

Parliamentary inquiry announced on role of private sector in development

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Hot on the heels of the [announcement](#) of an inquiry into the human rights of women and girls in the region, the [newly formed Foreign Affairs and Aid Subcommittee](#) of the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT) is [holding an inquiry](#) on the role of the private sector in promoting economic growth and poverty reduction in the Indo-Pacific.

It has been requested by the Minister for Foreign Affairs Julie Bishop, who is nothing if not consistent about her interest in both private-sector-led development and the empowerment of women and girls. According to the [press release](#) announcing the inquiry, it will have a strong focus on 'the issues surrounding aid and trade, an area receiving more attention globally'.

The [terms of reference](#) for the inquiry cover:

- The current role of the private sector in accelerating the pace of economic growth and in reducing poverty in poor countries in the Indo-Pacific region.
- Current Australian Government support for private sector development through bilateral and multilateral investments.
- Legislative, institutional, social and policy constraints that may reduce the ability of private sector agencies to engage in development.
- Additional partnerships, activities or financial instruments the Australian government could use to enhance the role of the private sector in development in the Indo-Pacific region.
- The role of public-private partnerships in leveraging private sector investment in developing countries.
- Risks related to current and possible future approaches to enhancing the role of the private sector in development, and their management.
- The role Australian and international businesses could play to support development and inclusive growth in partner countries.

The Foreign Minister suggested that the committee pay particular attention to:

- What other donors (new and traditional) are doing in this area.
- The particular role of women in ensuring a thriving private sector.
- The possible return on investment to Australia of private sector partnerships and specific financial instruments.

Submissions are invited, with a closing date of Thursday May 8. More details are available on the [inquiry website](#).

The scope of this inquiry is of necessity very broad, covering two overlapping and complex areas: (i) promoting the growth and diversification of the private sector in developing countries, and (ii) building non-contractual poverty reduction partnerships between aid agencies and (mostly multinational) business organisations. It is difficult to tell just how much and what kind of weight will be given to the last point mentioned above: the 'return on investment' to Australia of various types of partnerships and financial instruments. Perhaps submissions from DFAT and other government agencies will shed some light on what policies or programs might be in the wings here.

Overall, however, the inquiry is a welcome exercise in consultative policy development, and demonstrates the value of having an explicit and ongoing focus on the aid program in the work of a major parliamentary committee.