



WATCH

Action on Aid, Trade and Debt



ANNUAL REPORT 2014

AID/WATCH Inc.

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ABOUT AID/WATCH

Our purpose

AID/WATCH is an independent membership-based watchdog on aid, trade and debt, working with communities in the Global South. We challenge practices which undermine the ability of communities to determine their own futures, and promote development alternatives based on social and environmental justice. We research and evaluate development policies and practices, and we campaign around these issues as part of the global justice movement.

Our vision

A thriving global justice movement, based on mutual solidarity, and on social and environmental justice. A world free from structural inequalities, where people can determine their own futures within a global framework of mutual respect for the environment and for one another. A world where trade, aid and debt no longer exploit peoples, but instead promote environmental and social justice.

Our values

We believe in solidarity not charity

We are committed to global justice and equality. We campaign as much for our futures as for the futures of others. We are respectful of the different approaches and views of others in the movement for global justice. We acknowledge and aim to strengthen the power and agency of communities.

We are independent and fearless

We are a member-based organization. We do not take funds from governments or corporations. We respect diversity of ideas. We are free to make critical comment and are uncompromising in advocating for social and environmental justice. We are principled and where necessary pugnacious. We are never afraid to say what we think.

We are informed and transformative

Our campaigns are grounded in experience and our research is thorough and constructive. We believe in building alternative futures, founded on experience and on community-level capacity. In this respect we are innovative and creative.

We are activist and movement-based

We are a member-driven activist organization, working as part of the wider global justice movement. Our campaigns provoke public debate to generate engagement with development issues, and to inspire public participation in efforts to transform development policies and practices.

CHAIR'S REPORT

2014 saw the aid program continue focus on the interests of Australian companies and Australian national interest. The 2014 aid budget saw almost 8 billion cut over the next five years and an acceleration of the involvement of the private sector in the aid program. Australian continues to use the aid program to pursue its shameful and punitive program of mandatory detention and deterrence of asylum seekers, including in Papua New Guinea, Nauru and Cambodia.

Aid/Watch continues to be the only Australian organisation maintaining a critique that focuses on not only the quantity but the quality of the aid program. Thanks to the support of our regular donors as well as some private foundations, we have been able to work with communities who are affected by Australian aid as well as maintaining a national profile.

We saw several new members join the Committee of Management with expertise in marketing, fundraising and finances which has further strengthened our organisation. I thank my fellow Committee Members and particularly our Aid/Watch Director, Thulsi Narayanasamy, who continues to bring her passion for social justice and solidarity to the organisation.



Matt Hilton
Chair, AID/WATCH

PEOPLE AND PARTNERS

Staff

Thulsi Narayanasamy, Director

Committee of Management

The Committee of Management is elected from the AID/WATCH membership. Throughout 2014, the following members gave generously of their time by serving on the AID/WATCH Committee of Management:

- Katie Barry
- Laura Bruce
- Margaret Carey (Treasurer)
- Pooja Chowdhary
- James Goodman
- Matt Hilton (Chair)
- Natalie Lowrey
- Claire Parfitt
- David Puls
- Brendan Rigby
- Zoe Roberts
- Georgie Wheadon

Our thanks go to all of them for their involvement, leadership and energy.

A special thanks to Margaret Carey and Mike Egan who dedicated their time and skills to support AID/WATCH's accounting and administration. Mike Egan sadly passed away at the end of 2014. We would like to acknowledge the time and effort he contributed to AID/WATCH over many years.

Networks

AID/WATCH is a formal member of the following networks:

- Australian Free Trade and Investment Network (AFTINET)
- PACTRADE – Pacific Trade Network
- Publish What You Pay
- Melanesian Indigenous Land Defence Alliance (MILDA)
- Reality of Aid Network
- Our World is Not for Sale
- Nature Conservation Council of NSW
- IBON Foundation
- Asia Pacific Research Network

Partners

The backbone of AID/WATCH's work are our partners in the global South. While not a complete list of all collaborators, special thanks to the below groups:

- Bismarck Ramu Group
- Lands Desk, Vanuatu Cultural Centre
- Act Now! PNG
- Pacific Action Network on Globalisation (PANG)
- GRAIN
- IBON Institute
- Focus on the Global South

DIRECTOR'S REPORT

2014 was a fantastic year for AID/WATCH. After a year of consolidating and strengthening our strategy and internal processes, we were well placed to respond to the challenges posed by the Government's new aid program. We collaborated with grassroots organisations in the Global South and joined new movements to offer our support. We held an Australian Speaking Tour to raise awareness of the impacts of Australian aid and corporate activity that threatens customary land in Melanesia.

At the end of 2013, the Government abolished AusAID and incorporated foreign aid into the Department of Foreign Affairs and Trade (DFAT). This was swiftly followed early this year with a swathe of cuts to the overall aid budget which was sharply critiqued by the aid and development community.

More concerning was the new aid policy released in June, dubbed the "new aid paradigm". This policy blatantly aligns aid with Australia's commercial interests at the expense of genuine poverty eradication measures. The objective of the aid program changed to reflect this and the policy spells out a roadmap for a corporate takeover of Australia's foreign agenda with little space to question the issues of corporate accountability, transparency or the ideological underpinnings of economic growth at the expense of human rights and environmental protection.

The importance of AID/WATCH's independent monitoring and critique became apparent in the otherwise silence and complicity from the aid and development sector on questions of policy. This year, a joint initiative by the sector – the campaign for Australian aid – was launched. We were disappointed by the missed opportunity to shift the dialogue towards the structural causes of poverty with focus instead on the size of the budget.

In response and affirmation of the importance of our role as the only independent critique – we diversified our work. One example of this was our participation in the Good Pitch event at the Sydney Opera House and our ongoing support given to the documentary film 'The Opposition' due to be launched in 2015. We built new networks and coalitions, became more active on issues of trade in response to the PACER-Plus free trade agreement being negotiated with the Pacific Island Nations.

A full report on AID/WATCH campaigning activities can be found in subsequent pages of the Annual Report. This year we also launched our new website which provides a good archive of AID/WATCH's work over the last 22 years and we hope it will provide a useful resource for the Australian public.

My thanks as ever go to our Committee of Management for their hard work and dedication, all our partners and friends across the global South who we have been privileged to work alongside and of course our members funders, and supporters. Our work is very much a collaborative effort and we look forward to continuing this into 2015.



Thulsi Narayanasamy
Director, AID/WATCH

CAMPAIGNS

Where is Your Aid Money Going?

2014 saw considerable changes to the delivery of Australian aid – the size of the budget, the mode of delivery significantly increased the emphasis of the private sector, and saw economic growth equated with poverty alleviation. Our focus has long been on the quality rather than the quantity of the aid program and we used this as an opportunity to draw attention to the role that the private sector plays in human rights and environmental abuses in the Global South.

As the lone voice critical on aid issues, our role was crucial in pointing to the broader structures that perpetuate and maintain poverty and injustice. We take our lead from organisations and movements in the global South and increasingly, solidarity not charity is acknowledged to be the way forward. We saw our role as introducing this in Australia.

Throughout this year we have continued to monitor, scrutinise and respond to developments and changes to the aid program never straying from our core critique that aid should be dictated by the needs of people with respect to the environment and should not be used as a tool to further Australia's commercial interests. We did this by utilising the media as well as drawing attention to specific areas or trends in the aid program that we drew attention to through dedicated campaigns.

We wrote a submission for the Senate Inquiry into The delivery and effectiveness of Australia's bilateral aid program and AID/WATCH Chair and Director took part in the hearing to expand further on our perspective.



We also contributed a submission to the Senate Inquiry into The role of the private sector in economic growth and poverty alleviation where we were once again invited to give evidence at a hearing. The hearing – which lasted for well over one hour –

gave us ample time to challenge the accepted position of the private sector's role as deliverers of Australian aid in the absence of any accountability. We used examples of mining companies, cruise ship companies and private contractors who had all received aid funding to deliver on projects that we saw as inherently harmful.

We made countless joint submissions and statements throughout the year with both national and international coalitions. We collaborated with the Australian Fair Trade and Investment Network (AFTINET) to do a targeted campaign in the Pacific of the issues surrounding PACER-Plus. We collaborated with other progressive Australian organisations to make a submission to the Competition Policy Review in defence of secondary boycotts which was successful in protecting these provisions.

This year we also took the role as organisational lead for international assistance on the Advisory Committee for the Joint NGO Report to Australia's upcoming Universal Periodic Review at the United Nations in 2015.

Land is Life!

Working with communities and local organisations to protect customary land tenure systems in the Pacific has been a key focus of AID/WATCH's work over many years. In 2014, AID/WATCH continued to collaborate closely with the Melanesian Indigenous Land Defence Alliance (MILDA) to prevent the imposition of unwanted land reforms that threaten the livelihoods and cultures of Melanesian peoples.

Early this year, the AID/WATCH Director participated in the MILDA meeting in Vanuatu as well as the Slow Food Meeting. This was a significant opportunity to share the role of Australia's role, and talk more about upcoming policy that would be likely to impact them. This makes a difference for the capacity to organise and respond in the Pacific.

We took part in Good Pitch, an initiative that connects the world's best social justice films with new allies and partners to create attached campaigns. We represented a table of experts on Australian led land grabs in PNG, in support of one of the 8 Good Pitch Documentary's at the Opera House. We will be continuing our collaboration with the film-makers and campaign team to use the film – The Opposition - as a tool to raise related issues across Australia and the Pacific.

AID/WATCH's Director attended the Asia Pacific People's Conference on Development Justice in Hong Kong as a move towards building on our relationships with organisations in the Asian region. Thulsi gave a presentation on redistributive justice using the example of Australian aid in Melanesia.



COMMUNITY EDUCATION, ENGAGEMENT AND EVENTS



A key part of our work is to ensure the Australian public is informed of the true nature of Australian aid, and participates in holding our government to account on aid spending. In 2014 AID/WATCH sought to actively engage members, supporters, and the wider community to think about and start discussions on the Australian aid program, its objectives, means, and effects.

Launching our new website this year has allowed us to more actively do this, and provide our work as a more accessible resource to the community. Alongside this we were active on social media to draw critical attention to numerous issues around aid and development. AID/WATCH also attended events which provided opportunities to build solidarity with progressive organisations and movements that share our vision and values.

In November we presented the Land is Life! Speaking Tour with multiple events in Melbourne, Sydney and Brisbane. Our three speakers joined us from PNG and Vanuatu and spoke concisely and passionately about the issues facing their countries and articulated the role that we as Australians could play to support their struggles in solidarity. Our Brisbane event was organised to coincide with the G20 meeting hosted by Australia where we were also able to be active in other activities such as protests and meetings.

The AID/WATCH Chair and Director spoke at numerous University lectures including at Macquarie University, Monash University and Sydney Catholic University as well as at events organised by other organisation like the Refugee Action Coalition in Sydney to draw attention to the use of aid to further Australia's border protection policy.

As part of our ongoing commitment to the Reality of Aid network, we once again contributed two chapters to the 2014 global report. One gave an overview of Australian aid – 'Australia aid: Economic growth the panacea for poverty' and the other was an analysis of Australia's ongoing unequal relationship with PNG entitled 'Partnership or Power Play: Australia's relationship with PNG'.

MEDIA

In 2014 AID/WATCH significantly expanded our media presence in Australia. The aid budget and new paradigm for aid attracted considerable interest, and as the only consistently critical voice on these issues, there was a demand for an alternate perspective which we sought to fill. We wrote opinion pieces and provided analysis, and participated in radio and newspaper interviews on a number of issues and also targeted media overseas including in Malawi and Melanesia. We appeared in a range of publications, blogs and websites including Crikey, SBS, ABC, Radio NZ, Right Now Radio, Aid Works and Devex. Throughout the year we also released a number of media releases which also serve as position papers.



“ THULSI NARAYANASAMY: And just one example of that is Papua New Guinea, retaining or in fact increasing its aid budget in return for hosting Australia's Manus Island detention facility. So what we're seeing really is the furthering of Australia's foreign policy and security priorities at the expense of what the aid programme should be used for, which is poverty alleviation.



The screenshot shows the top of a Crikey website article. The header includes the Crikey logo, navigation tabs for Politics, Business, Media, and Blogs, and a 'WE'RE 15!' banner. Below the header, the article title 'There are problems with foreign aid, but Bishop has solved none of them' is displayed, followed by the author 'THULSI NARAYANASAMY' and the date 'JUN 25, 2014 12:49PM'. A share button on the left shows 443 likes. The article text begins with 'An "overhaul" of Australia's foreign aid program is largely not new, and fundamentally fails to address the difficult questions on how to make aid more effective. Aid analyst Thulsi Narayanasamy unpacks the policy.'

FINANCIAL REPORTS

AID/WATCH's financial year runs from January 1st to December 31st. These reports cover the timeframe from January 1 2014 to December 31 2014.

Statement by the Committee of Management of AID/WATCH Incorporated

In the opinion of the Committee:

- a) The attached financial report presents fairly the financial position of AID/WATCH Inc. as 31 December 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- b) At the date of this statement, there are reasonable grounds to believe that AID/WATCH Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management of AID/WATCH Inc. and is signed for, and on behalf of, the Committee by the chairperson of AID/WATCH.

Declaration by the chairperson of the Committee of Management of AID/WATCH Inc.

In my opinion,

- a) the attached accounts give a true and fair view of all income and expenditure during the year ended 31 December 2014 with respect to fundraising appeals;
- b) the Balance Sheet as at 31 December 2014 gives a true and fair view of the state of affairs of AID/WATCH Inc. with respect to fundraising appeals;
- c) the provisions of the Charitable Fundraising Act 1991, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by AID/WATCH Inc.; and
- d) the internal controls exercised by AID/WATCH Inc. are as appropriate and effective as is practicable in accounting for all income received and applied by AID/WATCH Inc. from any of its fundraising appeals.



Matt Hilton
Chair, AID/WATCH
28th July 2015

Auditor's Report

Forest Accountability

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MS Thulsi Narayanasamy
Director,
Aid/Watch
PO Box M14
Missenden Rd,

AUDITOR'S REPORT

We have audited the attached special purpose financial report for Aid/Watch for the year ended 31 December 2014. Your association's Committee of Management is responsible for the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the constitution of Aid/Watch and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of Aid/Watch. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee of Management's financial reporting requirements under the Aid/Watch's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the organisation's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Donations and fundraising

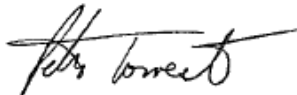
Receipts from donations and other fundraising activities are a significant source of revenue for Aid/Watch although it is noted there has been no fundraising undertaken during the year. Donations via cheque and credit card are filed in hard copy and receipts in soft copy. Regular donors and credit card donations via *egive* are recorded

on an excel database, therefore, a complete history of each donor and what they donated towards is maintained. Although the transfer from *egive* is a lump sum to the bank account, the details of that breakdown are recorded and detailed notes about donor activity on their individual pages are made. Aid/Watch has not yet established control over the collection of some donations prior to entry in the accounting records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to donations and other fundraising activity revenue had to be restricted to the amounts recorded to the financial records. We therefore are unable to express an opinion on whether donations and other fundraising activity revenue obtained by Aid/Watch are complete.

Audit Opinion

In our opinion the financial report does give a true and fair view of Aid/Watch's financial position as at 31 December 2014 and of its performance for the year ended on that date. We also report that,

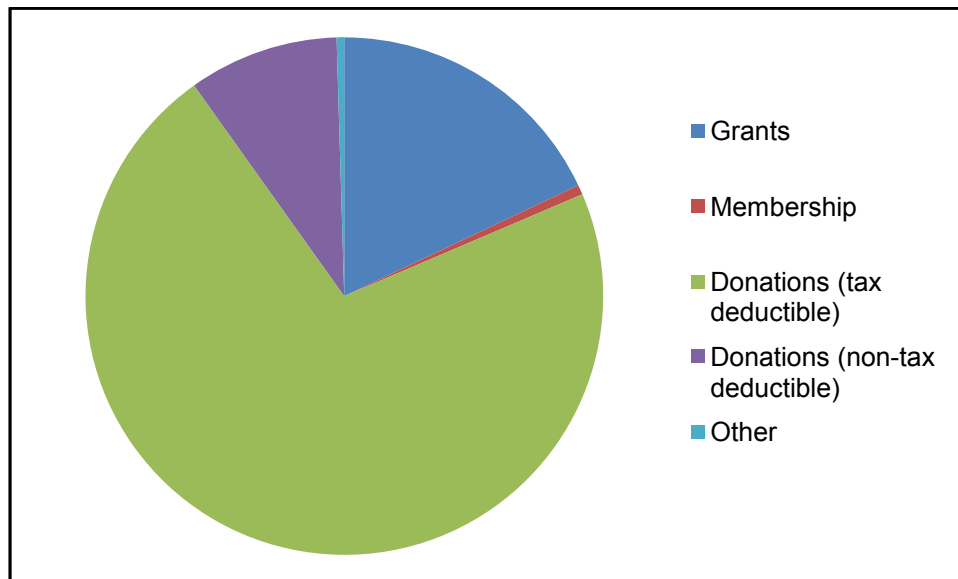
- a) the financial statements show a true and fair view of the financial results of fundraising appeals conducted during the year
- b) the accounting and associated records have been properly kept in accordance with the Charitable Fundraising Act 1991 legislation and regulations
- c) monies received from donations throughout the year have been properly accounted for and applied in accordance with the charitable fundraising Act
- d) at the date of this report, there are reasonable grounds to believe that Aid/Watch will be able to pay its debts as and when they fall due, however,
- e) it is noted that no fundraising activities have taken place for the financial year and to the date of this report. As a result, available equity has fallen to a critical level. Without significant cash injection, (either by grants or fundraising activities), Aid/Watch's available equity will exhaust by mid-October 2015 and the organization will become insolvent.



Forest Accountability
Peter Forrest MBA CPA JP
Principal
16th July 2015

Income Statement

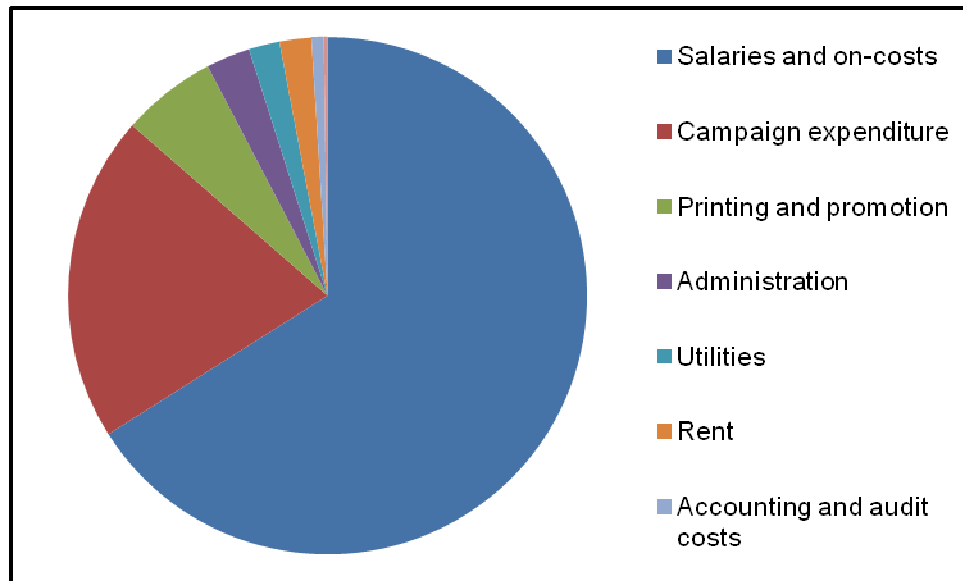
INCOME 2014



INCOME	
Grants	\$7395.45
Membership	\$248.18
Donations (tax deductible)	\$29,452.64
Donations (non-tax deductible)	\$3862.8
Other	\$200
TOTAL	\$41,159.07

Expenses Statement

EXPENSES 2014



EXPENSES	
Salaries and on-costs	\$70,862.46
Campaign expenditure	\$21,889.15
Printing and promotion	\$6359.54
Administration	\$2948.71
Utilities	\$2063.6
Rent	\$21,35.07
Accounting and audit costs	\$818.18
Insurance	\$250
TOTAL	\$107,326.7

Balance Sheet

		AIDWATCH INC
		Balance Sheet
		December 2014
2014		2013
	Assets	
	Current Assets	
\$5,603	WPAC Operating - 22-1733	\$10,893
\$1,208	WPAC Debit Card 306622	-\$464
\$1,500	WPAC Fund a/c 22-1741	\$3,720
\$0	WPAC Staff Entitlement 23-0189	\$615
\$0	WPAC Christensen Grant 230197	\$9,557
\$53,429	WPAC Cash Reserve 29-1416	\$79,087
\$61,740	Total Current Assets	\$103,409
	Non-Current Assets	
\$5,944	Equipment at Cost	\$5,944
-\$5,944	Equipment Less Accum Dep	-\$5,315
\$0	Total Non-Current Assets	\$629
	Other Assets	
\$3,000	Intangible Assets - cost	\$3,000
-\$3,000	Intangible Assets - Acc Depn	-\$2,250
\$61,740	Total Assets	\$104,788
	Liabilities	
\$10,970	Unspent Grants	\$0
	GST Liabilities	
\$346	GST Collected	\$7
\$10	GST Paid	\$69
\$54	GST Payable	-\$792
\$411	Total GST Liabilities	-\$716
	PAYG Liabilities	
\$3,556	PAYG Payable	\$2,358
\$3,556	Total PAYG Liabilities	\$2,358
	Superannuation Liabilities	
\$1,495	Superannuation Payable	\$0
\$1,495	Total Superannuation Liabilities	\$0
	Staff Liabilities	
\$6,186	Accrued Annual Leave	\$0
\$6,186	Total Staff Liabilities	\$0
\$22,618	Total Liabilities	\$1,643
\$39,122	Net Assets	\$103,145
	Equity	
\$103,145	Retained Earnings	\$50,801
-\$64,023	Current Earnings	\$52,344
\$39,122	Total Equity	\$103,145



ANNUAL REPORT 2014

AID/WATCH

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www.aidwatch.org.au