

Africa, the environment and disaster relief bear the brunt of Coalition aid cuts

by Stephen Howes

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Today, at last, the Coalition **announced** how it would reduce aid by about \$650 million below the amount budgeted for this year, or \$110 million below last year's level. It took Labor six weeks to announce how it would cut the aid budget last year 13 by the \$375 million which it diverted in December 2012 to pay for asylum seeker costs. It should not have taken the Coalition 19 weeks to announce how it would implement its election commitment.

With the fiscal year more than half way through, there was not a lot of flexibility left and a lot of small cuts were made across the budget. NGOs have been vocal, but cuts to their funding have been relatively minor. The Asia-Pacific region, the biggest recipient of Australian aid, has been largely insulated. The \$375 million for asylum seekers has not been touched. But three areas were singled out for particularly deep cuts of \$100 million, or close to it.

Aid to Sub-Saharan Africa was cut by \$78 million (37%) below last year's level or by \$92 million (12%) below the amount budgeted for this year. This will be controversial. Our **2013 aid stakeholder survey** revealed deeply divided views as to whether aid to Africa should be increased or reduced. I for one support this cut. The 2011 *Independent Review of Aid Effectiveness* recommended that bilateral aid to Africa be kept at 2010-11 levels, and that our support for Africa expand through increased funding for effective global programs and agencies. Then the AusAID program for sub-Saharan Africa was about \$140 million. It had risen in this year's budget to \$225 million. Now it is back at \$133 million.

The second area to be singled out for cuts, and the only one for apparent elimination, is support for global environmental programs, including climate change. This is shown at \$91.6 million for last year and at \$0.5 million for this year. This drastic measure is far harder to defend. Julie Bishop made known her opposition to using aid funding for climate change just before the election, and there have been various **signs** of the Coalition's antipathy to it since. But what is the Government's strategy?

To take climate change as an example, the Government surely still accepts that it is in Australia's interests to promote international action on climate change. It has long

been accepted that funding is a key part in this. At Copenhagen, developed countries, led by the U.S., agreed to find \$10 billion a year to support climate change action in developing countries by 2012, and \$100 billion by 2020. This has been crucial for leveraging greater developing country action. Where is this money to come from? Either carbon markets or public finance (aid). We don't seem to support carbon markets, so we had better use our aid budget, as we have done so far.

In the earlier Coalition Government, Downer, Turnbull and Hunt were strong supporters of using the aid budget for climate change action. So was Labor. This Government is yet to explain why it thinks differently.

This round of cutbacks don't mean all aid funding for the environment and climate change is gone, as some of it will be buried in country programs. But it must mean a large reduction, and it certainly sends a strong, negative and confusing signal.

The third area to be singled out for deep cuts is disaster relief or "humanitarian and emergency response". This is cut by \$26 million compared to last year, but by \$101 million compared to what was budgeted for this year. The *Independent Review of Aid Effectiveness* recommended a large increase in this type of live-saving spending. This year we have what the UN has **described** as the worst humanitarian disaster since the end of the Cold War. At the just-concluded pledging conference for Syria, Australia pledged a measly \$10 million in humanitarian aid. Now we know why.

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