funding of \$15 million for the first two years of the partnership only. The incoming government will need to make a decision on the level and allocation of any discretionary funding for the remaining years of the partnership agreement. The Coalition, when last in office, did not provide funding to the ILO for other than obligatory membership contributions, as is the practice of the present UK coalition government.

7. Aid management

As noted above, there seems little or no daylight between the two major parties on ministerial and parliamentary oversight arrangements. The Coalition has flagged that if elected it will seek to strengthen the role of the Department of Foreign Affairs and Trade (DFAT) in coordinating international policy. However, it has not signalled any move to absorb AusAID into DFAT, as has happened most recently in Canada and before that New Zealand.

Bishop has frequently [referred](#) [pdf] to the need for greater scrutiny of Australia's aid program, noting that tabloid allegations of waste and mismanagement, if proven, would undermine public support for aid. Given her overall satisfaction with the 2011 independent aid review process, and the absence of any specific proposals for new scrutiny mechanisms, it might be assumed that she is primarily looking for better utilisation of existing evaluation and review mechanisms together with definition of the performance benchmarks or 'hurdles' discussed above. There has been no call for a UK-style independent evaluation body and no comment on the quality of AusAID's first [Annual Review of Aid Effectiveness](#). Bishop has welcomed the establishment, by Labor, of an Independent Evaluation Committee to oversee the work of AusAID's Office of Development Effectiveness.

Questioning from Coalition senators during recent [Senate Estimates](#) hearings seemed to imply doubts about the professionalism of AusAID in various respects, but their concerns on this score have not been clearly articulated. It is quite unclear what they would seek to do about any problems identified, which seem to relate mainly to the rapid growth of the program and the agency, which has entailed a substantial intake of relatively young and/or inexperienced staff. As noted above, Bishop has implied the 'benchmarks' to be established as conditions for continuing aid growth would relate mainly to AusAID's program management performance, but has not given any indication what these might look like nor any assurance that sufficient departmental resourcing would be made available to AusAID in order to avoid purely resource-related underperformance.

8. Conclusion

Overall, based on what we know at this point, the main differences between the parties on aid and development policy are likely to be in six areas, as follows.

1. **Aid volume.** Labor can't reasonably hope to meet its 0.5 per cent ODA/GNI target in 2017-18 but would probably deliver larger annual aid increases than the Coalition. The Coalition would probably set a more distant but credible ODA/GNI target, presumably still 0.5 per cent, while making increases subject to the achievement of yet-to-be-specified aid management 'benchmarks' or 'hurdles'.
2. **Geography.** The Coalition would phase out aid to Latin America and the Caribbean and consolidate, but perhaps not substantially reduce, aid to sub-Saharan Africa. While little is likely to change in South and East Asia (notwithstanding Abbott's 2011 remarks about funding to Indonesian schools), it would seek to broaden and deepen bilateral engagement with PNG, the Pacific island countries and Timor-Leste—aspiring to become their 'partner of choice'—but would not necessarily make any significant changes to aid settings. One more likely and significant change would be a revamp of the Seasonal Worker Program. Another would be a shift from PACER Plus to a more stepwise approach to regional integration.
3. **Private sector development.** While 'aid for trade' is hardly a freshly hewed cornerstone for the aid program, the Coalition would likely give higher priority than Labor has to local enterprise and skills development, including through a new enterprise challenge fund or funds. It might also move more decisively to establish practical cooperation arrangements with Australian business organisations, something that Labor has pursued but not advanced very far. There is also reason to believe the Coalition would accord higher priority to economic infrastructure.
4. **Climate change.** The Coalition appears bound to oppose the use of aid to fund climate change mitigation in developing countries, through bilateral and multilateral channels. Its opposition also extends to climate change adaptation but, in the end, it will most likely allow the use of aid to fund adaptation programs. Australia could move from the front to the back seat in ongoing discussions about the design and financing of the multilateral Green Climate Fund.
5. **Multilateral aid.** The Coalition would probably be bound to make heavier use of the multilateral system than it might wish to, but is likely to take a more hard-edged approach—based largely on Australia's Asia-Pacific development objectives—to assessing the effectiveness of, and allocating resources to, multilateral organisations. Aid to UN funds and programs might be reduced overall. Australia would not rejoin the International Fund for Agricultural Development, might not join the African Development Bank and would probably discontinue discretionary funding to the International Labour Organisation. There could be additional funding for the private sector operations of the multilateral development banks.
6. **Asylum seekers.** The Coalition appears bound to oppose the use of aid to meet domestic asylum seeker costs. Logically, they would oppose the use of aid for community detention offshore but, in practice, they might follow Labor's policy.

The Coalition would almost certainly follow Labor in calling on the aid program to meet regional resettlement costs or facilitate agreement on any further regional arrangements.

It could be some time after the election before it is clear what the incoming government will do with the aid program. Some decisions will have to be taken early and are not inherently difficult. Such decisions would include appointing a minister for international development—as Labor has [lately done](#) and as the Coalition is [very likely](#) to do—and determining Australia's priorities for the [G20 development agenda](#), on which Australia will lead for the year commencing December 2013. Other decisions might and in many cases probably should take more time.

For Labor, there should be three major priorities:

1. to revise the **Comprehensive Aid Policy Framework** (CAPF), released in May 2012 but quickly rendered a historical document by several large cuts to the forward estimates, so as to reflect what resources are really available and provide genuine predictability
2. to clarify policy on the use of the aid program for **asylum-seeker costs**, and place firm limits on those costs, both offshore and onshore, so as to minimise impacts on existing and planned programs
3. to bring a renewed emphasis to the maintenance and improvement of **program quality** through more rigorous evaluation and review, more contestability in program design, and more transparency with respect to individual aid activities.

In revising the CAPF, Labor should strongly consider options for making its ODA/GNI commitment more credible, deliverable and robust—for example by reducing the 2017-18 target to 0.4 per cent or selecting a target year for the achievement of a 0.5 per cent ratio that would not require an increase of more than 0.03 per cent of GNI in any year. The program quality agenda would be well served if Labor were to seek cross-party agreement to the establishment of a standing parliamentary committee on aid and development.

For the Coalition, the same priorities would apply, and there would be a great deal of clarifying to do—for example in relation to:

- the timeframe and funding trajectory to be associated with its 0.5 per cent ODA/GNI commitment
- the handling of asylum-seeker costs
- the level and composition of aid to sub-Saharan Africa
- the funding of the reverse Colombo Plan
- the funding of aspects of the northern Australia policy
- the scope of the term 'aid for trade'
- the nature of the changes envisaged for the Seasonal Worker Program
- the specific measures to be taken to increase scrutiny of the aid program for increased effectiveness.

Clarification on these and various other points would best be provided, not piecemeal, but in the form of a comprehensive aid and development policy statement. That needn't

be hurried and in fact would best not be. The Coalition would preferably take time to receive and consider well-developed advice from AusAID and other sources before issuing a policy statement with indicative four-year resource allocations in conjunction with the 2014-15 budget. Given the Coalition's strong undertaking to shift Australia's relationship with its near-neighbours beyond aid, they might also take the opportunity to make this the first statement of its kind that incorporates policies on both aid and international development.

We have not highlighted the Greens' aid policies above, as they are quite broad-brush and of less practical import (they are covered in some detail in the annex below). However, the Greens, unlike the two major parties, have sought to articulate a clear aid and development policy framework for the coming term, and deserve credit for this. They will have a critical role to play in the next parliament in ensuring effective scrutiny of the aid program and also ensuring that it does not easily fall prey to commercial or other sectional interests. They could play a very valuable role within a standing parliamentary oversight committee, should that be established.

Pre-election aid and development policies

As at 24 August 2013

	ALP	Coalition	Greens
MAJOR INFORMATION SOURCES			
	<ul style="list-style-type: none"> • An Effective Aid Program for Australia, Government response to the Independent Review of Aid Effectiveness, 2011 (Effective Aid). • Australia's Comprehensive Aid Policy Framework to 2015-16 (CAPF). • Budget Statement, 2013-14 (Blue Book). • Economic Statement, August 2013. • AusAID's website. • Foreign minister Bob Carr's website. • Carr's blog. 	<ul style="list-style-type: none"> • Shadow foreign minister Julie Bishop's address to the Development Policy Centre, June 2012. • Bishop's address to the ACFID Council, October 2012. • Bishop's speech to the New Colombo Plan Round Table, March 2013. • Bishop's address to the National Dialogue on the Role of the Private Sector in Development and Aid for Trade, July 2013. • The Coalition's 2030 Vision for Developing Northern Australia, June 2013. • Coalition speaker's notes, 1 July 2012 (leaked). • Other speeches from Bishop. • Speeches from shadow parliamentary secretary Teresa Gambaro. 	<ul style="list-style-type: none"> • The Overseas Aid (Millennium Development Goals) Bill 2013. • Greens aid policy website. • Senator Lee Rhiannon's website.
1. GEOGRAPHY			
Overall	<ul style="list-style-type: none"> • Broadly as reflected in CAPF Table 1: growth in allocations to the Asia-Pacific, sub-Saharan Africa and global programs out to 2015-16, with roughly constant nominal allocations to northern Africa and the Middle East, and to Latin America and the Caribbean. 	<ul style="list-style-type: none"> • Focus on the Asia-Pacific region. • 'Our region' is sometimes described so as to include the Indian Ocean. • Bishop, 2011: 'I am concerned with the aid budget being spread beyond Africa into Latin America and the Caribbean.' • Outlook for aid to Africa unclear. Need recognised but volume could decline to some extent. • Bishop: 'I believe it's time for us to change the nature of our engagement in the Pacific to get away from the stereotypes of aid donor/aid recipient to true economic partnerships based on 	<ul style="list-style-type: none"> • Not specified.

	ALP	Coalition	Greens
		mutual respect and understanding with the nations in the Pacific. ... If I am known for one thing should I be the foreign minister, it I hope will be that we became the partner of choice for Pacific nations.'	
Asia: China and India	<ul style="list-style-type: none"> Graduate from bilateral aid, commencing 2011 (Effective Aid, response to recommendation 4 of independent review). No allocations of bilateral aid to India and China from 2013-14 (see Blue Book). Australia-China Human Rights Technical Cooperation Program 2012-16, and some other small initiatives, continue with funding from the East Asia Regional program. 	<ul style="list-style-type: none"> Bishop expressed support for graduation in 2011 interview. 	<ul style="list-style-type: none"> Not specified. Some NGOs whose views are generally aligned with those of the Greens oppose the graduation of China and India because they contain large reservoirs of poverty in certain regions.
Asia: Indonesia	<ul style="list-style-type: none"> High volume growth, but climate change-related programs largely discontinued from 2013-14. Funding provided through DAFF (\$3.2m, 2010) and ACIAR (\$20m, March 2012) for animal welfare and livestock production, in the context of the controversy over the suspension of the live cattle trade. In July 2013, Prime Minister Kevin Rudd further announced \$60m over 10 years for a Red Meat and Cattle Forum, with the funding source unspecified. 	<ul style="list-style-type: none"> In 2011, opposition leader Tony Abbott proposed cuts of \$448 million to an Indonesian schools program to cover costs of Queensland flood damage. Bishop: 'Indonesia will become a first order priority in terms of foreign affairs and trade.' Shadow agriculture minister John Cobb strongly critical of the 2012 \$20 million ACIAR funding allocation for beef production. 	<ul style="list-style-type: none"> Not specified.
Asia: Timor-Leste	<ul style="list-style-type: none"> Australia is currently in arbitration with Timor-Leste under the dispute resolution provisions of the CMATS Treaty, which governs the sharing of revenues from the Greater Sunrise oil and gas field, following Timor-Leste's assertion that the treaty is invalid because Australia did not negotiate in good faith (Australia is alleged to have spied on Timor-Leste). Australia will argue negotiations were conducted in good faith and that the treaty remains valid. If elected, ALP will need to respond to 	<ul style="list-style-type: none"> Move beyond donor-recipient relationship (see this interview with Bishop). Support current position of ALP in CMATS Treaty dispute (Bishop chaired the Joint Standing Committee on Treaties in 2002-03). If elected, will need to respond to findings of the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT) inquiry into Australia's relationship with Timor-Leste, if latter re-instituted following election. 	<ul style="list-style-type: none"> Policy initiative from 2010 presumably still current. Contains commitments on renewable energy, education, health and rural development as well as a commitment to support onshore gas processing.

	ALP	Coalition	Greens
	<p>findings of the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT) inquiry into Australia's relationship with Timor-Leste, if latter re-instituted following election.</p> <ul style="list-style-type: none"> • Provided nationals of Timor-Leste with access to the Seasonal Worker Program (SWP) in its second phase, but with low take-up. 	<ul style="list-style-type: none"> • Pledged to expand the Seasonal Worker Program, which might benefit Timor-Leste, particularly if locational restrictions on tourism sector employment are reduced. 	
Pacific: PNG	<ul style="list-style-type: none"> • Has promised \$420 million in additional aid over 4 years in the context of the Regional Resettlement Arrangement. This will cover new capital projects, funding of the University of Papua New Guinea and more technical assistance from the Australian Federal Police. • Agreed the text of an Australia-PNG Economic Cooperation Agreement (still subject to ratification) in November 2012 and signed the Joint Declaration for a New Papua New Guinea-Australia Partnership in May 2013. • Has relaxed previously stringent visa requirements for PNG nationals. 	<ul style="list-style-type: none"> • Abbott and Bishop have alleged the Australian Government has yielded 'total control' over the aid program to the PNG government. This has been denied by PNG Prime Minister O'Neill. • Bishop: the relationship with PNG will be 'one of our country's highest foreign policy priorities' (see this speech, from which following five points are also taken). • 'Diversifying PNG's economic base is essential if growth is to be sustained beyond the current commodity boom.' As PNG increases investment in health and education, 'Australia should gradually shift its focus to helping PNG improve its overall business environment' by 'strengthening the policy and regulatory frameworks that foster entrepreneurship and the development of a robust private sector' and establishing a 'business mentor program, which allows local entrepreneurs to learn from the experiences and expertise of Australian small businesses.' • The Economic Cooperation Treaty a 'positive step forward' but 'Australia should be aiming for a high-quality, comprehensive free trade agreement with PNG.' • A 'body of skilled workers' (also called a 'mobile labour force') from PNG can be utilised not only in PNG but also 'in 	<ul style="list-style-type: none"> • Not specified.

	ALP	Coalition	Greens
		<p>Queensland, Western Australia and elsewhere in Australia under the enterprise migration scheme of the current government.'</p> <ul style="list-style-type: none"> 'Strengthening PNG's education base' through recurrent and development funding will be needed if development indicators are to be improved. Australia 'well-placed' to offer anti-corruption assistance if required. In this speech, Bishop refers to PNG as a particularly significant beneficiary of the Coalition's reverse Colombo Plan (see below), and also of a planned 'sport and diplomacy policy' (see below). 	
Pacific: Fiji	<ul style="list-style-type: none"> Current policy: 'No Australian aid is provided through the Fiji interim government. We deliver our aid where and how it will most assist the people of Fiji.' 	<ul style="list-style-type: none"> Bishop, from this speech: 'Should a Coalition Government be elected at some stage this year I commit to ensuring that normalising relations between Australia and Fiji is a priority of an incoming government. ... What I believe we should aim for is to support Fiji in its elections in 2014 and on behalf of the Coalition I pledge our support, in whatever form Fiji requires, to assist them to overcome the challenges that come with going on the path to parliamentary democracy and constitutional law and rule.' Bishop in debate with Carr: 'we will commence the process of re-establishing the relationship with our wonderful friends, the people of Fiji.' Bishop urges inclusion of Fiji in regional integration initiatives (it is not party to the PACER Plus negotiations): 'If we are serious about regional integration, all options should be on the table including with countries such as Fiji who are such an important part of the Pacific.' 	<ul style="list-style-type: none"> Have urged Australian Government to take a stronger stand on human rights abuses in Fiji.
Pacific: Asylum seekers: regional resettlement	<ul style="list-style-type: none"> Substantial aid expenditure on resettlement and community detention 	<ul style="list-style-type: none"> Bishop has opposed charging in-Australia asylum-seeker costs to the aid 	<ul style="list-style-type: none"> Opposed to offshore processing. Opposed to charging onshore costs to

	ALP	Coalition	Greens
	<p>in PNG (\$236m over four years, announced in the August Economic Statement, including \$13m in 2013-14), Nauru (costs unspecified) and possibly elsewhere.</p> <ul style="list-style-type: none"> The offshore expenditure above will partly supersede similar in-Australia expenditures from 2013-14. The ODA status of this expenditure is uncertain, at best. Resettlement costs are ODA-eligible. Community detention costs are unlikely to be. 	<p>budget. Bishop: 'The Gillard government has now made itself the third largest recipient of foreign aid.'</p> <ul style="list-style-type: none"> Policy unknown on offshore costs of the same nature (i.e. costs associated with asylum seekers living in communities and awaiting determination of their status). 	<p>the aid budget.</p> <ul style="list-style-type: none"> 'Safer pathways' asylum-seeker policy includes commitment to 'Additional \$70 million per year in emergency funding for safe assessment centres in Indonesia to provide shelter and welfare services to refugees while they wait for assessment and resettlement, and to boost the capacity of the UNHCR in Indonesia and Malaysia to speed up assessment and resettlement.'
Pacific: Partnerships for development	<ul style="list-style-type: none"> Announced in 2008 by Rudd to achieve 'a new and elevated engagement' between Australia and the Pacific island countries. 11 partnerships subsequently signed, but no partnership exists with Fiji. 	<ul style="list-style-type: none"> Coalition senators have regularly asked for updates during Senate Estimates hearings, and appear to be sceptical that the partnerships are more than cosmetic. Will need to decide, if the partnerships are maintained, whether to establish a partnership with Fiji as part of 'normalising' relations. 	<ul style="list-style-type: none"> Not specified.
Pacific: Seasonal Worker Program	<ul style="list-style-type: none"> In 2013-14, the Seasonal Worker Program (SWP) will allow up to 2,500 workers from eight Pacific island countries and Timor-Leste to undertake 14-24 weeks work with Australian employers who can demonstrate an unmet demand for low-skilled labour. 2,000 of these places are in the horticulture industry; a combined total of 500 places are available in the trial sectors of accommodation, aquaculture, cotton and cane in selected regions. The accommodation trial was expanded on 2 August 2013 to cover the whole of WA. 	<ul style="list-style-type: none"> Bishop supports expansion of the SWP: 'I have spoken on many occasions about my support for the Seasonal Worker Program. I believe this initiative should be strengthened to enable a greater number of Pacific Islanders in particular, to undertake seasonal work in Australia. The same applies for workers from PNG and Timor-Leste.' 	<ul style="list-style-type: none"> Not specified.
Pacific: PACER Plus	<ul style="list-style-type: none"> As the new trade minister, Richard Marles said he accorded high priority to the PACER Plus negotiations, and denied they had stalled. 	<ul style="list-style-type: none"> In 2011, Bishop criticised the Government for not including PACER Plus in its trade policy statement. More recently, Bishop has described the PACER Plus negotiations as 'stalled' and has called for 'thinking' or a 'new start.' 	<ul style="list-style-type: none"> Have in the past called for a moratorium on the negotiations.

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		<ul style="list-style-type: none"> Bishop's suggested alternative (as articulated in the source immediately above and in other speeches) is for 'some of the bigger economies in the region, namely Australia, New Zealand, Fiji, PNG to conclude bilateral or, if we could do it quadrilateral, free trade agreements, a high quality agreement that would bind us together and that other countries in the Pacific can then see the benefit of a free trade agreement and can opt in to such an agreement.' 	
Afghanistan	<ul style="list-style-type: none"> If elected, will need to respond to the recommendations of the May 2013 report of the Senate inquiry into Australia's overseas development programs in Afghanistan. The Senate committee said it had 'seen little evidence that the Australian Government agencies delivering aid to Afghanistan have attempted any genuine critical evaluation of the effectiveness of their Australian programs.' 	<ul style="list-style-type: none"> If elected, will need to respond to the recommendations of the May 2013 report of the Senate inquiry into Australia's overseas development programs in Afghanistan. The Coalition appears to have made no public comment on the report of the inquiry. Bishop has said little on aid to Afghanistan, other than in this speech: 'There should be no precipitate withdrawal from Afghanistan ... But this does mean an ongoing commitment to supporting the civilian population.' Senator Helen Kroger has alleged that AusAID ceased funding to the NGO The Liaison Office because it would not modify the content of a report on Australia's contribution to development in Uruzgan. 	<ul style="list-style-type: none"> Rhiannon secured support in 2012 for the establishment of the Senate inquiry. The Greens' response to the report focuses mainly on ADF-managed aid, raising concerns about the 'militarisation' of aid and the miscategorisation of some defence expenditure as aid.
Palestinian territories	<ul style="list-style-type: none"> Carr said during the Lowy foreign policy debate that Coalition would 'withdraw aid' to the Palestinian territories. 	<ul style="list-style-type: none"> Bishop has spoken positively of Howard-era aid to the Palestinian territories: 'we played an important role in supporting the Palestinian people. The Howard government contributed much-needed financial assistance to aid development in areas such as agriculture, provided vital shelter for refugees and advanced the reconstruction of health and education services. This assistance, which has 	<ul style="list-style-type: none"> Strongly support aid for the Palestinian territories. Have condemned Israel for destroying aid-funded buildings in the Palestinian territories.

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		<p>been continued by the Rudd and now Gillard governments, aimed to support the Middle East peace process through reducing the vulnerability of the Palestinian people to poverty and conflict.'</p> <ul style="list-style-type: none"> • Senator Eric Abetz has regularly suggested AusAID funding for APHEDA (the ACTU's overseas aid arm) is used in support of the BDS (boycott, divestment and sanctions) campaign. • Abetz has also questioned AusAID funding through World Vision Australia for the Gaza-based Union of Agricultural Work Committees, which has been alleged to be affiliated with a terrorist organisation. 	
2. POLICY & STRATEGY			
Policy framework	<ul style="list-style-type: none"> • An Effective Aid Program for Australia, 2011. • Australia's Comprehensive Aid Policy Framework to 2015-16. • Budget Statement, 2013-14 (Blue Book) • Economic Statement, August 2013. 	<ul style="list-style-type: none"> • No current framework. • White Paper, 2006, relevant but not recently referenced. • No free-standing aid and development policy expected to be announced during campaign (see here). 	<ul style="list-style-type: none"> • The Overseas Aid (Millennium Development Goals) Bill 2013, provides a de facto framework. • Aims for overseas aid also outlined in this statement on the Greens' website.
Objective	<ul style="list-style-type: none"> • Current objective: 'The fundamental purpose of Australian aid is to help people overcome poverty. This also serves Australia's national interests by promoting stability and prosperity both in our region and beyond. We focus our effort in areas where Australia can make a difference and where our resources can most effectively and efficiently be deployed.' 	<ul style="list-style-type: none"> • No indication that the current objective would be changed. • The objective formerly used by the Coalition was: 'to assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest.' 	<ul style="list-style-type: none"> • No comprehensive objective specified, even in the above bill. • The Greens website does state - 'Australia has a responsibility to contribute to both long term development aimed at eliminating global poverty, enhancing self-reliance and reducing climate change vulnerability in developing nations, and to humanitarian emergency relief where people become vulnerable and suffer because of natural disasters or social conflict.'
Aid volume	<ul style="list-style-type: none"> • Increase aid to 0.5 per cent of GNI by 2017-18, but hold it at around 0.4 per cent of GNI from 2014-15 until then (August Economic Statement). • Originally 0.5 per cent by 2015-16, but savings harvested from forward estimates on five occasions, twice by 	<ul style="list-style-type: none"> • Formerly adhered to a bipartisan commitment to increase aid to 0.5 per cent of GNI by 2015-16 (with some equivocation). • Bishop: 'the Coalition's always said that we would commit to 0.5 per cent of Gross National Income to foreign aid, 	<ul style="list-style-type: none"> • Increase aid to 0.5 per cent of GNI by 2015-16 then 0.7 per cent of GNI by 2020-21, according to schedule specified in the above bill.

	ALP	Coalition	Greens
	pushing back the target date and three times by increasingly back-loading the trajectory.	<p>what we can't commit to is when that would be delivered because Labor has now broken that promise on two occasions in the last budget and then again in this budget and they are raiding other parts of the budget including the foreign aid budget to shore up their failings in the cost blow-out in the detention network and border protection.'</p> <ul style="list-style-type: none"> • Abbott: 'our policy is to take foreign aid to 0.5 per cent of gross national income. Now, we aren't going to meet the timeframe that was originally envisaged because the Government has already slowed down the growth in foreign aid.' 	
Performance benchmarks, or 'hurdles'	<ul style="list-style-type: none"> • Agreed, in principle, to recommendation 39 of the Independent Review of Aid Effectiveness, which was: 'The scale-up of the aid program to 0.5 per cent of GNI should be subject to the progressive achievement of predetermined hurdles.' • Agreement qualified as follows: 'program performance [will] be assessed through the annual review of the aid program noting that development is a long term process and results will be incremental.' • Table 4 of the first Annual Review of Aid Effectiveness (for 2011-12) summarised progress against some high-level hurdles suggested by the aid review panel, which are process-related. • The CAPF does not contain the more specific year-by-year hurdles that seem to have been envisaged by the review panel, except in relation to some process matters. Its Results Framework is said to reflect 'the intent of the 'hurdles' outlined in the Independent 	<ul style="list-style-type: none"> • Bishop: 'The government's response to the review seems to ignore, arguably, the most important recommendation, the 39th, which states 'the scale up of the aid program to 0.5 per cent of GNI should be subject to the progressive achievement of predetermined hurdles.' • Bishop: 'I am aware that AusAID has declared that it has met all performance hurdles thus far. This is an issue of ongoing concern as I do not accept that stringent performance hurdles – as envisaged by recommendation 39 – are in place.' • Bishop: 'We will put in place performance benchmarks against which our aid budget... will be judged, to ensure that we have the most efficient and the most effective use of our aid budget and the best value for money.' 	<ul style="list-style-type: none"> • Not specified

	ALP	Coalition	Greens
	Review of Aid Effectiveness' while being 'much more comprehensive.'		
Asylum-seeker costs: expenditures in Australia	<ul style="list-style-type: none"> • Carr: 'This year [2012-13] we will report up to \$375 million [from the aid program, to the OECD] for basic subsistence for refugees waiting to have their claims heard in Australia.' • In the 2013-14 budget, the Government allocated a further \$375m for in-Australia costs. Blue Book: 'the Government will report the costs associated with the sustenance of asylum seekers on residence determinations or bridging visas class E during their first 12 months in Australia as ODA. These sustenance costs include accommodation, food, clothing and other basic necessities. The actual expenditure on ODA eligible asylum seekers costs will vary depending on the number of arrivals and their length of stay in the community.' • Also in the 2013-14 budget, the Government announced a cap on such costs: 'To ensure predictable planning and management of the ODA budget, the Government will cap expenditure from the existing ODA funding envelope in any one year at \$375 million.' • DIAC advised Senate Estimates in June 2012 that it was likely to underspend against the 2011-12 allocation. • No specific policy basis has been made public for determining how the \$375m figures were arrived at. Nor has there been any indication whether any forecast underspend in 2013-14 will be returned to the aid budget. 	<ul style="list-style-type: none"> • Bishop has opposed charging in-Australia asylum-seeker costs to the aid budget: 'The Gillard government has now made itself the third largest recipient of foreign aid.' • See also Gambaro here: 'Labor hijacks foreign aid!' 	<ul style="list-style-type: none"> • Opposed to charging onshore costs to the aid budget. Rhiannon has asked numerous questions on this in Senate Estimates hearings. • 'Safer pathways' asylum-seeker policy includes commitment to 'Additional \$70 million per year in emergency funding for safe assessment centres in Indonesia to provide shelter and welfare services to refugees while they wait for assessment and resettlement, and to boost the capacity of the UNHCR in Indonesia and Malaysia to speed up assessment and resettlement.'
G20 development agenda	<ul style="list-style-type: none"> • Priorities not specified. 	<ul style="list-style-type: none"> • Priorities not specified. 	<ul style="list-style-type: none"> • General remarks included in this Lowy Institute speech, July 2013. Emphasis on green growth, fossil fuel subsidies, food security, climate change financing, fair trade, anti-corruption, the post-

	ALP	Coalition	Greens
			2015 international development goals and civil society engagement in G20 deliberations. G20 should consider 'where and how aid distributed.' Australian government 'would be naïve' to think G20 will not question Australia's use of aid for costs associated with asylum seekers.
Post-2015 development agenda	<ul style="list-style-type: none"> Priorities not specified. 	<ul style="list-style-type: none"> Priorities not specified. 	<ul style="list-style-type: none"> Priorities not specified. General reference in the speech referenced immediately above to the importance of 'spreading benefits of development more evenly' in the context of 'refreshing' the MDGs in 2015.
3. MULTILATERAL AID			
Use of the multilateral system	<ul style="list-style-type: none"> Effective Aid: 'In view of our global interests, we will increase the support we provide to global initiatives and multilateral organisations with proven records of effectiveness. In doing so, Australia will strengthen its engagement in the strategic direction and governance of these organisations.' (p. 53) Australia's present use of the multilateral system is currently around average, at about 30 per cent. However, Australia is the second-lowest provider of core funding, after the US. Australia provides slightly less than half its funding as core funding, with the rest earmarked for specific purposes. 	<ul style="list-style-type: none"> The Coalition has said little on aid funding for multilateral organisations, except to favour or oppose support for specific organisations (see below). The Howard government's use of the multilateral system was relatively low, at about 20 per cent of total aid, and there was an emphasis on making support for multilateral organisations (especially UN organisations) more selective and better aligned with Australia's priorities. See page 67 of the 2006 White Paper. 	<ul style="list-style-type: none"> Not specified. Can be assumed strongly to support multilateralism in general, but with reservations about the operations of the multilateral development banks (e.g. with respect to investment in non-renewable energy, and in the application of social and environmental safeguards).
Australian Multilateral Assessment (AMA) process	<ul style="list-style-type: none"> Current approach: full comparative assessment completed in 2012, to be followed by lighter annual assessments with results fed into budget process. The initial round of assessments, conducted in 2011, appear to have little or no discernible impact on the pattern of resource allocation across multilateral organisations. Impacts might become apparent as annual updates are undertaken and trends become apparent. 	<ul style="list-style-type: none"> Not specified. Bishop has quoted from the AMA on the performance of the IFC, and from the similar UK Multilateral Aid Review on the performance of IFAD. Likely to build on AMA process but perhaps take a more hard-edged approach to funding levels and allocation decisions. 	<ul style="list-style-type: none"> Not specified.

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International Labour Organisation (ILO)	<ul style="list-style-type: none"> The Government signed a Partnership Agreement with the ILO for the period 2010-15, but committed total funding of \$15m for the first two years of this period only, for specific purposes. A mid-term review of the partnership was undertaken in 2012. Funding appears not yet to have been allocated for the period 2013-15. 	<ul style="list-style-type: none"> No public statements, but, based on traditional approach, likely to reduce discretionary funding. Will need to decide on the level and use of funding under the remaining years of the existing partnership agreement. 	<ul style="list-style-type: none"> No specified.
International Fund for Agricultural Development (IFAD)	<ul style="list-style-type: none"> Seeking to rejoin, at an estimated cost of just under \$130m over four years. IFAD Amendment Bill 2012 pending. 	<ul style="list-style-type: none"> Opposes rejoining. Argues effectiveness has not been demonstrated, and that costs are excessive. The Coalition decided to withdraw from IFAD in 2004, which decision took effect in 2007. 	<ul style="list-style-type: none"> Likely to support rejoining.
African Development Bank (AfDB)	<ul style="list-style-type: none"> Join, at an estimated cost of \$88m in paid-in capital and \$161m as an initial contribution to the African Development Fund (AfDF). Australia would also need to contribute to the current replenishment of the AfDF, at a possible cost of circa \$200m. African Development Bank Bill 2013 pending. Senate inquiry into the provisions of the above bill reported on 20 August 2013, in favour of the bill. 	<ul style="list-style-type: none"> Unknown. Tony Abbott questioned need to join in 2012 budget reply speech. Coalition senators dissented from report of the Senate inquiry into the provisions of the African Development Bank Bill 2013: report, p. 47. 	<ul style="list-style-type: none"> Likely to support joining.
International Finance Corporation (IFC)	<ul style="list-style-type: none"> Limited discretionary funding provided (in 2010-11, Australia provided less than \$5m to the IFC in discretionary funding). 	<ul style="list-style-type: none"> Possible increase in discretionary funding, based on Julie Bishop's remarks to a conference in Adelaide on 19 July 2013. 	<ul style="list-style-type: none"> Unlikely to be in favour of increased funding.
4. SECTORS AND CROSS-CUTTING ISSUES			
Aid for trade	<ul style="list-style-type: none"> See this narrative on the DFAT web site for an account of Australia's aid for trade. The term 'aid for trade' encompasses essentially all aid to developing countries, including infrastructure aid, that has any bearing at all on the reduction of 'supply side' constraints on their capacity to engage in international trade, whether these relate to production, storage and distribution, 	<ul style="list-style-type: none"> Bishop: Aid for trade will be a 'flagship' of Coalition aid policy (or, in this speech, a 'cornerstone.' It is not entirely clear what is here encompassed by 'aid for trade.' It is said to include the Enterprise Challenge Fund and the Seasonal Worker Program, as well as 'efforts to build trade capacity within developing countries through strengthening regulatory and policy frameworks, 	<ul style="list-style-type: none"> Not specified. Likely to be opposed to making aid for trade a central pillar of the aid program, particularly if the Coalition's policy is interpreted to be aimed in part at promoting exports from Australia.

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	<p>finance or governance.</p> <ul style="list-style-type: none"> • Around one-third of all aid can be so categorised, according to OECD /WTO statistics. Such funding is regarded as contributing to the aims of the WTO-led Aid for Trade Initiative which was launched at the Doha WTO ministerial meeting in 2005. • According to the OECD, Around 17 per cent of Australian aid was categorised as aid for trade in 2011, an increase from about 12 per cent five years earlier. 	<p>supporting education and training through initiatives such as the Australia - Pacific Technical College and working with other donors to fund productivity enhancing infrastructure projects.'</p> <ul style="list-style-type: none"> • More generally, Bishop has made it clear, in the speech linked immediately above, that aid for trade incorporates all forms of aid normally included in the Aid for Trade Initiative: 'The Coalition's philosophical support for individual enterprise and private sector development as the backbone of economic growth makes us the natural partner of the Aid for Trade Initiative. ... We were there at the launch of the Initiative at the World Trade Organisation Hong Kong Ministerial Conference in 2005. ... Much of the Coalition's focus centred on the potential development benefits from the liberalisation of international agricultural trade. ... Coalition support for the Aid for Trade Initiative followed steps already taken to open up Australia's domestic market to least developed countries, through duty-free, quota-free access.' 	
Climate change	<ul style="list-style-type: none"> • Likely to favour continued lead role in development of Green Climate Fund, and to favour a substantial Australian contribution to it, budget circumstances permitting. • Continued support for mitigation and adaptation through country and regional programs, probably above \$200m per annum (the annual average level during the 2010-12 'fast-start' period). • Indonesia-Australia Forest Carbon Partnership effectively discontinued from mid-2013. International Forest Carbon Initiative defunct. 	<ul style="list-style-type: none"> • Bishop: 'Climate change funding should not be disguised as foreign aid funding ... We would certainly not spend our foreign aid budget on climate change programs.' (NB. The International Forest Carbon Initiative was established, as the Global Initiative on Forests and Climate, under the Howard government.) • Bishop: 'Labor put \$300 million of Climate Change Adaptation money into the Foreign Aid budget and tried to claim that they'd boosted foreign aid. We will not do that. That is against the principles and guidelines laid down by the Copenhagen Climate Change 	<ul style="list-style-type: none"> • Opposed to use of aid funds for climate change financing. • Above bill explicitly excludes climate finance from Australia's ODA commitments.

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		<p>Conference. We will not use climate change money in a way to say we're boosting foreign aid.'</p> <ul style="list-style-type: none"> Likely to discontinue support for any multilateral climate change financing mechanisms and allow funding through country and regional programs only where it generates developmental co-benefits. Unclear whether programs consistent with domestic 'direct action' programs would be funded. Past comments from Bishop would suggest not. 	
Mining for development	<ul style="list-style-type: none"> Australia's Mining for Development Initiative was launched at CHOGM in Perth, October 2011, with a budget of \$127m over four years. 	<ul style="list-style-type: none"> The Coalition appears not to have commented directly on the Mining for Development Initiative, but is likely to be broadly supportive of the existing initiative if elected. Bishop has commented favourably on Australian assistance to PNG for sovereign wealth management. 	<ul style="list-style-type: none"> Greens are sceptical about the Mining for Development Initiative, suggesting that it is intended to benefit Australian mining interests.
Disability-inclusive development	<ul style="list-style-type: none"> Made disability-inclusive development a distinctive focus of Australian aid policy, commencing with a budget allocation in 2008-09 to the 'avoidable blindness initiative' (\$45m over two years) and the subsequent development of the 2009-14 policy framework, 'Development for All.' On 29 July 2013, announced the intention to appoint an Ambassador for Disability-Inclusive Development. Identity of ambassador not yet determined but the position is 'expected to be filled by a Senior Executive in AusAID.' 	<ul style="list-style-type: none"> Bishop: 'AusAID is to be congratulated for its leadership role' on disability and development. Will need to decide whether to maintain the ambassadorial position, and who should be appointed to it. 	<ul style="list-style-type: none"> Supported campaign for establishment of ambassadorial position.
Water and sanitation	<ul style="list-style-type: none"> This was the subject of a funding pledge in the 2007 election campaign. The Government committed to spend an additional \$300m over three years, from 2008-09, on water and sanitation programs (see Blue Book, 2008-090). 	<ul style="list-style-type: none"> Not specified. 	<ul style="list-style-type: none"> Not specified.
Microfinance	<ul style="list-style-type: none"> This was the subject of a funding pledge during Rudd's first term: 'We expect 	<ul style="list-style-type: none"> Not specified. An area of strong interest in the early 	<ul style="list-style-type: none"> Not specified but clearly supportive. Rhiannon sought assurances that

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	<p>that our microfinance expenditure will double over the period 2007-08 to 2012-13, to at least \$18 million per annum' (Blue Book, 2011-12).</p> <ul style="list-style-type: none"> AusAID's current approach is summarised in this document, which does not contain funding commitments. 	<p>years of the Howard government, which announced a \$3m Microfinance Initiative Seed Fund in the 1999-2000 budget (see Blue Book, 1999-2000).</p> <ul style="list-style-type: none"> Bishop: 'At a micro level, we will continue some Howard-era initiatives such as the Enterprise Challenge Fund from 2007 that provided small grants to local businesses that were having difficulty accessing the capital to undertake a viable commercial project.' 	<p>Australia would be appropriately represented at a Global Microcredit Summit in late 2011.</p>
Human rights	<ul style="list-style-type: none"> Traditionally an area of strong interest, particularly in the late 1990s when in opposition. Emphasised in Effective Aid, and particularly in Rudd's remarks in launching the latter. 	<ul style="list-style-type: none"> Bishop: 'It is vital that Australia pursue a principled and robust approach to human rights abuses, particularly in our region. ... Australia should work with countries in our region to establish more Ministerial level Human Rights Dialogue, such as we have with China where issues of human rights can be discussed in an open and frank forum.' 	<ul style="list-style-type: none"> Website: 'all aid programs should be consistent with a human rights based approach', and 'the human rights and agency of women should be placed at the centre of Australian aid.'
Gender/reproductive health	<ul style="list-style-type: none"> Status quo. Major initiative, Pacific Women Shaping Pacific Development (\$320m over ten years), announced in August 2012. Harradine-era family planning guiding principles for the aid program liberalised in 2009. 	<ul style="list-style-type: none"> Allegations have been levelled (primarily by the Greens) that Abbott will reinstate the Harradine-era ban on aid program funding for abortion-related services. Bishop and Abbott have denied they will make any changes. Bishop: 'I had proposed, before the last election, a second tier dialogue of prominent women in politics from across the region to discuss common interests in security and aid, trade, energy, human rights, health, disaster response and nuclear non-proliferation. ... And I suggested that we would establish networks of mentors available to work with younger women to promote the involvement of women in political leadership positions. ' Senators Michaelia Cash and Helen Kroger have accused the Government of being 'all talk' on the Pacific Women Shaping Pacific Development Initiative. 	<ul style="list-style-type: none"> Greens want to increase aid for family planning.

	ALP	Coalition	Greens
Medical research	<ul style="list-style-type: none"> • Commitment to increase funding, including for Product Development Partnerships and Australia's National Health and Medical Research Council. • Unknown whether funding has yet been committed or delivered. 	<ul style="list-style-type: none"> • Not specified. • Some interest from shadow finance minister Andrew Robb. 	<ul style="list-style-type: none"> • Not specified.
Education & training	<ul style="list-style-type: none"> • Education the flagship sector of the aid program, with expenditure of \$1.16bn on 'promoting opportunities for all.' • Aid and other government-funded scholarships are provided under the umbrella of Rudd's Australia Awards scheme. 	<ul style="list-style-type: none"> • Seek to establish a reverse Colombo Plan that will send talented Australian students to study at universities in the region. • Bishop: Scholarships for outbound students under the reverse Colombo plan would not be funded at the expense of those for inbound students from developing countries, but the Coalition has 'yet to identify which portfolio's resources would be used' to supply funding for outbound students. 	<ul style="list-style-type: none"> • Not specified.
Northern Australia	<ul style="list-style-type: none"> • No stated intention to use aid funds for domestic regional development. 	<ul style="list-style-type: none"> • Proposal from June 2013 ('The Coalition's 2030 Vision for Developing Northern Australia') to use aid funds (amount unspecified) to develop centres of excellence in medical research and training, with a focus on the needs of the tropical developing countries of Asia. • A related, internal Coalition discussion paper leaked in February 2013 proposed allocating \$800m from the aid program for the above purpose. Abbott said the paper did not represent Coalition policy. 	<ul style="list-style-type: none"> • Not specified.
Political governance	<ul style="list-style-type: none"> • Overall reduction in emphasis on political governance relative to the Howard government. 	<ul style="list-style-type: none"> • See above comments by Bishop on a 'second tier dialogue of prominent women in politics from across the region.' 	<ul style="list-style-type: none"> • Not specified. • Greens now benefit from the Australian Political Parties for Democracy Program, which was previously limited to the ALP and the Liberal Party. • Website: committed to 'the inclusion of 'good governance' activities within the aid program which promote governance structures and processes which serve the interests of those in poverty.'
Sport for development	<ul style="list-style-type: none"> • Development-through-sport strategy, 	<ul style="list-style-type: none"> • Bishop: Coalition would develop a sport 	<ul style="list-style-type: none"> • Not specified.

	ALP	Coalition	Greens
	2009-14, here .	and diplomacy policy with a focus on PNG and the Pacific, with initiatives for girls and women as well as boys and men.	
5. PARTNERSHIPS			
Business	<ul style="list-style-type: none"> • General commitment to business engagement, mainly through dialogue. • Various country-specific round table discussions have been held, and a general partnership agreement has been signed with Carnival Australia covering possible cooperation in the Pacific. • No new funding allocated for collaboration with business on specific activities. • Future of Enterprise Challenge Fund for the Pacific and Southeast Asia uncertain. Existing program expires in late 2013. • Local enterprise development and business engagement both covered by a private sector development thematic strategy released in 2012. 	<ul style="list-style-type: none"> • General commitment to business engagement, though the Coalition appears more focused on local enterprise development in developing countries than on engagement with Australian business. • High level of implied support for continuation of something like the existing Enterprise Challenge Fund, which was an initiative of the Howard government in 2007. • Support for private sector operations of the MDBs, including the IFC. • Emphasis on 'aid for trade' might lead to pressure from business to establish a 1990s-style 'matchmaking' scheme to fund exploratory ventures by Australian companies in developing country markets. However, the Coalition has given no signal that such a mechanism might be under consideration. The Howard government abolished such a scheme, the Private Sector Linkages Program, on assuming office in 1996. • Bishop has accorded local enterprise development high priority in various speeches, often referring to the Enterprise Challenge Fund, technical training and business mentoring. 	<ul style="list-style-type: none"> • General suspicion about 'corporatisation' of aid. • Website: committed to a 'non-commercial' aid program. 'Aid must not be used as a means of subsidising Australian business.'
NGOs	<ul style="list-style-type: none"> • Strong funding growth likely to continue. • Intention to strengthen emphasis on assessments of capacity and effectiveness for all NGOs receiving AusAID funding. Under the Civil Society Engagement Framework put in place in 2012, all NGOs will be subject to due diligence assessments and an effectiveness assessment methodology. 	<ul style="list-style-type: none"> • Likely to maintain present levels of funding and possibly continue scheduled funding growth. • Unclear whether the existing Civil Society Engagement Framework will be retained, with its emphasis on strengthened due diligence and effectiveness assessment. • Traditionally, the Coalition has been loathe to provide aid funds to 	<ul style="list-style-type: none"> • Likely to favour strong growth in NGO funding, together with a trust-based approach to funding allocation and no conditionality with respect to advocacy activities. • Aiming for 'the removal of any discrimination against small non-government organisations in AusAID's funding and tendering processes.'

	ALP	Coalition	Greens
	<ul style="list-style-type: none"> The details are still being finalised. No clarity about future of AusAID-NGO Cooperation Program 'matching' funding model. 	<p>Australian or local NGOs who are perceived to be engaging in criticism of Australian Government policy.</p> <ul style="list-style-type: none"> The Coalition was strongly critical of the short-lived Community Call to Action pilot program, on the basis that in some cases it appeared to fund NGOs to advocate for increased aid. 	
6. AID MANAGEMENT			
Ministerial arrangements	<ul style="list-style-type: none"> Appointed Melissa Parke as Minister for International Development, the first since Gordon Bilney (ALP). Not a Cabinet-level position. 	<ul style="list-style-type: none"> Went to last election promising an aid minister. Support for this policy subsequently reiterated by Bishop. Bishop has also said that the Coalition will restore the primacy of DFAT as the coordinating ministry for international policy, which would suggest the autonomy of the minister for international development within the foreign affairs and trade portfolio will be limited. 	<ul style="list-style-type: none"> Support (see aims, no. 7) a Cabinet-level aid minister.
Parliamentary oversight	<ul style="list-style-type: none"> Carr has supported [p. 85] the creation of a parliamentary oversight committee for the aid program (probably a JSCFADT subcommittee), as recommended by the Senate inquiry into Australia's overseas development programs in Afghanistan: 'the Parliament [should] consider establishing a parliamentary standing committee or dedicated subcommittee of an existing standing committee charged with examining and reporting on Australia's ODA. Among other benefits, this committee could be the catalyst needed to improve the standard of reporting on Australia's ODA, especially Australia's whole-of-government effort in delivering overseas aid.' Carr's support was conditional on costs not being drawn from the aid program. 	<ul style="list-style-type: none"> Senator David Fawcett (member of JSCFADT) supportive (p. 85). 	<ul style="list-style-type: none"> Likely to be in favour. Rhiannon instigated the Senate Inquiry into Australia's overseas development programs in Afghanistan, which recommended establishment of a parliamentary oversight committee.
Use of technical advisers	<ul style="list-style-type: none"> Has put in place an Adviser remuneration framework and conducts regular adviser stocktakes. 	<ul style="list-style-type: none"> Bishop gave credit to Rudd for taking action on adviser numbers and costs. Likely to retain the Adviser 	<ul style="list-style-type: none"> Not specified.

	ALP	Coalition	Greens
	<ul style="list-style-type: none"> Increasingly using the Australian Civilian Corps for a range of advisory tasks. 	<ul style="list-style-type: none"> Remuneration Framework. Position on the Australian Civilian Corps (a Rudd initiative) generally positive. 	
Evaluation	<ul style="list-style-type: none"> Status quo: an AusAID-internal but quasi-independent Office of Development Effectiveness overseen by a new (2012) Independent Evaluation Committee. 	<ul style="list-style-type: none"> Bishop: Independent Evaluation Committee a positive step. Existing evaluation policy needs to be fully implemented, including compliance with policy on independent project completion reports. 'The Coalition remains committed to more scrutiny of the multi-billion aid program.' 	<ul style="list-style-type: none"> Above bill provides for the creation of an Independent Commissioner on Aid Effectiveness.