

AID WATCH
Action on Aid, Trade and Debt

Attitudes to Aid:

**Attitudes of the Community and
Parliamentarians to
Australian Aid**

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Executive Summary

Australian politicians are out of step when it comes to community concerns about aid.

AID/WATCH's *Attitudes to Aid* Report, which has surveyed Federal Parliamentarians and Community members on their knowledge and opinions on Australian aid, has found a pronounced polarity between politician's preferences for benefiting the national interest and public support for a clear focus of aid on poverty alleviation and sustainable development.

A key finding in this report is that a majority of federal politicians support pursuing Australia's national interests and Australia's commercial interests through the overseas aid program.

In contrast, community members strongly disagree with programs and policies which actively support Australian commercial interests, Australian strategic interests, privilege Australian private companies and pursue 'security' rather than poverty alleviation.

These figures reflect a concern that current aid policy merely represents a narrow vision of aid that suits the broader goals of Australian foreign policy rather than a concerted focus on the levels of poverty in the region.

It suggests that many community stakeholders do not support this current vision and they are not being involved or incorporated in current policy. It also suggests that fundamental changes to the Australian aid program must take place to prevent the effectiveness of aid being hamstrung by 'national interests'.

Background to the Report

In April of last year the Australian government launched its first major policy document on overseas aid in almost ten years, in the form of a White Paper.

AID/WATCH was alarmed at the lack of community consultation that occurred in the process of developing this White Paper which was launched by the Foreign Minister Alexander Downer. What should have presented an opportunity to engage a range of stakeholders to develop new policy

initiatives instead delivered a narrow vision for the future that was much the same as before: the continued pursuit of economic growth-led development bolstered by an enhanced interventionism and security focus on the part of the Australian government. A key cause of this narrow vision seemed to be that the policy process for developing the white paper failed to engage perspectives outside the 'Canberra consensus'.

AID/WATCH was also very concerned in 2006 at striking examples of Australia pursuing its own national interests in the aid program, obscuring its stated goals of poverty alleviation and sustainable development. This was highlighted most acutely when the Prime Minister John Howard revealed in Parliamentary question time that AusAID funds were allocated to AWB executives Trevor Flugge and Co. to pursue Australian wheat interests, at the time of the Australian invasion of Iraq.

In response, AID/WATCH has undertaken this study into community and parliamentary attitudes to the objectives of the aid program. Our aim was two-fold:

- 1) To ascertain whether community members who are engaged in aid and development issues supported current overseas aid objectives and to see if their views are reflected in current policy.
- 2) To understand whether politicians broadly approved of pursuing national interests in the aid program.

Report Findings

- Only 4% of community members surveyed support using aid to advance Australian strategic interests, 43 % of politicians support this objective
- Whilst 71% of parliamentarians agree with having 'the national interest' in the broader aid objective, this compares with only 14% of community members.
- Whilst 64% of parliamentarians agree that Australia should promote its domestic industry through the aid program, only 11% of community members agree.
- The two most popular objectives of aid for community members are poverty alleviation (91% of respondents) and sustainability (84%). This drops to 60% and 37% respectively for politicians.

Community attitudes clearly disagree with some of the key focus areas of Australian aid and it is of concern that community attitudes are not represented in current aid policy. Community respondents clearly favour programs in the sectors of health and education which focus on local capacity building and genuine partnerships with recipient governments and communities. In a nutshell, the community responses centre around improving both the quality and quantity of Australian aid.

In contrast, parliamentarians tend to support pursuing domestic commercial and national concerns through the aid program. These are interests more associated with Australia's benefit rather than the benefit of aid recipients.

Whilst it is understood that parliamentarians, as legislators, are constrained to operate 'in the national interest', it is vital that in the one area of policy that particularly pertains to international development, several key steps must be taken at a policy level to ensure poverty alleviation is the paramount goal of our aid program - in line with Australia's commitment to the Millennium Development Goals.

It is crucial that Australia fundamentally re-evaluates some of its aid priorities to represent a broader contribution of stake holders and a clear poverty focus, unencumbered by national interests, in its aid program. Key recommendations for how this can be achieved are listed below, with a more comprehensive list at the end of the report.

Key Recommendations

- AusAID's core objective should be changed by removing reference to national interest and specifying a clear focus on poverty alleviation, in line with the 1997 Simmons review.
 - In line with the successful United Kingdom model, Australia should pursue independence in the direction of AusAID from other government prerogatives by:
 - the separation of AusAID from the department of Foreign Affairs
 - the establishment of a cabinet level minister responsible solely for overseas development
 - The Australian government should revise the current sectoral allocation of aid to preference health and Education programs in line with Millennium Development Goal commitments.
 - Response is required at a policy level to address widespread community support for increases in aid and debt cancellation, to align with internationally agreed commitments.
 - Consultative mechanisms should be put in place to better engage community stakeholders in the development of Australian aid policy. A new policy review process should be set up to engage and publish policy submissions made by civil society organisations.
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Introduction

AID/WATCH is a research, campaign and advocacy organisation that delivers independent assessments of the efficacy of aid policies and expenditure. For over thirteen years we have highlighted the impact of aid and development programs on affected communities and their local and regional environments and contributed to national policy debates on improving the objectives and priorities of the Australian aid program.

This AID/WATCH Report was designed to capture and analyse the knowledge and attitudes of community members interested or engaged in aid policy and compare them to the knowledge and attitudes of federal politicians across the political spectrum.

The overarching framework is to consider whether the attitudes of the wider community have any influence over aid and development policy.

The context in which this survey was designed was in the four month period preceding the release of the 2006 Federal Government White Paper on Australian aid. In this time it became apparent to AID/WATCH that the methodology that outlined the White Paper process offered a considerably limited consultative process to community stakeholders. During this time, no formal submissions were sought from the public and only four public forums were held (In contrast, 28 were held for the last Defence white paper). The process itself was structured so as to separate the analytical report 'Engaging the Australian Community' from the other five key thematic areas that the Government had judged to be the focus of the white paper – PNG, the Pacific, Asia, Indonesia and HIV/AIDS. In these thematic reports, consultation took place overwhelmingly with existing government partners.

When the 'Engaging the Community' analytical report was released at the end of 2005, the key recommendation from the process was akin to a public relations campaign - to inform the community on aid rather than respond to community concerns.

All policy development, regardless of its focus, should involve community participation and should respond to the input of community members as

stakeholders in the political process. In place of such formal consultation, AID/WATCH initiated this research to gauge broader attitudes to Australian aid that exist outside the Canberra consensus.

We aim to encourage reflection and response to broader questions of whether:

- the views of community members are being engaged when developing policy;
- the current aid policy objectives have the support of the Australian community.

Background

It has long been established that there is broad support for Australian aid. According to a 2005 Newspoll study commissioned by the Australian International Development Agency, AusAID, 91% of Australian's support overseas aid. Rarely in an era where the popularity of 'lean' government spending is so prominent is there such broad support for what is essentially the expenditure of tax-payer's money.

This widespread support can be understood in the context of international agreements such as the Millennium Development Goals (MDGs) which place a responsibility on individual governments to drastically increase their aid budgets to meet internationally agreed targets as well as to direct aid to key areas that are seen to directly alleviate global poverty. These areas include universal primary education, improving maternal health, improving gender equality and targeting communicable diseases such as HIV/AIDS and tuberculosis. Community support for this global initiative has consequently been bolstered by global campaigns such as 'Make Poverty History' which have successfully promoted the urgency of a redoubled focus on 'more and better aid' which is targeted specifically at the alleviation of poverty.

Australia's current annual allocation of aid is approximately \$2.9 billion dollars or 0.3 % of our Gross National Income (GNI) (AusAID Budget Statements, 06/07). The Internationally agreed target of 0.7 % of GNI is a long way off and leaves us 19th on the list of 22 OECD nations. UN Millennium campaigner Salil Shetty recently described Australia as 'almost bottom of the pile' in official government

aid contributions (Sydney Morning Herald, June 15, 2006).

In this context, it is clear that Australia needs to be giving more aid. However mere increases in funding are not enough: we also need to make our aid allocation better targeted at the goal of poverty alleviation.

AID/WATCH has for some time raised two broad concerns about the manner in which the Australian government delivers aid, believing that it has diverged significantly from the traditional humanitarian purpose that many people associate with aid. This pertains specifically to the quality of Australian aid, its policy context, and the types of projects and programs that it is allocated to.

Firstly, Australian aid can be situated within a very narrow interpretation of development that focuses chiefly on improving the conditions for economic growth (White Paper, 2006, Pacific 2020, 2006). This perspective dominates to the extent that severe developmental challenges such as the effects of climate change are considered by government policy only as 'barriers' to economic growth.

Poverty alleviation is achieved in this model as a secondary effect of economic growth where aid expenditure is targeted principally at economic reform, at the top of the so-called 'trickle down effect': a policy position long dismissed internationally.

As economic reform involves promoting and pursuing investment in developing countries, the corollary of economic growth-led development is the enthusiastic participation of Australian business. Despite the consistent and well publicised criticisms by a broad range of organisations including AID/WATCH and World Vision, 80% of Australian aid contracts continue to be allocated to Australian private companies – where profits boomerang back to Australia rather than remain in-country. Recent evidence of Australian Wheat Board executives receiving AusAID contracts to further the Australian wheat trade in Iraq is just the tip of the iceberg for an aid program that is less than transparent about the profits being made from aid contracts.

The second and interrelated concern is the focus on Australia's national and regional security in relation to the lesser developed countries in our region. This has entailed a major new sectoral approach called 'Governance'. Governance programs in recent years have come to occupy as much as 36% of Australia's aid allocation, and comprises major law and order interventions such as the Regional Assistance Mission to the Solomon Islands (RAMSI) and the Enhanced Cooperation package (ECP) to Papua New Guinea as well as the increased participation of Australians, through the aid program, in the finance and justice sectors of aid recipient governments in the name of 'strengthening governing institutions'.

Though this kind of intervention is described under the mantle of noble goals such as accountability, transparency and corruption and crime prevention, it places Australia in the very powerful position to be able to leverage its own interests with the provision of aid.

AID/WATCH has noticed this change particularly in relation to the law and order interventions in both Papua New Guinea and the Solomon Islands where commentators started to focus on the threat these so-called fragile states posed to Australia's own regional security (Hughes, 2003; Wainwright, 2003). This analysis betrayed a clear interest in how Australian aid could be deployed to mitigate against so-called 'security' threats. In the Solomon Islands, for example, a full half of our aid to the beleaguered nation is spent on the Australian Federal Police (AFP).

AID/WATCH, an independent monitor of aid and trade issues in Australia has campaigned for 13 years to highlight such changes in aid policy and bring to light where the expenditure priorities of governments and other institutions lay. We were compelled to investigate whether Australian's were aware of this focus by the Australian government and whether they supported the policy priorities of the Australian aid program. We were particularly interested in whether members of the community supported more self-interested objectives being pursued through the Australian aid program.

AID/WATCH also wanted to compare and contrast these attitudes with those of our own federal

parliamentarians and to test whether there might be a significant difference with the Australian community.

This report focuses specifically on the fundamental issues that determine where aid is allocated.

The issues include:

- The presence of the 'national interest' in aid objectives.
- The priority of self interested motives such as Australian security, Australian commercial interests, and foreign policy interests that do not focus on poverty alleviation.
- The current model of governance as the major sectoral focus of Australian aid.

The very recent cooling in diplomatic relations with Papua New Guinea and the Solomon Islands in the context of the Julian Moti affair, and the May 2006 riots in the Solomon's capital, Honiara suggest that there are major problems with Australia's current aid program on the ground. The levels of dissatisfaction in these two countries are significant given that they are the 1st and 3rd largest recipients of Australian aid.

In light of the following findings of this AID/WATCH report, it is timely that Australia fundamentally re-evaluates some of its aid priorities to represent a broader contribution of stake holders and a clear poverty focus in its aid program.

Notes on Methodology

This was a piece of quantitative research, with data compiled and analysed through a web based survey mechanism.

In particular, the survey was designed to compile comparative statistics from the quantitative data. The survey was distributed to parliamentarians via email, fax and phone and invitations to participate in the survey were accompanied by a letter explaining the nature of the research. Attached to this letter was an internet link that took participants to the survey.

Of a potential 226 Federal Parliamentarians, 34 responded, from all political parties. This amounts to a response rate of 15%. Details of the respondents remain confidential. Numerous reasons for members of parliament not participating were given. Examples

include; 'the particular member does not respond to surveys', 'the member was not allowed to do surveys on aid', 'the member is very busy as they have four thousand constituents whose concerns need to be addressed first', 'members don't like to do surveys that ask for their own opinions', 'the office receives many surveys each week and cannot complete them all' and 'the member will look into it to see if it is an area they are interested in responding to'.

The number of responses from community members, hereafter referred to as 'the Community', was 328. Occupations typically included; journalist, student, aid and development worker, public servant and non-government organisation staff.

No limits were placed on the level of community participation however it can be assumed that community members who filled out the survey had some familiarity with AID/WATCH as an organisation since the survey was accessed via the AID/WATCH website.

Due to the nature of the survey as web-based, researchers had no control over the conditions under which the survey was completed.

Key Findings

Note: A copy of the entire survey as well as a statistical analysis can be found on the AID/WATCH website at www.aidwatch.org.au.

1. Knowledge of the Aid Programme

The first group of questions in the survey were intended to obtain some understanding of the knowledge of the respondents to broader details of Australian aid.

The questions asked included:

- Geographically, where is the majority of Australian aid focussed?
- What is the major sectoral focus of Australian aid?
- How much aid does Australia give?
- What is the percentage of aid as a proportion of Gross National Income?

Data indicated that both groups – parliamentarians and the community respondents – were reasonably knowledgeable about these key issues. Respondents from both groups were more likely to know the correct answer for the regional focus for the Aid program as the Pacific, were more likely to be familiar with the percentage of gross national income of aid¹, and were more likely to know that ‘governance’ was the main sectoral focus of the aid program. In all these cases the correct answers dominated, however it should be noted that the proportion of respondents with the right answer was frequently below 50% (see Figure 1 & 2).

A comparative analysis did not reveal significant knowledge differences between the two groups except on the question of the total amount Australia gives in aid annually. There was a significant proportion of the community who were unsure of the amount Australia gives annually in aid, with only 27% with the correct answer of between 2 and 3 billion (see Figure 3).

These findings are important in the context of the broader survey as it ensures respondents are reasonably well informed.

Figure 1: Sectoral focus of the Australian aid program?

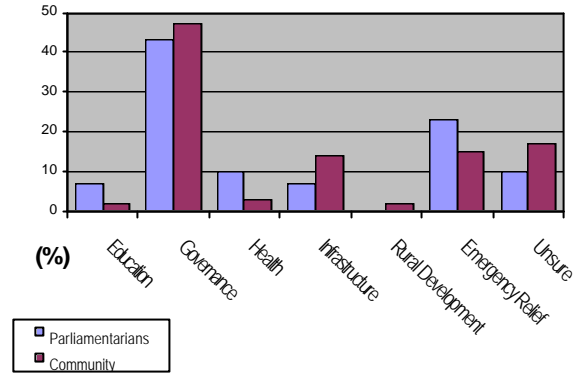


Figure 2: How generous is Australia (ODA as a percentage of gross national income)?

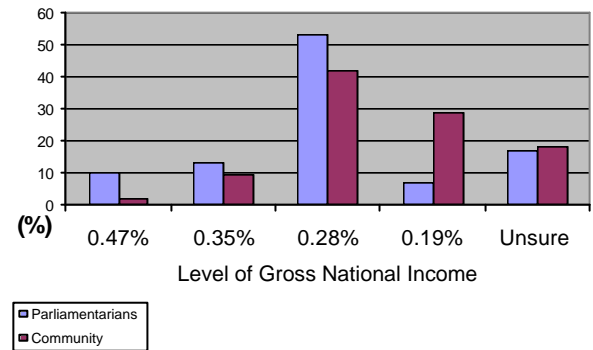
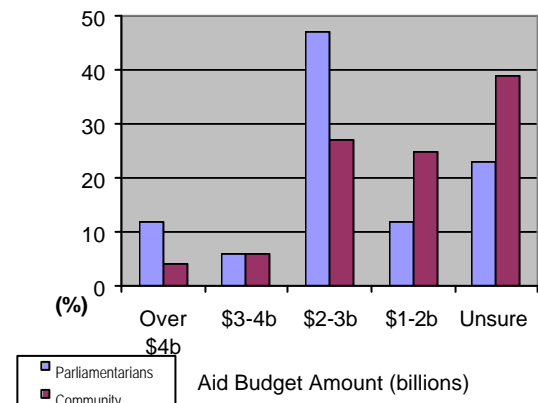


Figure 3: How generous is Australian aid?



¹ Answer correct at time of survey. The % of GNI has now slightly increased after the 06/07 federal budget announcement.

2. Attitudes towards the objectives of Australian aid

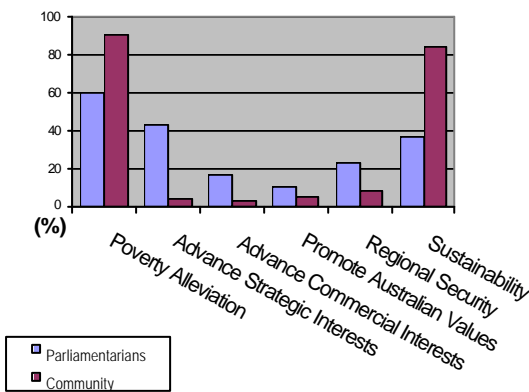
The objectives of Australian aid are determined by government and they broadly define how aid money is allocated. The next series of questions aimed to analyse the general community and parliamentary support for key aid objectives.

In addition, AID/WATCH wanted to understand whether the Australian community and parliamentarians support more self-interested objectives associated with ‘the National Interest’ influencing the expenditure of Australian aid.

The two surveyed groups were asked to respond to issues that are commonly associated with the objectives of the Australian aid program. Respondents were asked to identify which statements that they believed *should* be an objective of the Australian aid program. More than one response was allowed. These options were:

- Poverty Alleviation
- Advance Australia’s strategic Interests
- Advance Australian Commercial Interests
- Promote Australian values abroad
- Regional Security
- Environmental sustainability

Figure 5: Objectives of the aid program



Whilst both groups believed poverty alleviation to be the most important objective, clear differences appeared between the groups over other objectives. Whilst community members were clustered over two

categories, poverty alleviation and promoting sustainable development, over 43% of parliamentarians believed that one objective of the Australian aid program should be to ‘enhance Australia’s strategic interests’. A greater percentage of parliamentarians also ticked ‘advance commercial interests’ (17%) and ‘promote regional security’ (23%) than community members. In contrast to parliamentarians, very few members of the community thought objectives associated with Australia’s own interests should be the focus of the aid program (See Figure 5).

This builds upon some of the findings of a 2005 Lowy institute report which separated community responses to aid into two categories: Nationalist, where national priorities are higher, and Internationalist, where international priorities are more prominent (Australians Speak 2005, Lowy Institute Poll). Whilst poverty alleviation and environmental sustainability can be considered Internationalist, the other options are all distinctly Nationalist. The former is primarily concerned with Australia’s benefit, the latter with a view to more international interests.

Policy Implications

That a significant proportion of politicians take a ‘Nationalist’ approach to thinking about international aid is of concern. With national interests dominating a broader spectrum of domestic and foreign policy concerns it is imperative that at least in the area of International aid there should be a clear acknowledgement of the purpose of aid to benefit communities less fortunate than Australia.

Should ‘National Interest’ appear in the Aid program objective?

Over the last 5 years AID/WATCH and has been concerned that the explicit reference to Australia’s national interest in the overarching objective of the Australian aid program clearly detracts from the poverty focus of our international aid.

The AusAID overarching statement reads: *‘To assist developing countries reduce poverty and achieve*

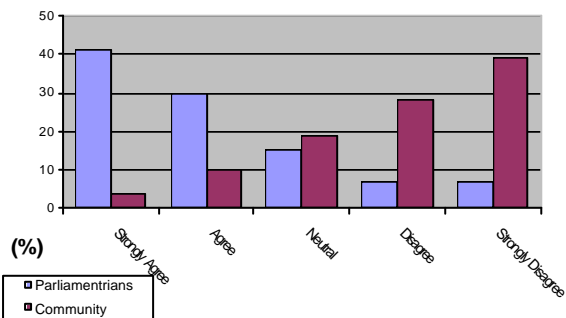
sustainable development, in line with Australia's national interest'.

These concerns have been echoed in an international OECD Development Assistance Committee peer review of the Australian aid program, released in 2005 which noted that 'national interest considerations could undermine a focus on poverty alleviation'. The review recommended updating our poverty reduction statement to be the overarching theme of our Aid program.

The debate on whether national interest should be an overarching goal of Australian aid is contentious. It is an important question because Australia's interests may not always coincide with the development priorities of the countries who receive Australian aid money.

In assessing the response to the question of national interest the divergence in opinion between parliamentarians and the community over this issue is significant. Figure 6, below, illustrates the almost polar opposites in opinion on National Interest.

Figure 6: level of agreement with inclusion of national interest in Australia's core aid objective



It is not the intention here to criticise parliamentarians for believing 'national interest' to be a priority in their work. However within the one government agency that has a specific responsibility for overseas aid, our findings suggest national interest should have no place in the overarching aid objective.

Policy Implications

The Simmons Review, commissioned by the government in 1997 recommended an overarching statement for AusAID with one core focus - poverty alleviation. Accepting this recommendation would be an excellent step for improving the quality of our aid.

3. How should recipients of Australian aid be determined?

In this section of the survey, we wanted to discover the attitudes within the two groups to the principles that determine the recipients of Australian aid?

In the first question of this section, respondents were given the option of selecting commonly cited reasons in the current political discourse for how aid is allocated. They are:

- Strategic Importance to Australia.
- Close geographic importance to Australia.
- Those countries identified as 'Fragile states'.
- Most Impoverished countries.

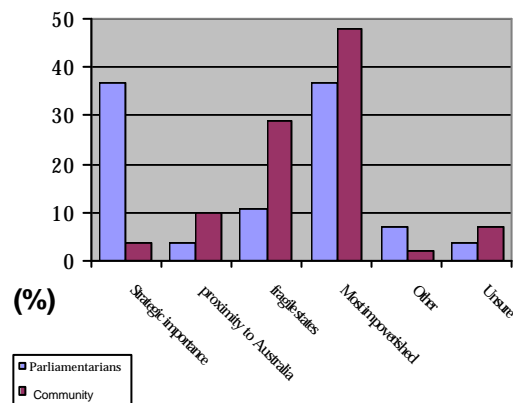
The findings indicated that Parliamentarians were equally clustered over two responses:

- Those countries that are the most impoverished (37%).
- Those countries that are of strategic importance to Australia (37%).

Community members, by contrast, identified the following priorities:

- countries that are most impoverished (48%).
- countries that are fragile states (29%).

Figure 7: How should aid recipients be determined?



The most significant difference between the two groups is the fact that only 3% of community members believe that the strategic interests of Australia should play a role in determining how Australian aid is allocated (see figure 7).

Again these results reflect a much stronger 'Internationalist' attitude to aid by community respondents who clearly select options which are seen to benefit the recipients of aid funds.

That parliamentarians support pursuing strategic interests equally with poverty alleviation betrays clearly the problematic position of international aid as a federal policy issue which does not directly serve the domestic electorate.

Ironically however our results indicate there is voter support to influence the government to take a more internationalist, less self-interested approach.

4. Attitudes to aid delivery

The next focus of our questions was whether AusAID is structured in such a way as to maximise its potential to deliver effective aid.

Should AusAID be separate from the Department of Foreign Affairs?

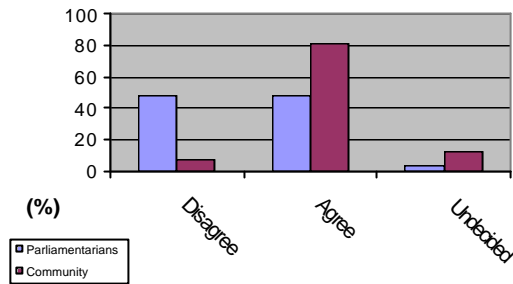
One of the elements of this debate is the positioning of AusAID within the broader Department of Foreign Affairs and Trade (DFAT), overseen by the Foreign Minister Alexander Downer.

AID/WATCH has long argued that if AusAID remains within DFAT, and without a minister that has a sole responsibility for overseas aid, the agency will continue to be hamstrung by the broader goals of the foreign affairs portfolio.

The United Kingdom Government set a very successful precedent in 1997 when its international aid agency, DFID became a separate government department with its own minister, of cabinet rank, the Secretary of State for International Development. This separation and independence also saw a significant increase in the DFID budget.

In response to our questions on this issue 48% of parliamentarians agreed that AusAID should be separate from the Department of Foreign Affairs whilst 48% disagreed. Members of the community however, were largely in agreement (81%) that AusAID should be separate from the Department of Foreign Affairs (see Figure 8).

Figure 8: Should AusAID be separate from the Department of foreign affairs?



Policy Implications

This finding supports the recommendation that AusAID should exist as a stand alone agency, under a cabinet level minister for international aid, if it is to deliver clear poverty outcomes in our region in the future.

Who should decide how Australian aid money is spent?

Since 2003, the rhetoric concerning who should decide how Australian aid money is spent has been the subject of much debate. A key shift can be seen in government rhetoric that has emphasised the need for Australian tax-payers, who are the original donors, to have a right to determine how aid money is allocated. This rhetoric could also be seen to be giving a democratic flavour to a newly interventionist form of aid that is predominantly about what the government rather than the tax payer wants.

These sentiments which emerged in 2003, have been echoed recently in the context of the Julian Moti affair, where both John Howard and Alexander Downer have renewed their threats to make Australian aid conditional on the wish of Australia to see certain desired outcomes met before disbursing aid.

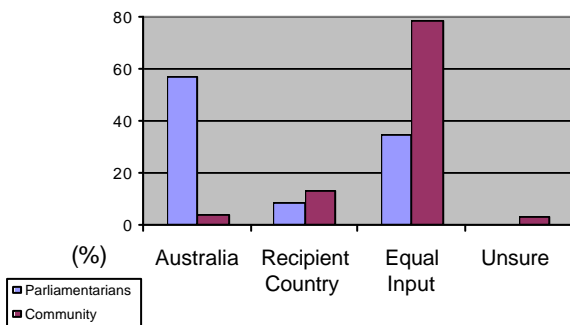
There is considerable debate on who essentially controls aid money with many differing positions. On ABC Radio in December 2003 the Australian Foreign minister Alexander Downer defended his position on who should decide how aid money is spent in stating "Its not Papua New Guinea's money and we are entitled to a say on how our own money is spent...And as foreign minister responsible for our aid budget, I'm not signing over a cheque and just handing over money in that way to the Papua New Guinea budget. We want to make absolutely certain that the large amount of money, the money of working Australians, is properly spent in Papua New Guinea and of course the development of ordinary people in Papua New Guinea."

Responding to these kinds of comments by the Australian government, PNG Prime minister Michael Somare has argued, "Their [Australia's] aid money is totally controlled by them. They decide how much money they want to spend on PNG and on what projects. They keep the money in Australia. They manage it through AusAID. They appoint their own companies in Australia to manage the projects. They decide on who carries out the projects. So ultimately, they are fully responsible and accountable for their aid money," he said. (PNG Post Courier, Sept 1, 2003)

The AID/WATCH survey asked respondents – who should decide how Australia's aid money is spent and respondents were given the options of:

- Australia
- Recipient country
- Equal input.

Figure 9: Who should decide how aid money is spent?



Of the parliamentarians, 57% believe that Australia should unilaterally decide how aid money is spent whereas only 8% feel that the decision should lie with

the recipient country. Significantly, 35% believe that it should be an equal input between the two.

Few members of the community (4%) believed Australia should unilaterally decide how aid money is spent, 13% feel that the decision should be with the recipient country that receives the aid, whilst 80% believe that it should be an equal input between the two (see figure 9).

Policy Implications

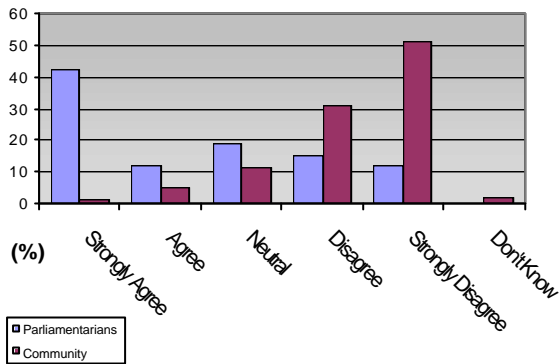
According to our survey there is a strong belief that decisions on expenditure of aid funds should reflect a genuine partnership, utilising both Australian and in-country expertise in the allocation as well as expenditure of funds. An immediate implication of this finding would be to take steps to prevent aid projects being wholly directed and designed in Australia.

Should aid delivery be linked to Australian goods and services?

Another key question on aid expenditure is that of whose resources should be engaged, most often in the form of contracting arrangements, to deliver Australian aid. Previous AID/WATCH and World Vision research has demonstrated that 80% of Australian aid is spent on Australian sourced goods and services (AID/WATCH June 2005, World Vision April 2006). The biggest beneficiaries are Australian companies. These companies operate on a for-profit basis and source Australia based consultants and logistics for the management and design process in particular. This results in aid that 'boomerangs' back to Australia.

According to our survey 80% of community members either disagree or strongly disagree that Australian aid should be linked to Australian goods and services, however of the parliamentarian respondents, 64% agree or strongly agree with linking aid to Australian resources and service providers (see Figure 10).

Figure 10: Comparison of opinions on whether aid delivery should be linked to the using of Australian goods and services



Australia has historically had a longstanding policy of ‘tied aid’ which mandated that only Australian contractors could tender for aid projects. This policy had long been considered a barrier to building capacity in poor countries as well as explicitly beneficial to Australian corporate interests.

In response to continued pressure from throughout the development sector to end this policy that protected the interests of Australian companies, the federal government ended tied aid in 2006.

The concern now is that without guidelines the practice of using Australian corporations will continue. Aid to PNG was officially untied in 2004, however in the intervening period not a single large contract went to a PNG firm (Senate Estimates Hearings, 2006).

This policy change occurred after AID/WATCH had collected data for this report. However with 80% of community members against the linking of aid to Australian goods and services, it can be seen as further support for an aid program that explicitly promotes local capacity for delivering projects within the countries that receive Australian aid.

Policy Implications

Now that local companies and organisations can tender for Australian aid, the onus is on the Australian government to create guidelines that ensure wherever possible aid is delivered by implementers based in-country.

Should Australia promote its domestic industry through its aid program?

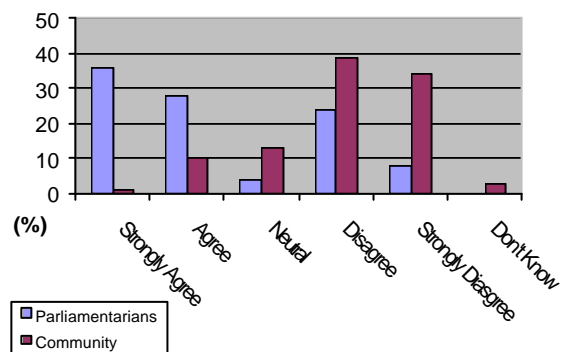
The survey also asked a more specific question about whether respondents would support any Australian commercial interests and industries being pursued through the Australian aid program. This criticism persists when aid can be seen to open the way for future profits by large Australian companies in resources sectors or agriculture in nations that receive aid

The sensitivity to criticism on this issue was evident when, in 2005, AusAID systematically removed any reference to Australia’s commercial interests in the aid program from its website. This change is essentially window dressing, as it has not stopped Australian aid representatives encouraging the private sector to take advantage of aid for profit opportunities.

The Prime Minister, John Howard, revealed earlier this year in parliamentary question time that the controversial appointments of AWB executives as agricultural advisors in Iraq, with AusAID funds, was done to protect Australia’s wheat trade interests.

Again, looking at the comparative results, the level of disagreement in the Australian community with the pursuit of commercial interests is significant (See Figure 11).

Figure 11: Should Australia promote its domestic industry through the aid program?



Furthermore, the fact that over 60% of Australian parliamentarians do agree with the pursuit of commercial interests should be considered as reinforcement of the argument for greater

independence for AusAID from the broader objectives of national politics.

5. Aid Funding Priorities

Another factor which determines how aid money is allocated is the priority given to the different sectors, which are usually separated into health, education, governance and infrastructure.

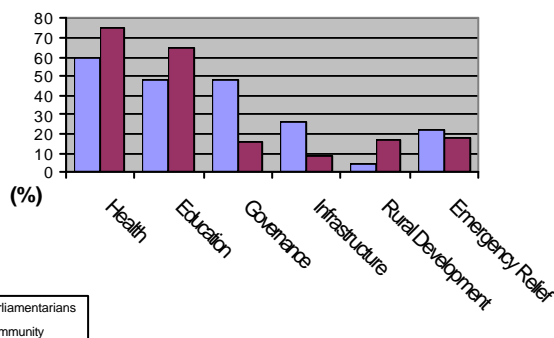
Currently, the sectoral allocation to governance dominates aid allocations, occupying 31% of the aid budget. This can again be understood in the context of expensive law and order interventions in the region.

Other priority areas for the Government also include humanitarian and emergency relief of the kind that follows human or natural disasters as well as rural development, addressing the fact that the majority of the worlds poor live in rural areas.

On the question of what should be the highest funding priorities for Australian aid, respondents could select multiple answers.

Though health and education were cited by both groups as the two most important areas, community members gave a slightly higher focus on these areas than the parliamentarians (See figure 12). The clear difference between the two groups focussed most specifically in the sectoral allocation to governance. Parliamentarians ranked it equally with education with over 45% supporting this sector, whereas less than 15% of members of the community saw it as a sectoral priority (See Figure 12).

Figure 12: What should be the highest sectoral priorities of Australian aid

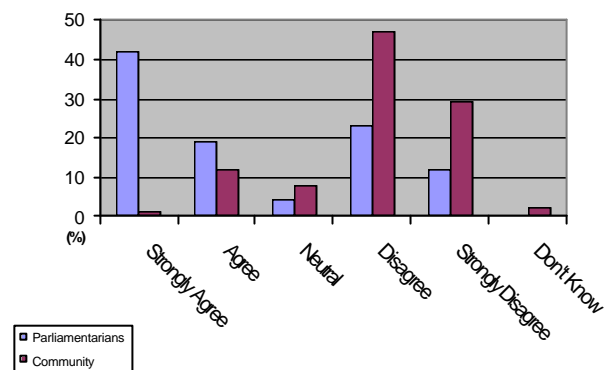


The clear preference in the community for health and education funding reflects internationally agreed commitments to the Millennium Goals. The very low response to the sectoral priority of governance is interesting when compared to the high preference it is given in actual Australian expenditure. It suggests there are low levels of support for this particular model.

Further evidence for this finding can be seen in the next question where respondents were asked – Is Australia allocating its aid to the right sectors?

Over 70% of the Australian community either disagreed or strongly disagreed with the current sectoral approach (see figure 13).

Figure 13: Is Australia allocating its aid to the right sectors?



Policy Implications

A clear implication of these results should be to fundamentally re-evaluate the ‘governance’ approach of the Australian aid program to better reflect the poverty alleviation criteria of the Millennium Development Goals.

5. Community concerns

This final section aims to compare community and parliamentary attitudes to key campaign messages arising from both international and local civil society activity.

The first of which is the support for an increase in the proportion of Gross National Income that Australia gives annually in aid, the second is the support for a campaign for debt cancellation. The latter question was asked particularly in the context of the Group of

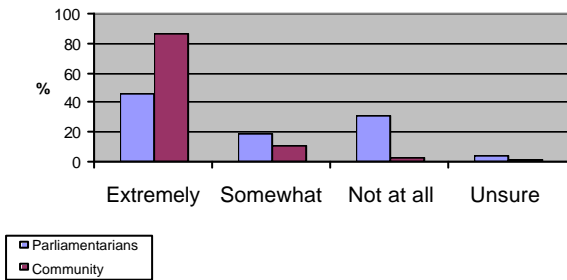
20 (G20) summit of Nations which recently took place in Melbourne amidst strong community pressure for a focus on debt cancellation.

Should Australia be increasing its overseas aid?

As noted above, Australia currently gives 0.3% of its Gross National Income in aid. In order to achieve the Millennium Development Goal target of 0.7% by 2015 pressure is being placed on Australia to take urgent steps to radically address this shortfall.

Campaigns such as “Make Poverty History” have made satisfying the millennium development goals a key campaign ask and we wanted to understand both the level of community support and whether this campaign was gaining traction amongst parliamentarians.

Figure 14: Importance of honouring commitment to increase aid levels to 0.7% of GNI



Whilst 87% of community respondents thought meeting the 0.7 target was extremely important and only 3% considered it unimportant, figures were significantly less for politicians. In contrast, 31% of parliamentarians saw it as not at all important.

Should debt reduction be a priority for the G20?

In July 2005, the countries of the G8 group of nations met in Edinburgh, Scotland and emerged from talks

with a plan to address global debt through the Highly Indebted Poor Countries (HIPC) initiative. This was seen initially as a win for the civil society movement that had clustered around the G8 to pressure for action to cancel debt and increase aid. However the devil was in the detail of the G8 deal since it can only be applied to countries that qualify against stringent requirements. It also does not address debt on the basis of supporting the poorest nations in the world.

The G20 meeting, in Melbourne in 2006, was seen as a chance to push for a more comprehensive package of debt cancellation without the conditional strings attached.

The G20 has a mandate to reform the international institutions of the International Monetary Fund and the World Bank, who are considered to hold a great deal of responsibility for the exploitative lending to newly independent states in the past. The G20 was therefore considered as very strategic push point for this global campaign to address debt.

Figure 15: Should debt reduction be a priority for the G20 Summit?

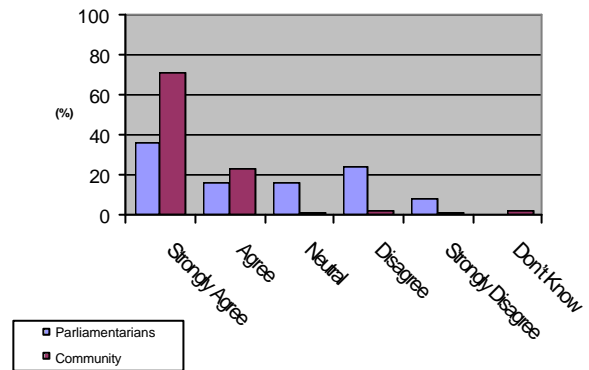


Figure 15 highlights that 71% and 23% of the Australian community strongly agree or agree that debt reduction should be a priority. By comparison, the attitudes of parliamentarians are decidedly lukewarm.

Conclusion

The results of the AID/WATCH, Attitudes to Aid survey are decisive: There is a clear difference between community members and parliamentarians on the objectives Australian aid. Whilst parliamentarians tend to a more 'nationalist' orientation, viewing international aid through the prism of 'national interests', community members view international aid as having an overarching objective to improve the lives and livelihoods of the poorest communities in our region.

Two clear issues emerge:

- Community members do not support many of the current policy prerogatives within the Australian aid program, particularly the focus on governance and the pursuit of security and commercial interests. Unfortunately these attitudes have not been engaged in current policy.
- Domestic and national agendas are preventing parliamentarians from promoting a clear poverty focussed aid program in the one policy area that is concerned with international development.

What is favoured by the community members who responded to this survey is improvements in both the quality and quantity of Australian aid. These improvements must be made under a framework where aid is considered explicitly at the service of communities who urgently need the support of our international aid. Presently, Australian aid is hamstrung by its national interests and therefore a clear step forward is a greater independence for AusAID from the 'national interests' of government.

Recommendations

- AusAID's core objective should be changed by removing reference to national interest and specifying clear and overriding focus on poverty alleviation, in line with the 1997 Simmons review.
- In line with the successful United Kingdom model, Australia should pursue independence in the direction of AusAID from other government prerogatives by:
 - the separation of AusAID from the department of Foreign affairs
 - the establishment of a cabinet level minister responsible solely for overseas development
- The Australian government should revise the current sectoral allocation of aid to preference health and Education programs in line with Millennium Development Goal commitments.
- AusAID should develop guidelines for the allocation of Australian aid that commits to promoting the implementation of aid programs and projects by local organisations. This is an essential successor to the welcome move to untie Australian aid.
- Community concerns about the commercial interests in aid suggest that greater transparency is required on the design, budget, reporting and evaluation of AusAID projects administered by private firms. Performance reviews of the top ten contracts should be made available on the AusAID website.
- Response is required at a policy level to address widespread community support for increases in aid and debt cancellation, to align with internationally agreed commitments.
- Consultative mechanisms should be put in place to engage community stakeholders in the development of Australian aid policy. A new policy review process should be set up to engage and publish policy submissions made by civil society organisations.

Appendix

Attitudes to Aid Survey, 2006

1. Are you a: [select one]

- Member of Parliament
 Aid/Watch Member/ Supporter
 Other

2. If you are a member of parliament please state which Australian political party you are a member of.

_____ N/A

3. Are you familiar with the work of Aid/Watch?

- Yes
 No

4. How much did the Australian government allocate to the foreign aid budget for the financial year 2005-2006? [select one]

- a) Over \$4 billion
b) Between \$3-4 billion
c) Between \$2-3 billion
d) Between \$1-2 billion
e) Unsure

5. What percentage of Gross National Income does Australia estimate giving in overseas development assistance this financial year (2005-2006)?

- a) Approximately 0.47%
b) Approximately 0.35%
c) Approximately 0.28%
d) Approximately 0.19%
e) Unsure

6. What is the main geographical focus of the Australian aid program? [select one]

- a) Africa
b) Middle East
c) Pacific Region
d) East Asia
e) South Asia
f) Unsure

7. Which sector received the greatest level of aid in 2005-2006? [select one]

- a) Education
b) Governance
c) Health
d) Infrastructure
e) Rural Development
f) Emergency Humanitarian Relief
g) Unsure

8. Select two (2) purposes that you feel should have the highest priority in the Government's aid program?

- a) Poverty Alleviation
b) Advance Australian strategic interests
c) Advance Australian commercial interests
d) Promote Australian values abroad (eg democracy and human rights)
e) Regional Security

f) Sustainability

9. Select two (2) aid funding **priorities** that you feel should have the highest priority in the Government's aid program?

- a) Health
b) Education
c) Governance (eg legal, judicial & financial sector reform)
d) Infrastructure
e) Rural development
f) Humanitarian emergency relief

10. Which, do you feel, is the most important criteria for establishing how Australian aid recipients should be determined? [select one]

- a) Those countries that have a strategic importance to Australia
b) Those countries that are in close geographical proximity to Australia
c) Those countries that have been identified as fragile states (countries that lack the ability or will to provide basic services or protection)
d) Those nations who are most impoverished
e) Other [please state] _____
f) Unsure

11. Do you think that AusAID, the agency responsible for managing Australia's aid program, should be a *part of or separate from* the Department of Foreign Affairs and Trade?

- a) Part of the Department of Foreign Affairs and Trade
b) Separate from the Department of Foreign Affairs and Trade
c) Undecided

12. The stated objective of Australia's aid program is to "advance the national interest through poverty alleviation and sustainable development".

Should the following be present in the objective:

- a) National Interest
Strongly Agree - Agree - Neutral - Disagree - Strongly Disagree - Don't Know
b) Poverty Alleviation
Strongly Agree - Agree - Neutral - Disagree - Strongly Disagree - Don't Know
c) Sustainable Development
Strongly Agree - Agree - Neutral - Disagree - Strongly Disagree - Don't Know

13. Aid delivery can be linked to the purchasing and hiring of Australian goods and services. Do you think AusAID should pursue such a policy?

- a) Strongly agree
b) Agree
c) Neutral
d) Disagree
e) Strongly Disagree
f) Don't Know

14. The main sectoral funding focus of Australia's aid program is as follows:

Governance 36%
Health 12%
Education 14%
Humanitarian, emergency and refugee relief 14%

Do you support the allocation of aid in this manner?

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly Disagree
- f) Don't Know

15. Who do you think should decide how Australian Aid money is spent?

- a) Australia
- b) Recipient Country
- c) Equal Input
- d) Unsure

16. To achieve one of the Millennium Development Goals, the United Nations asks that all signatories (of which Australia is one) allocate 0.7% of their total Gross National Income (GNI) to aid. In the 2004-2005 budget, 0.26% of Australia's GNI was allocated to overseas aid and the Australian government has recently announced plans to increase this to 0.36% of GNI by 2010.

In your opinion how important is it for Australian to honour its commitment to the 0.7% target?

- a) Extremely important
- b) Somewhat important
- c) Not at all important
- d) Unsure

17. Of the \$1 billion allocated to the Australia Indonesia Partnership for Reconstruction and Development package, how much has been directly allocated to Tsunami affected areas? (As of December 8 2005)

- a) Approximately \$156 million
- b) Approximately \$324 million
- c) Approximately \$603 million
- d) Approximately \$812 million
- e) Unsure

18. Should the issue of debt reduction be a priority for the G-20 summit, an economic forum discussing global economic stability between industrial and emerging markets, held in Australia this year?

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly Disagree
- f) Don't Know

19. Should Australia promote their domestic industry, such as construction and livestock through its aid program?

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly Disagree
- f) Don't Know

20. List three (3) actions you would like to see occurring in the Australian aid program for the coming year?

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