The Australian Council of Trade Unions (ACTU) and Union Aid Abroad – APHEDA welcome the opportunity to respond to the call for submissions to Australia’s overseas aid and development assistance program in light of the Government’s $4.5 billion cut to international development Assistance.

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Executive Summary

An effective aid program is one that is pro-poor, addresses global poverty, supports human rights, the Decent Work Agenda, builds the role of civil society and works towards food sovereignty and ecological sustainability.

As a good global citizen, and member of the UN Security Council, Australia must work towards the 1970 UN Security Council resolution to allocate 0.7 percent of GNI to official development assistance, which has been repeatedly endorsed by Australian Governments.

The Australian aid program should partner with our neighbours in the Pacific, South East Asia, the Indian Ocean countries and the Middle East, given Australia’s proximity to and involvement in the security and development of these regions, as well as the strong Australian community support for particular regional assistance.

A focus on measurable outcomes, integrity and rigorous benchmarks will ensure greater value for money and effectiveness in the aid program. Scrutiny and accountability should be demanded and applied across the whole sector, including NGO, bilateral and business sector partners.

Multilateral support should focus on the international agreements and institutions that play an important role in responding to global problems and promoting common global goods. We should leverage our position as a rich country to advocate for trade agreements that do not disadvantage poor countries.

About ACTU

The Australian Council of Trade Unions (ACTU) is Australia’s national confederation of unions, representing 47 affiliates and over 2 million workers across all industries in the Australian economy. We engage extensively with our counterparts in the region, building on a long history of cooperation, collaboration and solidarity.

The ACTU is an affiliate, and participates in, the capacity building and campaign activities of the International Trade Union Confederation. This includes engaging in activities focused on promoting decent wages and working conditions for workers in the Asia-Pacific region and strengthening trade unions so they can effectively represent workers and engage in broader economic and social policy debates.

The ACTU also supports, and works with, the International Labour Organisation. This includes providing expertise to technical and capacity building projects and delivering development projects focused on job creation in the Pacific region.
About Union Aid Abroad – APHEDA

Australian People for Health, Education and Development Abroad (APHEDA) was created in 1984 as the overseas aid agency of the Australian Council of Trade Unions. The full name “Union Aid Abroad-APHEDA” more fully reflects the association between APHEDA and the Australian union movement.

Union Aid Abroad-APHEDA was established to contribute directly to countries and regions of the world where men and women workers are disadvantaged through poverty, a lack of workplace, denial of labour and human rights, civil conflict and war. Union Aid Abroad is committed to justice and solidarity and to self reliance, not charity. It builds self-reliance through support to educational and training projects for workers and their organisations in Southeast Asia, the Pacific, the Middle East, Southern Africa and the Caribbean. Union Aid Abroad - APHEDA is fully accredited with the Australian Government's Aid Program, and is a signatory to the Australian Council for International Development’s (ACFID) Code of Conduct.

1. Australia’s ability to deliver aid

Poverty alleviation

Economic growth is increasingly bypassing the poor, driving jobless growth and inequality. Global unemployment is up, with almost 202 million people unemployed in 2013. And this figure does not capture the almost 30 million women and men who have withdrawn from the labour force due to the inability to find work. The quality of jobs is also of concern. Many are not receiving a living wage. Almost 12 percent and 27 percent are living on less than US$1.25 and $2 a day or less respectively. 48 percent of total employment is considered vulnerable employment.

Some 425 million jobs will need to be created in the next 15 years to meet the youth unemployment challenge. Given the links between youth unemployment, poverty and conflict, it is imperative that a focus on skills development and job creation is adopted in our region.

It is positive, therefore, to hear from the Minister for Foreign Affairs, Hon Julie Bishop, on 18 January 2014, that reducing poverty is the policy objective of the aid program, saying: “The Government is committed to investing aid in the sustainable development of our close neighbours. Our aim is to lift the living standards of the most vulnerable people in our region.”

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1 Bishop, Julie, (18 January 2014) Five Billion Dollar aid budget to focus on the region, Press Release
The next question is how the Australian aid program can best support poverty reduction. The Minister recognised the need for a focus on better health and education outcomes and empowering women and girls. We agree with these priorities. However we are concerned about the prioritisation of aid for trade and leveraging private sector involvement. We will discuss this further later in the submission.

In addition we note with concern the lack of attention to decent work, social protection, human rights, and strengthening civil society.

Decent Work

A focus on economic growth is not enough. Employment that provides a living wage does not automatically occur as a result of economic growth. We are concerned about workers in precarious work and the working poor. Economic growth that results in sweatshops, environmental destruction, deepening inequalities, and loss of community resources does not equal human development. The race to the bottom for wages, for instance, may attract foreign investment and increase ‘economic growth’ but it will not mean poverty reduction.

Decent work, rather, provides a living wage, secure and healthy employment, and respect and dignity so that working families and communities can rise out of poverty. The Decent Work agenda was developed by the International Trade Union Confederation (ITUC), International Labour Organisation (ILO) and United Nations Development Program (UNDP) and is globally accepted as a commitment to achieve “productive work in which rights are protected, which generates an adequate income with adequate social protection”. The importance of decent work is recognised in the Millennium Development Goals (MDGs) as a means to achieve poverty reduction. Target 1B of the MDGs is to achieve full and productive employment and decent work for all, including women and young people.

In addition, the decent work agenda is relevant to each of the eight MDGs. For example:

- The elimination of child labour and discrimination (MDG2)
- Fighting gender based discrimination at work (MDG3)
- Maternity protection (MDGs 4 and 5)
- Combating HIV and AIDS and related discrimination in the workplace (MDG6)
- Promoting green jobs (MDG7)
- Promoting social justice in international trade and finance (MDG8)

In Southeast Asia and Oceania, a large to very large decent work deficit persists. If prevailing trends persist, the region will not achieve MDG1b.
We see that the way forward is for the Government to better support the decent work agenda across the aid program. How to do this will be discussed further in the section on sectoral priorities.

The Aid Budget

In 1970 in a United Nations General Assembly resolution, the world’s developed countries (including 22 OECD countries) set a goal of spending 0.7 percent of GNI on official development assistance by 1980. The rationale was that greater worldwide spending on development would address global poverty, improve security around the world, and diminish the risk of violent conflict. Australia was and still is an OECD country, but has not yet reached this goal more than 40 years later. The recent Labor Government set a target of 0.5 percent by 2017-18, but with the budget cuts announced by the current government, it is predicted the budget will fall to 0.32 percent by 2016-17, the lowest levels since 2000. The promise to raise development spending by CPI each year does not address our imperative as a good global citizen to contribute to poverty reduction. Given Australia is currently a member of the UN Security Council, it is even more important that we model adherence to agreements made.

Furthermore, the value of the aid budget should not be subordinated to politics and exigencies. Resorting to cuts to the aid budget rather than making difficult political decisions about other spending cuts misuses people’s ignorance of the funding allocated to aid as a proportion of total government spending. The falling aid dollar as a result of exchange rate drops exacerbates the impact of these cuts.

Cuts to aid spending reflect a narrow understanding of national interest. Failing to invest now means everyone pays later, including our neighbours. Fewer people and communities will be supported to become more resilient to exploitation, trafficking, climate change and conflict over unrenewable resources; compromising regional stability.

2. Australia’s ability to maintain its sectoral, regional, bilateral and multilateral international relationships

Sectoral priorities

The Decent Work Agenda, developed by the ITUC, and agreed by the ILO and UNDP sets out four main principles. They are: creating jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. There is international consensus among governments, employers, workers and civil society that productive employment and decent
work are key elements to achieving a fair globalisation, reducing poverty and achieving equitable, inclusive, and sustainable development.

The Australian Government has previously allocated funding to the ILO as an avenue in which the Australian aid program can promote decent work. We believe ongoing funding to the ILO is needed, however, we also believe that decent work can be further incorporated across the Australian aid program to achieve the poverty alleviation objectives of the aid program.

**Job Creation**

The Australian aid program should be setting job creation goals for its programs. This includes targets on creating jobs including indicators on improving incomes and the quality of work. For example:

- In health and education programs, nurses and teachers are employed to deliver programs. This work should be decent work. However, research shows in Cambodia, for example, that aid funded programs are creating teaching positions in rural areas but teachers are receiving less than the living wage.

- Infrastructure projects that benefit from Australian aid program funds can be an important avenue for creating jobs given the job-intensive nature of infrastructure investment.

- For private sector projects funded by the Australian aid program to contribute to poverty alleviation, it must lead to the creation of jobs that provide a living wage.

Incorporating specific employment objectives is not a new idea, with multilateral agencies tracking job creation linked to projects and other donors developing internal guidance and methodologies to track job creation. We recommend the Australian aid program commitment to decent work creation across programs and develop indicators to track progress.

**Social Protection**

Eighty percent of the world’s population does not enjoy a set of social security guarantees – basic income security and universal access to affordable social services. The Bachelet Report in 2010 emphasised that ‘[e]ffective country-specific social protection floors, which can gradually expand, are not only affordable but can, in the long run, pay for themselves by enhancing the productiveness of the labour force, the resilience of society and the stability of the political process.’ In 2012, G20 leaders recognised the importance of implementing social protection floors.

With respect to affordability, calculations by several UN agencies show that a social protection floor is a policy option at all stages of a country’s economic development. In low
and very low income countries, social protection builds resilience. In countries with a growing middle class, there is a real risk that those lifted out of poverty or those in the middle class may slip back into poverty without a comprehensive social protection floor.

Social protection is also relevant in the context of disaster preparedness, an issue of growing concern as the impacts of climate change worsen. Social protection can reduce the long-term vulnerability of the poor to disasters and crises. The Stern Review noted this, concluding that social protection should be one of the priority areas for adaptation plans in developing countries. Since, UNDP has emphasised the importance of including in the climate change response a focus on strengthening social protection safety nets in four areas: employment programs, cash transfers, assets transfer for crisis-related transfer, and insurance-related transfers.

Social protection has not been prioritised in the Asia-Pacific region. Progress on implementation has been mixed. Pilot schemes have been implemented in some countries on specific issues (e.g. pension schemes) but further work is needed to ensure universal access at an adequate level.

In this context we also recommend continued support for health and education priorities. While budget allocations to scholarships for individuals or corrective surgeries have an impact on millions of individual people every year, we believe health and education programs that are most sustainable are those that work with whole communities, that use primary health care models, that seek policy change as well as changing the mindsets of individuals, and that involve professional development and training and decent working conditions for local health and education workers.

**Human Rights**

Taking an human rights based approach ensures equal focus is given to why development is needed, and to implementation and outcomes. It ensures that people living in poverty have the freedom to fully participate in the social, political and economic life of their communities. The rights articulated in the *Universal Declaration of Human Rights* should be thoroughly integrated into future programming.

Gender equality as a central thematic issue should be included, with particular focus on women’s empowerment and leadership, legal rights, equality in education and workforce, sexual and reproductive health, ending gender-based violence, and ending early marriage for girls.

Workers’ rights are also human rights, and this should be recognised in the human rights work of the aid program. Respect for workers’ rights ensure safe and secure employment but also enhance the productive capacities of individuals, and enable working people to realise other social and economic goals.
The Australian aid program has previously supported workers’ rights projects. In the Pacific for example, Australian aid funding supported labour law reform to ensure countries were compliant with international ILO conventions. Further support and a broadening of this work is needed, including: support for ratification of ILO conventions, effective implementation of labour law including labour inspection, and extension of labour law to all forms of work (including the informal sector).

With respect to the informal sector, which is important to many economies in the region, the idea that the application of labour law to informal businesses imposes unsustainable costs overlooks the benefits that can flow from compliance with labour laws. It also adopts a short term view on operational costs linked to compliance without considering long-run benefits linked to safety at work and a productive workforce. The view is also contradictory to ILO research that finds that micro and small enterprise do not identify labour laws as a growth constraint. Domestic workers and migrant labour also represent a cross-section of workers that is vulnerable, and the Australian aid programs need to take into account the needs of these workers.

With respect to supporting the private sector to deliver aid projects, it is essential that the Australian government require aid recipients to adhere to social and environmental standards. This includes labour and human rights. For example, the Dutch government requires all companies using its aid funds to sign a declaration that they will adhere to the OECD Guidelines for Multinational Enterprises.

**Civil Society**

We believe Australian aid programs focused on improving governance could better recognise the role of civil society. There is a correlation between a strong civil society and peace and security. Amartya Sen has reflected that the weakness of the state is often linked to the absence of a citizen voice and participation. In fragile states where democracy is weak or does not exist, civil society organisations (including trade unions) play a significant role in building the capacity of communities to press for accountability and the delivery of quality services by government. Indeed, trade unions along with civil society organisations can play a leadership role in the democratic transition.

In countries where there are significant gaps in government delivery of services, it is civil society (churches, women’s groups, unions, NGOs) that provides community education and health services. Governments should, and eventually will, take a greater role in providing these services. In the transition, governments should be consulting with civil society to ensure the targeted provision of services. For example in Burma, the Government should consult with NGOs on the Thai Burma Border who have been providing health and education services to people inside Burma and in exile over the past decades.

Trade unions are uniquely placed to provide a voice for communities. Often trade unions are the most representative civil society organisation due to their membership base. Trade
unions are also democratic organisations that advocate for democracy more broadly in society. For example, many of the movements for social and democratic change in the Middle East (within Egypt, Syria, Tunisia, Yemen and Bahrain) in recent years have been successful because of their groundswell of community organising and community including support fostered by trade unions. Trade unions have also been active in successful social movements in late 20th century history in South Korea, Zimbabwe, Indonesia and South Africa.

The provision of support to trade unions would assist in efforts to empower citizens to participate in development and to take up democratic ownership, a pillar of effective development. Almost all other OECD countries (such as USA, Japan, Germany, Denmark, Finland and Sweden) directly fund trade union development through partnerships with national trade union countries recognising that this strengthens civil society. The Dutch Government for example has provided 49 million euro over four years to support unions and decent work projects in twenty countries. We strongly recommend the Australian aid program provide guaranteed funding to unions in aid recipient countries, particularly where these unions have the capacity to strengthen civil society and hold governments to account. Furthermore, this support should recognise the important role of civil society in Australia working in solidarity with civil society in poor countries to fight poverty and for human rights, and in strengthening democratic institutions and movements. Unions and churches in Australia have providing valuable support to counterpart organisations to strengthen community organising capacity.

**Food Sovereignty**

There is an increasing focus on food security by aid programs. While food security looks at access to food and encourages adequate access to food for an overall population, a focus only on food security does not take adequately into account who controls the production or movement of food. Therefore we recommend that a food sovereignty approach is adopted. Food sovereignty is a broader political concept that is linked to the right to healthy, culturally appropriate food produced through ecologically sound and sustainable methods. It is concerned with people having the right to define their own food and agricultural systems. It puts the people who produce, distribute and consume food at the centre of decision making on food systems and policies. Food sovereignty prioritises local, national and regional economies and markets and empowers peasant and family farmer-driven agriculture, artisanal fishing, pastoralist-led grazing, and food production, distribution and consumption based on environmental, social and economic sustainability. Food sovereignty asserts food providers’ the right to live and work in dignity.

**Policy Coherence**
We note that the Australian Government plans to invest in aid for trade\textsuperscript{2}, although there has been little analysis or clarification of this initiative\textsuperscript{3}. While initial reports from the OECD and WTO\textsuperscript{4} suggest that the British Aid for Trade program improves trade performance, a CAFOD\textsuperscript{5} commissioned study suggested that the program had very little impact on poverty alleviation and recommended further impact assessments and greater accountability of donors and increased monitoring and quality assurance. We recommend more rigorous impact assessments of any aid for trade programs, recognising that the aid impacts (reduced poverty) need to be measurable and evident.

It is counter-productive to Australia’s aid efforts, if our agenda in trade negotiations undermines poverty alleviation endeavours, exacerbates inequality, and undercuts access to quality government services such as health care. If trade is to raise living standards and make a positive difference in the lives of working people, a rights-based approach and a decent work lens must be adopted. This is an approach that asks how decisions at the negotiating table contribute to a coordinated strategy for the promotion of high quality jobs and sustainable development that benefits communities. In the negotiation of trade agreements such as the Trans-Pacific Partnership, Regional Comprehensive Economic Partnership, and PACER Plus Australia should be concerned with ensuring a balance is struck between market access aspirations of corporations and the role of government to introduce policy in the interest of working people – including quality public services, affordable healthcare, environmental regulations, and labour standards.

Post-MDGs, post-2015 Framework for Development

There is currently significant international discussion on what follows the Millennium Development Goals. While there is consensus that a revised framework is required, there is no agreement yet on what it should include. Given the ongoing decent work deficit in many countries, a continued focus on full employment and decent work for all is needed in the post-2015 framework; but with greater attention to and strengthening of indicators to better monitor progress. This should include concrete targets for full employment (in an environmentally sustainable economy), international labour rights for all workers, and gender equality in the workplace.

A focus on social protection should also be incorporated into the post-2015 agenda to ensure greater attention is given to achieving universal social protection. Access to basic guarantees is a human right as well as a direct and efficient way of reducing inequalities. We

\textsuperscript{2} Bishop, Julie, (18 January 2014) Five Billion Dollar aid budget to focus on the region, Press Release
\textsuperscript{3} The Guardian, \url{http://www.theguardian.com/global-development/2013/jul/10/aid-for-trade-donors-recipients}
\textsuperscript{4} Aid for Trade at a Glance: Connecting to Value \url{http://www.oecd.org/dac/aft/aidfortradeataglanceconnectingtovaluechains.htm}
\textsuperscript{5} Turner & Rovamaa (CAFOD) Aid for Trade: Reviewing EC and DIFID Monitoring & Evaluation Practices \url{http://www.traidcraft.co.uk/Resources/Traidcraft/Documents/PDF/tx/Aid%20for%20Trade%20Report%202012.pdf.pdf}
recommend the inclusion of a goal on the implementation of the Social Protection Floor as defined in the Bachelet Report and ILO Recommendation 202. Targets to track progress should focus on income security for the unemployed, sick, disabled, pregnant women, children and the elderly as well as access to health care, education, housing and sanitation.

More generally, we believe the Australian government should be advocating for the development of strong and focused actionable global goals with clear and time-bound targets and adequate indicators. The focus of targets and indicators should be on outcomes — both quantitative and qualitative — rather than outputs.

A more comprehensive approach is needed on policy coherence. MDG8 attempted to do this by focusing on fair trade and financial systems, but it has proven too vague and weak to lead to concrete results. A strengthened focus will assist in addressing a number of the root causes of poverty and inequality — including unfair trade, regressive taxation, exploitation of natural resources, migration policy that fails to meet human rights standards, agriculture that undermines food security, and security policy that undercuts peace and human security.

As a member of ACFID, we support the ACFID Discussion Paper on the Post-2015 Agenda, which argues for addressing inequality and supporting human rights. The ACFID Discussion Paper on the Post-2015 Agenda also recognises the importance of focusing on ending extreme poverty in an ecologically and socially sustainable way. Given the current climate crises causing changes in temperatures and weather patterns that significantly affect our partner organisations, the aid program should ensure that programs take these challenges into consideration and plan adequately for further change.

Geographic Priorities

We support the Government’s decision to focus on our neighbours in the Pacific, South East Asia and Indian Ocean regions. Due to Australia’s location and historical engagement with the region, we support continued assistance to low income countries in the Pacific Islands and Southeast Asia. This geographic focus is also consistent with a focus on poverty alleviation through promotion of decent work. Although East Asia has recovered better than other regions to the global financial crisis, over half of the region’s workers remain in vulnerable forms of employment and 204.2 million workers are living with their families on less than US$2 a day. In Southeast Asia, approximately 62 percent of workers are in vulnerable employment, a growing problem in the region.

We encourage the Government to listen to the voices of Australian voters and community groups as to more specific areas of interest. There is significant concern amongst community groups in Australia about the situation in the Middle East to justify continued development assistance there. Furthermore, given Australia’s history of involvement in the Middle East through military presence in Iraq and Afghanistan, we see continued aid efforts as vital to sustainable development, stability and peace in the region.
NGO and Bilateral negotiated aid program

The Minister for Foreign Affairs recently announced\(^6\) that aid spending will be tied to measurable outcomes and that “rigorous benchmarks will be introduced to ensure integrity” and also that the program aims to “leverage private sector involvement”.

As an aid agency in its 30th year of operation, Union Aid Abroad – APHEDA is proud to have successfully met the 5 yearly AusAID (now DFAT) accreditation processes consistently since it was introduced in 1997, and we have also met ACFID’s Code of Conduct requirements since the Code was amended in 2012. Changes in AusAID - NGO Cooperation Program (ANCP) since 2012 have meant further reporting requirements for NGOs, and feedback suggests that the Australian Government is getting higher quality information with which it can measure outcomes. ACTU and APHEDA support civil society engagement and NGO supported aid as opposed to for profit partners. We recommend that NGOs be funded to at least 12% of the total aid budget.

We recommend that equal levels of scrutiny and accountability should be applied to bilateral aid partners and to private sector partners in order to ensure that there is integrity and higher levels of measurable outcomes throughout the aid program. We recommend that there be an inquiry into the effectiveness of bilateral aid programs, including for-profit, commercially tendered projects. We also suggest that the ACFID Code of Conduct, be adapted and applied to bilateral and private sector partner stakeholders.

**Multilateral agencies**

We also note that the Australian Government plans to reduce spending to multilaterals\(^7\), particularly cuts to UNDP, WHO, ILO and UNHCR. Australia has a long history as a good global citizen. This is in recognition that multilateral agencies play an important role in responding to global problems and promoting common global goods.

We should continue to fund the technical and capacity building support provided by multilateral agencies such as ILO, UN Women, WHO and UNDP, as well as supporting important international agreements and conventions that have come out of multilateral discussions such as the Universal Declaration of Human Rights, the Convention to Eliminate Discrimination against Women, the Refugee Convention, ILO Declaration on Fundamental Principles and Rights at Work and Millennium Development Goals.

We note with serious concern the recent approach taken to assess the contribution of multilateral agencies to sustainable development; and subsequently to inform funding decisions. The criteria adopted under the multilateral assessment in 2011 could not comprehensively assess the role of the ILO in promoting sustainable development. The methodology did not allow for adequate accounting of the nature and mandate of the ILO.

\(^6\) Bishop, Julie, (18 January 2014) Five Billion Dollar aid budget to focus on the region, Press Release

\(^7\) Bishop, Julie, (18 January 2014) Five Billion Dollar aid budget to focus on the region, Press Release
The ILO’s primary function is as a policy and standard setting institution. The normative and standard-setting role of the ILO is crucial in securing the level of progress and systemic change needed to lift millions out of poverty. This is complemented by a broad and comprehensive technical cooperation and project work program. Two current examples are (i) the work on supporting thousands of workers with HIV and AIDS in developing countries to remain in productive employment and (ii) the convention on domestic workers which will assist in securing a more equitable distribution of income and greatly enhance the flow of remittances.

An analytical framework that focuses on inputs and outputs captures only part of sustainable development. More is needed than programs with readily measurable outputs such as number of mosquito nets provided to reduce incidence of malaria. As a result, the role of the ILO and other similar multilateral agencies in standard setting and policy – integral to delivering sustainable long term outcomes – is not equally recognised and valued.

An example of this is efforts to eliminate child labour. An aid agency can appropriately choose to fund an individual project to reduce child labour in a particular area of India. The outcomes are easily assessed by measuring the number of children helped. However, support for the ILO in its work with the Indian government to ratify and then effectively implement ILO Convention 182 on the elimination of the worst forms of child labour has the potential to lift literally hundreds of thousands out of child labour across the country.

The debate on aid effectiveness in recent years acknowledges the importance of a long-term approach to development; and one that adopts a rights-based approach. As noted by the ILO in ‘the creation of an enabling environment for development – through legal instruments, through social and economic policies, and through better functioning institutions – has won wide acceptance as an approach which, in the long run, is more sustainable and more apt to promote local solutions to development challenges’. This is essential for reducing dependence on aid, the ultimate objective of overseas aid.

The ILO has also demonstrated an ability to work with the marginalised occupational groups, including farmers/agricultural labourers, entertainment/sex workers, transport workers, health workers, teachers, day labourers, garment workers etc. And the focus of the ILO’s work is very much pro-poor. The recent introduction of the Convention on Domestic Workers is an example of this. Migrant domestic workers experience serious deficits of decent work. Domestic legal systems in many countries do not recognise domestic workers in employment law. As a result domestic workers often experience poverty wages, excessive working hours and workloads, insufficient holidays (if any), indecent living conditions in the employer’s home, and due to their isolation domestic workers are at much higher risk of physical, emotional and sexual abuse. The Convention on Domestic Workers will provide the framework for giving these workers back their dignity and addressing exploitative relationships.
We strongly recommend a reconsideration of the recent decision to no longer provide project funding to the ILO.

3. The integration of AusAID into DFAT

The integration of AusAID into DFAT represents an approach to development which aims to increase communication and convergence between government departments connected to development assistance. We are concerned that this integration will have some of the same flow on effects as have been experienced in countries that have adopted a similar approach. In Canada, for example, there is concern that the focus has become less about the wellbeing of people or the interests of the most vulnerable, and more about the narrow national interest of the donor country⁸.

This is national interest defined by Australia’s security and economic considerations, and furthered through the aid program at the expense of sustainable development and poverty alleviation. If Australia was to progress down this path – and for example, start offering aid on the basis of refugee settlement strategies or on the basis of strategic alliances – then our integrity as a donor would be seriously compromised.

We are not naïve to think that aid is a purely altruistic endeavour. However, we believe a broad understanding of national interest is more appropriate; and can be consistent with an aid program focused on poverty alleviation. A stable secure region aligns with sustainable development goals because with less poverty (understood multi-dimensionally), greater respect for human rights and more decent work there will be stronger countries with more robust civil societies and healthier economies in our region.

With respect to the allocation of funds, we note with concern that Australia is the largest direct recipient of its own aid funding through contracts with Australian companies, consultants and organisations. In the volunteer program, the advisor program, and large infrastructure programs the financial recipients are mainly individual Australians and large Australian corporations. In addition to that, the onshore refugee settlement programs also draw from the aid budget, and recommend that Australia’s refugee program be funded separately. We encourage a review of this, with analysis focusing on the effectiveness of such an approach to alleviating poverty and an analysis of profits.

With the integration of AusAID into DFAT will believe there is merit in appointing a Minister for International Development with an autonomous aid agency.

Recommendations

- Australia set a timeline for reaching 0.7 percent of GNI
- That funding to NGOs reaches at least 12 percent of the overall aid budget
- The Australian Aid program recognise decent work agenda as an important vehicle for achieving poverty alleviation and economic growth
- Australia join other OECD countries in providing core funding to assisting trade union development around the world
- Australia continue its geographical focus in the areas of the Pacific, South East Asia and Indian Ocean plus continue to listen to community interest groups on involvement in the Middle East.
- An inquiry into the effectiveness and value for money of the bilateral and for-profit commercially tended aid projects
- An inquiry into the efficacy of the aid for trade program