# ENSURE MULTINATIONAL COMPANIES PAY THEIR FAIR SHARE OF TAX

A faulty global tax system is one of the key reasons economic inequality continues to spiral out of control. Australia should join with other countries and demand that multinational companies are more transparent about their finances and pay their fair share of tax.

All countries need to ensure tax is collected and spent wisely — it's part of being a good global citizen. It is also increasingly important for them to be able to generate income from enormous profits being made by multinational companies. Yet, too often these companies are shifting funds to tax havens or low-tax countries to avoid paying their fair share of tax in the territories in which they operate. The recent release of the Panama Papers, revealing pervasive tax avoidance among the world's elite, has highlighted these practices further.

Whether at home or abroad in developing countries, tax evasion and minimisation means there is less money to spend on health, education and economic development. National and global action is needed now to stop these harmful practices.

### WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

#### MAKE TAX TRANSPARENT AT HOME AND ABROAD.

Introduce legislation that ensures multinational companies with an income of \$250 million or more and function in or from Australia, report publicly on their incomes, employees, profits earned and taxes paid in every country in which they operate.

#### CURB IRRESPONSIBLE USE OF TAX HAVENS.

Consult with the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (DECD) to develop a list of tax havens and legislate to stop companies using these havens to avoid paying their fair tax share. The burden of proof should be on companies to demonstrate they have a legitimate reason for investing in a tax haven.

#### SUPPORT GLOBAL ACTION TO END TAX DODGING.

Oxfam, along with many other international observers and experts, believes that a global tax body is the best way to end the use of tax havens to dodge tax. The "Global Tax Platform" presented by the IMF, OECD, and the World Bank, is one such mechanism. We are calling on the Australian Government to take leadership in curbing tax dodging, and to take an active role to involve developing countries in such a platform.

### MAKE MULTINATIONAL OWNERSHIP PUBLIC INFORMATION.

Deliver on the commitment to establish a public registry of beneficial owners of companies, and ensure that the registry covers all companies operating in and from Australia. It should be illegal for an Australian to act as a front person of a shell company where the real owner or controller of the company is hidden. It should also be illegal for an Australian to own or control a company where they have not disclosed that fact. It's time for the Australian Government to act.

#### SHARE WHAT WE KNOW.

Ensure the Australian Taxation Office and other appropriate agencies share country by country financial reports of companies with relevant developing country governments beyond the OECD automatic information exchange arrangements.

### WHY

Extreme inequality — the gap between the rich and the poor — is rising and threatening to undo the progress made in tackling poverty over the past 20 years.

The world's richest 62 people — who own some of the biggest multinational companies — have as much wealth as the poorest 3.6 billion people. In Australia, the richest 1% are as rich as the poorest 60% of Australians.

One of the ways this inequality is created, sustained and exacerbated is corporate tax avoidance and evasion. This is money that could have gone towards schools, hospitals, essential infrastructure and social services. Estimates are that the poorest nations lose more than \$100 billion annually through the tax avoidance and tax dodging practices of multinational companies.

Everyone should benefit from big companies making big profits and paying fair taxes. That's why the income, employees, profits and the taxes paid by large multinational companies should be public information for all to see.

Despite talking tough, Australia is dragging its feet on tax transparency, with recent new laws only applying to a few



big companies. These laws still do not require them to make enough information public about their global activities. Right now, it is too easy for multinational companies operating in or from Australia to dodge taxes by using loopholes in legislation and shifting money to tax havens.

Only by making information public can the Australian community — and communities abroad — get the full picture on whether or not companies are paying their fair share of tax.

There is fair precedent for this sort of transparency. Following widespread involvement of civil society organisations, legislation came into force in 2013 requiring European banks to publish information on their profits, turnover, staff, tax paid and subsidies received in each territory in which they are established, including tax havens.

When implemented, the Dodd-Frank legislation, passed in the United States (US) in 2010, will require all mining, oil and gas companies listed on US stock exchanges — including Australian mining giants — to report on taxes paid to governments in the countries in which they operate. Canada has implemented similar reporting standards for extractive companies to support development in the countries where they operate and make it harder to conceal illicit payments. Australia has also committed to making ownership information on companies available on a public register through a pledge at the Group of 20 (G20). Shell companies with front people are used as vehicles for all sorts of harmful and criminal activities, from tax evasion, money laundering and illicit arms dealing to funding terrorism.

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# INCREASE AUSTRALIAN AID AND OFFICIAL DEVELOPMENT ASSISTANCE

## **RESTORE AUSTRALIAN AID TO AT LEAST \$5.5 BILLION**

Australia is one of the wealthiest countries in the world, consistently placed in the top three wealthiest nations per adult in the annual Credit Suisse Global Wealth Report. Yet the Australian Government has cut back our aid budget and reneged on our commitment for official development assistance (ODA) to reach 0.7% of gross national income (GNI) by 2030.

The government must reverse these decisions. Australia has the potential to be a much better global citizen. When people are empowered to take charge of their lives and work their way out of poverty, everyone benefits.

Australians continue to donate to humanitarian and development organisations such as Oxfam. But these efforts far from replace the role of official aid in boosting humanitarian action and reaching the poorest people. As a member of the Group of 20 (G20), the Organisation for Economic Cooperation and Development (OECD) and the United Nations (UN), Australia must invest appropriately, along with its peers, in global efforts to alleviate poverty and tackle humanitarian emergencies.

## WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

#### BOLSTER THE AID BUDGET.

Restore Australian aid to at least \$5.5 billion by no later than the 2019–2020 federal budget.

#### CONTRIBUTE OUR FAIR SHARE.

Commit Australia's ODA to reach 0.7% of GNI by 2030.

### WHY

Business leaders, church and community groups and people all over Australia have expressed public outrage over the government's extreme cuts to the Australian aid budget. More than 60,000 Australians have signed up to be part of the *Campaign for Australian Aid*, taking more than 71,500 actions calling on politicians to increase our contribution.

With projected growth in the Australian economy, an aid budget of \$5.5 billion would still only equate to around 1% of the entire federal budget and would be equivalent to around 0.26% of Australia's GNI — nowhere near the goal of 0.7%. In other words, Australia can afford to make this modest investment in aid without compromising other important areas of spending.

Stepping up on aid is in everyone's interest. A fair aid program creates stability by lifting people out of poverty. Aid fosters peace and sustainable local economies, making our own country less likely to be drawn into or threatened by regional conflicts. It also addresses the root causes of refugee flows. In the area of health, a strong official Australian aid program is able to lower the risk of health pandemics entering Australia by assisting health systems, and providing vaccines and medical treatment. Australian business leaders know that the Australian economy, now more than ever, is interconnected with Asia, the Pacific and the globe. In a global economy, the success of Australian businesses and investments depends on the strength, stability and health of the nations with which we work.

If nothing is done to change the trajectory of spending on Australian aid, the government will be investing around 0.15% of our GNI on aid by 2030. Today, the government already spends less than the average wealthy OECD country on aid, coming in 16th out of 28 countries last year. <sup>1</sup> This is despite having the lowest national debt and an economy that has continued to grow. If the government spent just 0.15% of our GNI on aid, at 2014 spending levels we would rank 22nd out of the wealthy 28 countries that are measured by the OECD, despite our much greater wealth. Not only would this send a strong international message that Australia is not prepared to do our fair share for our neighbours, millions would miss out on the support that a fair Australian aid budget could provide.

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1 http://www.oecd.org/dac/development-aid-rises-again-in-2015-spendingon-refugees-doubles.htm





# INCREASE THE IMPACT OF AUSTRALIAN AID FOR THE POOREST PEOPLE

When it comes to Australia's contribution to helping end extreme poverty, nothing replaces an effective official aid program to reach the poorest people and help find solutions to the toughest problems. Australia must live up to its pledge to support the recently agreed Sustainable Development Goals in its own aid program, with alleviating poverty and inequality as its cornerstones.

## WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

#### CLARIFY OUR PURPOSE.

Make eliminating extreme poverty, reducing inequality, promoting sustainable development and protecting human rights the official purpose of Australia's aid program.

#### HARMONISE OUR AID PROGRAM.

Align the aid program with achieving all 17 Sustainable Development Goals by 2030.

#### SET CLEAR STANDARDS.

Ensure all aid projects require safeguard policies that set clear standards on human rights and the environment. This must include ways for people to let the Australian Government know when important standards are not being met by Australian aid projects.

#### ACHIEVE GREATER TRANSPARENCY.

Ensure Australia's aid remains transparent by publishing an official, comprehensive *Aid Budget Statement* that covers total, country, thematic and multilateral aid allocations annually with the federal budget.

### WHY

Aid is a special kind of investment that the Australian Government — and many other governments — make. It is about helping people and lifting our collective prosperity for everyone's benefit. Targeted in the right way, Australian aid can reach people and places that other types of investments, including by business, simply cannot. Aid reaches out to those people who might otherwise be missed and gives them a chance and an opportunity to build a better life. It connects people to services, to enjoying their human rights and to social and economic opportunities that otherwise could be forever out of reach.

The government's official mission statement on aid and our aid investments needs to match this special purpose. That means an aid program focused squarely on eliminating extreme poverty, reducing inequality, promoting sustainable development and protecting people's rights. Realigning the aid program with these priorities would be in line with the principles in the recently agreed 2030 Agenda for Sustainable Development and the Busan Partnership for Effective Development Cooperation, which both recognise the central challenges of poverty and inequality. These agreements call on sustainable development and the defence of human rights to overcome these challenges.

Ensuring the Australian aid program addresses the central task of helping people overcome poverty would also reflect the priorities and focus of our peers' aid investments. For example, the UK Government has legislated that the core purpose of its aid spending is poverty alleviation.

Aid also has to be accountable, both to the Australian public and to the people we are hoping to support. That's why we need a commitment to always publish an official, comprehensive *Aid Budget Statement* on budget night each year. It's also why every aid project, no matter who is delivering it, should include strong safeguards to protect poor and marginalised people and a way for communities to easily raise complaints or concerns with the Australian Government.



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# CONTRIBUTE AUSTRALIA'S FAIR SHARE TO PREVENTING AND TACKLING HUMANITARIAN EMERGENCIES

As one of the world's richest countries, Australia can and should do more to help vulnerable communities to prepare for, respond to and recover from humanitarian emergencies. Economic losses from disasters are in the billions of dollars every year. Australia should increase its support to help communities respond after disaster strikes, as well as invest in effective disaster risk reduction programs. These programs save lives and money, and enable those affected to quickly rebuild their lives after the emergency has passed. Every dollar spent on disaster risk reduction can save between \$2 and \$10 in the costs of responding once a crisis hits.<sup>1</sup>

With 60 million people displaced by conflict, Australia must also step up and take its fair share of refugees and humanitarian migrants.

## WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

### CONTRIBUTE OUR FAIR SHARE.

Contribute Australia's fair share of total global funding needs to prevent and tackle humanitarian emergencies. Set official humanitarian assistance at a minimum of 10% and disaster risk reduction funding at a minimum of 3% of a growing aid program on an annual basis.

### INCREASE OUR REFUGEE INTAKE.

Increase Australia's humanitarian refugee intake from 13,750 to 30,000 per year in light of continued and growing global protection needs.

### WHY

Humanitarian emergencies and disasters are growing in number and intensity, while climate change is increasingly leading to more frequent and intense extreme weather events. Escalating conflict is also having a devastating effect on civilians resulting in large-scale displacement, poverty and migration. Yet Australia's capacity to respond is decreasing, with cuts to the humanitarian budget as part of cuts to the overall aid budget.

Australia is limited in its ability to respond to humanitarian crises in a flexible way, with only up to \$130 million in the emergency fund in the budget. Globally, international humanitarian aid has failed to keep pace with the realities on the ground. Since 2000, donor governments including Australia have, on average, met less than two-thirds of the needs set out in United Nations (UN) humanitarian appeals.<sup>2</sup> During this same period, the gap between requirements and actual funding provided to meet humanitarian needs has also grown significantly.<sup>3</sup> As a good international citizen, and as one of the world's richest countries, Australia must contribute its fair share to humanitarian appeals. Official humanitarian assistance must be set at a minimum of 10% of a growing Australian aid program on an annual basis.

The Australian Government can also help to minimise the costs and impacts of disasters by assisting poorer nations to better manage and plan for shocks and stresses. Economic losses from disasters are now reaching an average of about \$320 billion (USD \$250 billion) to \$390 billion (USD \$300 billion) every year.<sup>4</sup> Disaster risk reduction programs are proven to protect long-term development gains, minimise economic losses and prevent damage to infrastructure, and are less costly than responding after disaster strikes. The UN estimates that an investment of \$7.7 billion (USD \$6 billion) annually in disaster risk management would result in avoided losses of \$463 billion (USD \$360 billion) over the next 15 years.<sup>5</sup>

However, building the resilience of poorer nations to disasters requires long-term focus and investment. Short-sighted cuts to Australia's disaster risk reduction investment is undermining our significant progress in supporting governments and communities to reduce their vulnerability to disasters and better manage and prepare for them. Australia must commit to ensuring that disaster risk reduction funding is at least 3% of a growing aid program.



The world is also now facing the largest displacement crisis since World War II, with around 60 million people forcibly displaced globally. While no one country can solve the global refugee crisis, Australia can and must do more. The Australian Government should increase its humanitarian intake to 20,000 people immediately from a current level of 13,750 and — in light of continued and growing global protection needs — increase this intake to 30,000 people as a matter of urgency.

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 International Federation of the Red Cross and Red Crescent societies, The Global Alliance for Disaster Risk Reduction: Building Safer, Resilient Communities, available at www.ifrc.org/Global/global-alliance-reduction. pdf

4 Global Assessment Report 2015, available at www.preventionweb.net/ english/hyogo/gar/2015/en/gar-pdf/GAR2015\_EN.pdf



<sup>2</sup> See Global Humanitarian Assistance Report 2015, available at www. globalhumanitarianassistance.org/wp-content/uploads/2015/06/ GHA-Report-2015\_-Interactive\_Online.pdf and Smith and Swithern (2014), The 2014 UN appeal: Different process, greater needs, available at www. globalhumanitarianassistance.org/wp-content/uploads/2013/12/UNresponse-crisis-2014-final2.pdf

<sup>3</sup> ibid.

<sup>5</sup> ibid.

# **MOVE TO A ZERO CARBON ECONOMY**

# Australia has all it needs to be part of today's climate and energy solutions, creating a brighter future for Australia and the world at large.

The world is acting. In December 2015, governments reached a landmark global agreement on climate change. Globally, investment in renewable energy has overtaken fossil fuels. But 2016 has already brought harrowing reminders of the impacts of climate change on our region.

A clear majority of Australians want the Australian Government to commit to stronger action on climate change. Australia must substantially increase its emissions reduction targets, begin transforming our energy sector and move swiftly to a zero carbon economy.

### WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

#### STRENGTHEN NEAR-TERM EMISSIONS TARGETS.

Set a target for national emissions reductions of at least 45% to 65% below 2005 levels by 2025 and at least 65% to 80% by 2030.

#### ACHIEVE ZERO EMISSIONS WELL BEFORE MID CENTURY.

#### TRANSFORM THE ENERGY SECTOR.

Develop a plan to transform the energy sector and reach 100% renewable electricity before 2035, beginning with the phaseout of coal power, including support for affected communities.

## PROVIDE GREATER SUPPORT TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES.

Support Aboriginal and Torres Strait Islander Peoples with climate solutions that value and integrate their knowledge, provide new sources of income for communities and support climate change adaptation and resilience building initiatives.<sup>1</sup>

### WHY

While important progress has been made internationally towards limiting global emissions, current commitments still have us on a path to very dangerous levels of warming. The month of February recorded a disturbing and unprecedented upward spike in the global average temperature. Cyclone Winston, the most powerful cyclone ever recorded in the southern hemisphere, became the second category 5 cyclone to make landfall in the Pacific in as many years, bringing devastation to Fiji. The combined effects of climate change and the 2015–2016 El Nino have taken an immense toll on many communities. Damage to the Great Barrier Reef has been found to be far worse than initially feared.

All countries will need to aim for substantially greater

emissions reductions over the coming years, a reality recognised by the Paris Agreement, under which the first review of national commitments will begin in 2018.

Based on growing evidence that a global temperature rise of 2°C will push many beyond their limit to adapt, under the Paris Agreement all governments have agreed to keep the global temperature rise to "well below 2°C" and to "pursue efforts to limit the temperature increase to 1.5°C". No region has a greater stake in global action on climate change than our own, with many Pacific island countries among the most vulnerable to the impacts of climate change.

To play its fair part in the global mitigation task, Australia must substantially increase the pace with which we reduce our emissions, transform our energy sector and move towards a zero carbon economy. This means catalysing innovation and deepening international cooperation. Australia's current target would still leave our country in 2030 with among the highest per capita emissions and most carbon-intensive economy in the world. Falling further behind the rest of the world will cost us dearly, stranding the Australian economy and leaving us uncompetitive. By contrast, fully embracing our renewable energy assets will diversify the Australian economy and create thousands of new jobs.

Multiple surveys have shown that a clear majority of Australians want the Australian Government to commit to stronger action on climate change. This popular support was powerfully demonstrated by the People's Climate March, the largest public demonstration of support for leadership and action on climate change in Australia to date.



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<sup>1</sup> For a detailed background and explanation of these policy proposals, see Oxfam's recent report Bringing Paris Home – How Australia measures up against the new global climate agreement, available at www.climatefrontline. org/report/Oxfam-Australia-Bringing-Paris-Home-Report.pdf

# INCREASE INVESTMENT IN CLIMATE CHANGE ADAPTATION

Australia is surrounded by some of the countries most vulnerable to the impacts of climate change. For our neighbours in the Pacific, the effects of shifting weather patterns, rising seas and stronger storms are already stark. These nations have contributed almost nothing to the causes of climate change but face some of the worse consequences.

These nations are showing great leadership and determination in driving solutions but need additional resources to adequately deal with the impacts. The World Bank has estimated that, globally, climate change has the power to push more than 100 million people back into poverty over the next 15 years.

Australia's aid budget must be increased to fund climate change adaption strategies and climate-compatible development. Supporting our neighbours to build their resilience and grow clean economies aligns with Australia's core foreign policy objectives and our interest in a safe, secure and prosperous region.<sup>1</sup>

### WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

## INCREASE AUSTRALIA'S CONTRIBUTION TO INTERNATIONAL CLIMATE FINANCE AS PART OF A GROWING AID PROGRAM.

Provide at least AUD \$3.2 billion in international climate finance per year by 2020, in addition to existing aid commitments, with at least half as grants for adaptation. (This is Australia's fair share of the international commitment to mobilise USD \$100 billion a year by 2020.) Deliver these funds in part through the Green Climate Fund and in part through Australia's bilateral programs and other channels.

## CREATE NEW SOURCES OF INTERNATIONAL CLIMATE FINANCE.

Create new and innovative sources of climate finance to supplement contributions from the national budget, such as levies on international transport emissions, revenue from emissions trading schemes and the redirection of fossil fuel subsidies.

## DEVELOP A CLIMATE CHANGE STRATEGY FOR THE AID PROGRAM.

Develop a comprehensive plan that ensures climate risk is factored through all aspects of Australia's aid program. The plan should recognise the role of women and youth in climate solutions and the climate challenges facing the Pacific.

#### SUPPORT OUR REGION'S MOST VULNERABLE COMMUNITIES.

Support long-term solutions for those at risk of being displaced by climate change, including provisions to ensure that people can migrate with dignity.<sup>2</sup>

## WHY

Even at current levels of warming, many communities in our region are facing severe challenges from climate change. Extreme weather and shifting seasons are undermining livelihoods, harming economic growth and, at worst, leading to loss of land and life. For the atoll countries, climate change is a threat to their long-term survival.

Despite these escalating challenges, only 16% of international climate finance supports the poorest communities to adapt to the impacts of climate change. Many countries including Germany, the UK, France and Canada have pledged to substantially scale -up their contributions over the coming years, recognising that progress on supporting developing countries was critical to reaching a fair and effective agreement in Paris. Australia's current commitment — at least AUD \$1 billion between now and 2020 — remains well short of a fair contribution towards the shared goal of mobilising USD \$100 billion a year by 2020, and will be sourced from a diminished aid budget.

While the private sector will play a major role in driving low carbon development in developing countries, public finance remains essential to fund climate change adaptation, meet the needs of vulnerable communities and leverage further private investment in renewable energy.

Australian-funded climate adaptation programs have achieved important results and it is vital that funding continues. For example, there is good evidence that investment in climate change adaptation and disaster risk reduction enabled communities in Vanuatu to better prepare for and begin responding to Cyclone Pam. Well-designed climate change adaptation programs can help deliver strong overall development outcomes and support progress on achieving equality between men and women, effective governance, secure jobs and other priorities.



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<sup>1</sup> See the briefing paper A responsible global citizen for further recommendations on Australia's aid program.

<sup>2</sup> For a detailed background and explanation of these policy proposals, see Oxfam's recent report *Bringing Paris Home – How Australia measures up against the new global climate agreement*, available at www.climatefrontline.org/ report/Oxfam-Australia-Bringing-Paris-Home-Report.pdf

# RESOURCE AND ENGAGE WITH ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES' REPRESENTATIVE ORGANISATIONS

The Australian Government must recognise Aboriginal and Torres Strait Islander Peoples' right to self-determination — including their right to drive policy — and back these policies with appropriate resources and support. Only then can Australia effectively close the gap in outcomes for Aboriginal and Torres Strait Islander Peoples.

Until Aboriginal and Torres Strait Islander Peoples' right to self-determination is recognised and policy is driven by Aboriginal and Torres Strait Islander people and made effective through appropriate resourcing and support, progress in closing the gap will be limited.

The Australian Government can achieve positive outcomes by working closely with Aboriginal and Torres Strait Islander leaders and communities. And it can successfully bring about change when it adequately resources, listens to and works with Aboriginal and Torres Strait Islander Peoples' representative peak organisations and the communities they serve. This includes dedicating sufficient resources to tackling the impacts of climate change, given Indigenous communities are particularly vulnerable.

## WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

PROVIDE GREATER SUPPORT TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES.

EFFECTIVELY ENGAGE WITH AND RESOURCE THE NATIONAL CONGRESS OF AUSTRALIA'S FIRST PEOPLES AND NATIONAL PEAK ORGANISATIONS.

#### IMPLEMENT THE RECOMMENDATIONS OF THE COUNCIL FOR ABORIGINAL RECONCILIATION CONCERNING CHANGES TO THE AUSTRALIAN CONSTITUTION AND ADDRESSING THE UNFINISHED BUSINESS OF RECONCILIATION.

The council's recommendations recognise First Peoples, replace the race powers with an anti-racial discrimination clause and propose processes such as developing a national framework agreement or treaty to address reconciliation.

## DEVELOP AN INDIGENOUS AUSTRALIA CLIMATE ACTION PLAN.

Include measures to value and integrate Aboriginal and Torres Strait Islander peoples' knowledge while providing new sources of income for communities, such as programs under the Carbon Farming Initiative. Support communities with climate change adaptation and resilience building.

### WHY

Engagement with Aboriginal and Torres Strait Islander Peoples can only be effective when the Australian Government respects and promotes their self-determination, agency and inherent rights. This is in line with the United Nations Declaration of the Rights of Indigenous Peoples and other international human rights instruments.

This means that national Aboriginal and Torres Strait Islander representative peak bodies should drive — or at the very least co-drive — policy formation, decision-making and implementation. It also means that their leaders should have the opportunity to meet regularly with the Prime Minister and relevant ministers to ensure that policies are grounded in principles of meaningful engagement and cultural respect, and are effectively implemented.

For example, The Council for Aboriginal Reconciliation has taken a leadership role in addressing the unfinished business of reconciliation, recommending changes to the Australian Constitution and processes, including a national framework agreement. These processes need to be a priority for Federal Government leadership.

The National Health Leadership Forum's involvement in developing a plan to implement the *National Aboriginal and Torres Strait Islander Health Plan* is a positive example of what can be achieved when governments work closely with Aboriginal and Torres Strait Islander leaders and experts from representative peak organisations.



The negative impact of past policies has been clearly documented in reports such as the *Royal Commission into Aboriginal Deaths in Custody* and the *Bringing Them Home Report.* Both reports make clear that Aboriginal and Torres Strait Islander communities must be the fundamental drivers of change, not just recipients of departmental policy direction and funding. And these commitments and resources must be for the long term, regardless of election cycles and changing governments.

Underlying all approaches should be recognition of Aboriginal and Torres Strait Islander Peoples' connection to lands and waters, cultures and ways of life — a connection that places them at the frontline of climate change. Aboriginal and Torres Strait Islander people are strongly engaged in land management around the country and are well placed to play a leading role in climate mitigation and adaptation. A well-planned Indigenous climate strategy could both tackle climate and provide employment opportunities in remote and regional Australia.

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# REFORM THE INDIGENOUS ADVANCEMENT STRATEGY

Australia has committed to close the gap in health and wellbeing between Aboriginal and Torres Strait Islander Peoples and the non-Indigenous population within a generation. This requires a nation-wide effort in partnership with Aboriginal and Torres Strait Islander organisations across election cycles, funding agreements and governments.

It also requires the Australian Government to commit to long-term funding of Aboriginal and Torres Strait Islander community-controlled services — and their respective peak bodies — so that communities can access quality, culturally strong services across all sectors. A community-driven, needs-based approach to funding is essential if we are going to close the gap on Indigenous disadvantage.

## WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

#### REFORM THE INDIGENOUS ADVANCEMENT STRATEGY.

Reform the Indigenous Advancement Strategy (IAS) and align the IAS with other funding programs to ensure the key determinants of funding are Aboriginal and Torres Strait Islander community agency and need.

### WHY

The Indigenous Advancement Strategy (IAS), introduced on 1 July 2014, is the primary way in which the Australian Government funds and delivers a range of programs for Aboriginal and Torres Strait Islander Peoples. It consolidates about 150 individual programs and activities in the areas of jobs, land and economy, children and schooling, safety and wellbeing, culture and capability, and remote Australia strategies into the Department of Prime Minister and Cabinet. It does not include Aboriginal and Torres Strait Islander health programs. Regrettably, this strategy was developed with little or no input from Aboriginal and Torres Strait Islander people and their representative organisations.

Oxfam, along with a range of other Indigenous and non-Indigenous organisations, has numerous concerns with the IAS process, particularly relating to consultation, design, assessment, selection and implementation. We believe failings in these areas may negatively impact efforts to close the gap and enable Aboriginal and Torres Strait Islander people to effectively tackle the issues affecting their communities.

The IAS program needs to be reformed to ensure the key determinants of funding are Aboriginal and Torres Strait Islander community agency and need. A community-driven, needs-based approach — rather than competitive tendering — will build the capacity of local and regional Aboriginal and Torres Strait Islander community-controlled organisations and services so that they can effectively address the issues facing the communities they serve. These organisations often have a clearer understanding of the needs of their communities, yet many have been unable to complete the tender application process due to limited capacity and resources, creating widespread uncertainty and distress. The tender guidelines and selection criteria have also not adequately considered specific community need or explicitly required cultural competence.

We believe government departments and peak Aboriginal and Torres Strait Islander organisations should work together to develop a trauma-informed, culturally based *Aboriginal and Torres Strait Islander Outcomes Framework* to build communities' knowledge and skills so they can effectively address local and regional issues. Aboriginal and Torres Strait Islander communities need to be the co-drivers of change, not just recipients of funds.

To successfully address Indigenous disadvantage, the Australian Government must consider all areas of Aboriginal and Torres Strait Islander life in an interdependent and holistic way. This means working closely with Aboriginal and Torres Strait Islander peak organisations and experts to see the interconnections between social determinants such as health and wellbeing, employment and education, community safety and incarceration rates. The government needs to then adequately fund and implement policies that are evidence-based, and analyse these policies to ensure they are continuously improved. Finally it must ensure Aboriginal and Torres Strait Islander community-controlled organisations at the local, regional and federal level are at the heart of this work, for they are essential to its success.

### ABOUT OXFAM

Around the world, one person in three lives in poverty. Oxfam is determined to change that by mobilising the power of people against poverty. Globally, Oxfam works to find practical, innovative ways for people to lift themselves out of poverty and thrive. We save lives and help rebuild livelihoods when crisis strikes. And we campaign so that the voices of poor



people influence the local and global decisions that affect them. In all we do, Oxfam works with partner organisations and alongside vulnerable women and men to end the injustices that cause poverty.

Oxfam Australia, a partner of the Australian Government, is an independent, not-for-profit, international development organisation. We have more than 550,000 supporters in Australia who contribute skills, time and financial support to advance our work in Australia and around the world.



# TACKLE THE INCARCERATION CRISIS FACING ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

In the past 10 years, the number of Aboriginal and Torres Strait Islander people ending up in prison has increased by 88%. We need a new approach, which is smarter, evidencebased and more cost-effective, which increases safety, addresses the root causes of violence against women and children, cuts reoffending and imprisonment rates, and builds stronger communities.

Solutions are available and governments must support and fund them, as well as ensure that communities are involved in developing culturally appropriate and strong services.

## WHAT THE AUSTRALIAN GOVERNMENT SHOULD DO

#### ESTABLISH A NATIONAL, HOLISTIC AND WHOLE-OF-GOVERNMENT STRATEGY.

Address imprisonment and violence rates and act on the policy reforms outlined in the Change the Record Coalition's Blueprint for Change, which calls for an implementation plan and to build on the National Indigenous Law and Justice Framework 2009–2015. Link the strategy to related areas of Council of Australian Governments (COAG) reform and develop it in partnership with Aboriginal and Torres Strait Islander organisations and communities.

### SET JUSTICE TARGETS.

Set justice targets to promote community safety and reduce the rates at which Aboriginal and Torres Strait Islander peoples come into contact with the criminal justice system. Close the gap in imprisonment rates between Aboriginal and Torres Strait Islander people and non-Indigenous Australians and cut the disproportionate rates of violence against Aboriginal and Torres Strait Islander people by 2040, with priority strategies for women and children.

## ESTABLISH AN EFFECTIVE MONITORING AND REPORTING MECHANISM.

Accompany these justice targets with a national agreement, which includes a reporting mechanism, measurable sub-targets and a commitment to halve these gaps by no later than 2030.

### ESTABLISH AN INDEPENDENT CENTRAL AGENCY.

With Aboriginal and Torres Strait Islander peak bodies, jointly establish or task an independent central agency with Aboriginal and Torres Strait Islander oversight to coordinate a comprehensive, current and consistent national approach to collecting data and developing policy.

## SUPPORT COMMUNITY-BASED PROGRAMS; STRENGTHEN AND RESOURCE COMMUNITIES.

Fund community-based, holistic early intervention, prevention and diversion programs that tackle incarceration and violence issues. Strengthen the knowledge and skills of Aboriginal and Torres Strait Islander communities, their organisations and representative bodies. Provide ongoing resources to ensure policies are underpinned by the principle of selfdetermination, respect for Aboriginal and Torres Strait Islander Peoples' culture and identity, and recognition of the history of dispossession and trauma experienced by many communities.

### WHY

It is nearly 25 years since the Royal Commission into Aboriginal Deaths in Custody. Despite this, in the past 10 years the number of Aboriginal and Torres Strait Islander people ending up in prison has increased by 88%, and they are now 13 times more likely to be imprisoned than non-Indigenous people. At the same time, Aboriginal and Torres Strait Islanders especially women and children — are experiencing increasing amounts of violence with women 34 times more likely than non-Indigenous women to be hospitalised as a result of family violence.

Current approaches by governments to address "community safety" largely focus on harsher laws and building more prisons. They fail to address the underlying reasons why individuals come into contact with the justice system in the first place. A new approach needs to be based on addressing the key drivers that lead to these disproportionate statistics.

All levels of government need to work with Aboriginal and Torres Strait Islander organisations and communities to design and invest in holistic early intervention, prevention and



diversion strategies. These are smarter, evidence-based and more cost-effective solutions that increase safety, address the root causes of violence against women and children, cut reoffending and imprisonment rates, and build stronger communities.

For example, the North Australia Aboriginal Justice Agency's Indigenous Throughcare Project provides intensive preand post-release rehabilitation and reintegration services for Aboriginal prisoners. These include culturally-relevant case management services covering accommodation, employment, education, training, health, life skills and reconnection to family and community. Between February 2010 and February 2012, only 13% of the clients who accessed these services returned to prison, significantly less than overall recidivism rates in the Northern Territory, which are well above 40%.

We also encourage the government to engage with the Change the Record campaign — backed by a coalition of Aboriginal and Torres Strait Islander and human rights organisations, including Oxfam — to enable a more productive approach to addressing incarceration rates.

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