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Budget: Australians get richer as poor countries get forgotten

Australian aid watchdog AID/WATCH has criticized the recent Aid Budget for failing to deliver a meaningful increase in aid for poverty alleviation and climate change in the region despite a \$10.6bn budget surplus.

In budget figures released last night, Minister Alexander Downer revealed that there would be only a 3% real rise in Australian aid in the coming year. This token increase sees Australian aid stagnate at 0.3% of its GNI, the same level as 2006-07 and less than half of the 0.7% Australia needs to provide by 2015 to be in line with the Millennium Development Goals.

AID/WATCH co-director Flint Duxfield said "If we exclude the \$232m in this budget which has already been allocated to Indonesia in past budget appropriations as part of the \$1bn Tsunami relief package and which is only now being spent, this budget actually provides much *less* new overall aid than it appears."

In addition, developing countries will now be required to meet Australian government 'performance indicators' before they can receive additional aid. "This incentive based system suggests a worrying trend towards an aid program which only provides assistance to countries if they agree to reform their economies and governance structures in ways acceptable to the Australian government" Mr. Duxfield said.

This performance-based structure will have to be closely monitored to ensure it don't become a justification for limiting necessary increases in Australian aid, or forcing recipient countries to adopt economic reforms not in the interests of their citizens.

AID/WATCH also suggested that while the addition of new climate change funding is a step in the right direction, it doesn't go nearly far enough. Of the government's Global initiative on Forests and Climate Mr. Duxfield said "Halting deforestation is important, but it is only part of the solution. The people of South East Asia and the Pacific need immediate assistance to help them adapt to climate change and make the jump to completely renewable energy production."

The UN Environment Program has shown that the poor will be the worst effected by global warming as they have the least options in responding to climate change. Despite this, this budget sees a mere of \$32.5 million devoted to climate adaptation and mitigation. "When you compare this to the \$780m in funding devoted to governance and law and order, it is clear that the Australian government simply doesn't understand the urgency of the threat posed by Climate Change in the Asia Pacific" said Mr. Duxfield.

Communities from pacific island nations of Kiribati and Tuvalu are already being forced to evacuate their islands due to rising sea levels and increasingly violent weather patterns. "If the Australian Government doesn't get serious about the crucial link between aid and climate change and respond to a looming climate crisis in developing countries in a more integrated way , the overall effectiveness of the Australian aid program as a whole will be compromised in the future". Mr. Duxfield said.

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