
OXFAM AUSTRALIA PRE-BUDGET SUBMISSION 2018/2019

15 December 2017



OXFAM

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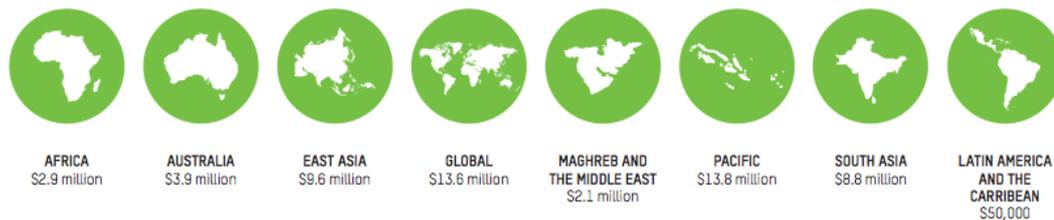
ABOUT OXFAM AUSTRALIA

Oxfam Australia is an independent, not-for-profit, secular development agency. Our vision is of a just world without poverty. Our role is to:

- undertake long-term development programs that tackle the root causes of poverty;
- provide emergency response during disaster and conflict;
- conduct research, advocacy and campaigning to advance the rights of poor and marginalised people, particularly women, and work with them to achieve equality; and
- promote fair trade and support local artisans and producers through our shops and Fairtrade food brand.

In the 2016-17 financial year Oxfam Australia spent \$54.9 million on long-term development and advocacy programs that directly reached more than 1.8 million people, and humanitarian programs that provided assistance to over 11 million people impacted by disasters and conflict. Oxfam Shop also worked with more than 113 fair trade and ethical producer partners in 39 countries, including Australia.

PROGRAM SPEND BY REGION



Oxfam Australia is supported by more than 550,000 Australians annually who contribute skills, time and financial support to advance our work. Oxfam Australia is a member of Oxfam International, a global confederation of 20 organisations that work together in 80 countries around the world.

Oxfam Australia is a long-term partner of the Australian Government. Oxfam Australia delivered \$19,077 million worth of programs in partnerships with the Department of Foreign Affairs and Trade in 2016-17.

SUMMARY

The 2018-19 Federal Budget is an opportunity for Australia to make a significant contribution to eradicating poverty, inequality and injustice at home and abroad.

Australia's Foreign Policy White Paper envisages an ambitious leadership role for Australia to promote economic development, openness, peace and security and human rights in our region and globally. A growing aid program is fundamental to delivering this vision. This submission recommends aid growth targets which would enable Australia to fund a range of targeted, evidence-based and high impact development assistance proposals. These include:

- measures to significantly increase the impact of Australian aid in eradicating extreme poverty – by better targeting least developed countries and increasing investment in programs that focus on women;
- measures to ensure the long-term social benefits of aid by empowering civil society to play an accountability role; and
- measures to protect development gains in an increasingly volatile world impacted by climate change – through a new Risk and Resilience fund and greater investment in humanitarian action and climate finance.

At the same time, this budget should invest in the most marginalised and disadvantaged groups in our community, particularly Aboriginal and Torres Strait Islander people. This submission echoes the calls of Aboriginal and Torres Strait Islander leaders and organisations for Australia to work in partnership with them to drive solutions to the challenges faced by Indigenous people. This includes providing adequate core funding for the National Congress of Australia's First Peoples and effective programs to tackle health inequality and the over-incarceration of Indigenous people.

This pre-budget submission recommends that these policies be funded through a range of measures that would protect and grow Australia's tax base. By tackling multinational tax avoidance and ensuring companies pay their fair share of tax, Australia could fund the expenditure measures recommended in this pre-budget submission many times over.

As Australia increasingly assumes international leadership roles, including membership of the UN Human Rights Council, we must also walk the talk. In particular, Australia should improve the protection and respect offered to people seeking refuge in Australia by discontinuing offshore processing, increasing investment in refugee resettlement and humanitarian family reunion, and piloting a new visa scheme for people forced to move as a consequence of climate change.

Australia also has a growing role to play in ensuring Australian businesses operating both domestically and overseas protect and respect human rights. This submission recommends Australia develops a National Action Plan on Business and Human Rights to guide investments in private sector engagement, legislative reform and education in this area.

RECOMMENDATIONS

Oxfam Australia makes the following recommendations to the Australian Government for expenditure and savings in the 2018-19 Federal Budget:

Australia's aid program

1. Increase Australia's aid budget over the forward estimates to \$6.1 billion by 2021-22, and commit to a time-bound strategy for increasing Official Development Assistance (ODA) to 70 cents in every \$100¹ of gross national income (GNI) by 2030.
2. Allocate at least 30 percent of the aid program to Least Developed Countries (LDCs) in 2018-19, and commit to a time-bound strategy to increase ODA for LDCs to 0.2 percent of GNI by 2030.
3. An additional \$2 million over two years towards building DFAT's capacity to mainstream gender equality across the aid program.
4. Commit \$50 million over four years to a new program to tackle Violence Against Women in Asia, including \$20 million in 2018-19.
5. Invest \$10 million over four years to address the problem of poverty wages and poor labour rights standards in the garment industry, with a focus on supporting women garment workers to access their rights.
6. Establish a new \$1.5 billion Risk and Resilience Fund over four years to assist poor communities to improve their wellbeing despite the growing risk of disasters, climate change impacts and food insecurity.
7. An additional \$50 million towards multilateral climate funds in 2018-19. In addition, Australia should commit to mobilise 2.4 per cent of the global climate finance goal of USD \$100bn a year (\$3.2 billion) from public and private finance sources by 2020.
8. Increase funding for food and agriculture programs by an additional \$40.8 million to \$380 million in 2018-19, with a focus on assisting small scale women farmers and fishers to improve climate-resilient food productivity and local and international market access.
9. Allocate at least \$572.9 million in 2018-19 towards humanitarian action, in accordance with Australia's fair share of projected global emergency needs. This includes a doubling of the Humanitarian Emergency Fund to \$300 million and \$200 million for protracted crises. An increased portion of humanitarian funding should be allocated towards the Australian Humanitarian Partnership and local NGOs.
10. Earmark \$1 billion to protracted humanitarian crises over the forward estimates as part of a move towards multi-year funding for protracted crises (including \$200 million for protracted crises in 2018-19).
11. All country and thematic programs should have a civil society strengthening objective and ensure delivery of aid through a mix of partners, including at least 20 percent delivered through NGOs.
12. Increase ANCP to at least \$201 million in 2018-19 and commit to building ANCP to at least 6 percent of ODA by 2021-2022.

A fair and effective tax system

13. Place further restrictions on the use of related party flows and other tax tricks that result in reduced taxable income in Australia, resulting in savings of up to \$6 billion a year.
14. Implement the 2017-18 budget commitment to require tax and financial advisors to report on potentially aggressive tax planning schemes.
15. Reverse the decision to reduce the company tax rate to 25 per cent for businesses with turnover above \$50 million. This would save an estimated \$4.8 billion annually over the next 10 years.
16. Improve tax transparency by requiring multinational companies in Australia with global income over \$250m to publicly report their income, taxes and staff; committing to an Extractive Industries Transparency Regime; and making the beneficial ownership register public.
17. The Federal Government should reform charitable giving arrangements to give Australian donors the option to donate their tax deduction back to charity, based on positive lessons from the UK's Gift Aid initiative.

Investing in Aboriginal and Torres Strait Islander Peoples

18. Provide the National Congress of Australia's First Peoples with \$20 million in core funding over the forward estimates to conduct their important representative and community engagement work.
19. Immediately restore \$534 million for Indigenous Affairs Programs and Aboriginal Health and fully cost implementation of the National Aboriginal and Torres Strait Islander Health Plan and Closing the Gap 'refresh' to ensure these plans are fully funded.
20. Work with Aboriginal and Torres Strait Islander bodies and the Change the Record Coalition to implement prevention and early intervention initiatives that address key drivers of Indigenous incarceration.
21. Allocate an additional \$10 million to Aboriginal community controlled legal and support services, such as Family Violence Prevention Legal Services (FVPLS), to help reduce occurrences of domestic violence experienced by Aboriginal and Torres Strait Islander women.

Protecting people uprooted by conflict and climate change

22. Increase the humanitarian and refugee resettlement program to 44,000 places annually, including at least 22,000 UNHCR-referred refugees, a humanitarian family reunion program and a community sponsorship program of at least 10,000 places each, at a cost of \$780 million.
23. Establish a pilot climate displacement visa program with 500 initial places, at a cost of \$26 million in 2018-19.
24. End offshore processing of people seeking asylum in Manus Island and Nauru, saving an estimated \$438.8 million.

Business and human rights

25. Allocate \$1 million in 2018-19 towards the development and initial implementation of a Business and Human Rights National Action Plan in consultation with key community and private sector stakeholders.

BUDGET COSTINGS

The spending measures proposed in this submission have been costed based on publicly available data, where possible. The Federal Government could implement all spending proposals recommended in this submission and return a surplus of \$9.3 billion, if savings measures in relation to tax and offshore processing are adopted.

Expenditure		Savings																													
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1. AUSTRALIA'S AID PROGRAM

Australia's Aid Program is a critical pillar of Australia's foreign policy, and should be seen as a long-term investment in global peace and prosperity. Australia's recently launched Foreign Policy White Paper recognises that:

*As a prosperous country, Australia has a responsibility to contribute to global efforts to reduce poverty, alleviate suffering and promote sustainable development. This also serves our interests because the more that countries can provide economic opportunity for their citizens the more stable they will be.*²

The Foreign Policy White Paper rightly acknowledges that aid achieves a solid return on investment: it contributes greatly to the eradication of poverty, with flow on effects in improving stability and reducing the conditions that force people to flee their homes. Research also shows that foreign aid reaps long term economic dividends for Australia. A recent paper from the Development Policy Centre at the Australian National University found that each dollar of Australian aid leads to an increase in Australian exports of \$7:1 to recipient countries.³ This is due to the networks, linkages, and goodwill that arise from aid investment between the two countries, and awareness of donor products from Australia.

Development assistance has been a vital contributor to halving the rate of global poverty since 1990.⁴ Yet despite these advancements, more than 20 percent of the global population remains extremely poor, living on less than US\$1.48 a day based on the latest available figures.⁵

As a signatory to the Sustainable Development Goals (SDGs), Australia is committed to an ambitious global project: to eradicate extreme poverty by 2030. To turn that ambition into reality, Australia needs to deliver an aid budget that:

1. Commits to an ODA growth trajectory commensurate with Australia's commitment to the SDGs.
2. Increases investment in programs to tackle global income inequality and gender discrimination.
3. Protects development gains in an increasingly volatile world – by increasing investment in humanitarian preparedness and assistance and building community resilience to threats of climate change, disasters and food insecurity.
4. Increases investment in civil society as a means of ensuring social accountability and effective delivery of services.

1.1 GROWING THE AID PROGRAM

Increase Australia's aid program budget over the forward estimates to \$6.1 billion by 2021-22, and commit to a time-bound strategy for increasing ODA to 70 cents in every \$100 of gross national income (GNI) by 2030.

For Australia's aid program to deliver sustainable and measurable impact, Australia needs to demonstrate leadership and deliver a fair and stable aid budget.

In 2017-18 Australia invested \$3.9 billion as ODA, representing just 0.22 percent of Australia's GNI. This is the lowest level the aid budget has been in proportion to our economy in half a century, and is significantly lower than the OECD Donor Assistance Committee (DAC) average of 0.32 percent of GNI.⁶ It represents a significant abrogation of Australia's commitment to international aid since the height of the program in 2012-13, when the aid budget was \$5.057 billion, or 0.34 percent of GNI.⁷ At that point Australia was still on a trajectory towards allocating 0.5 percent of GNI to international aid by 2015 – a commitment that had bipartisan support.

Rebuilding bipartisan commitment to aid

While Australia's aid budget has been slashed in recent years, support for Australia's plan to increase defence spending demonstrates bipartisanship can be mustered where there is political will.⁸ Australia's defence spending is planned to increase by 80 percent over the next decade to \$58.7 billion in 2025-26,⁹ dwarfing the aid budget. At the same time, we know aid helps to reduce a range of security risks to which the military are often eventually deployed to respond¹⁰ – making this imbalance of spending priorities particularly inexplicable. An effective and well-resourced aid program is squarely in Australia's national interest.

The absence of a bipartisan long-term commitment to ODA spending is the Achilles heel of the aid program, undermining ambition and program certainty, and reducing Australia's standing on the international stage. Australia needs to get the aid budget back on a predictable and growing trajectory. DAC donors agreed as far back as 1969 that 0.7 percent of GNI represents a fair benchmark allocation of international aid. The 0.7 commitment was reinforced in 2015 and is a part of the SDGs that aim to end global extreme poverty by 2030. Currently Denmark, Germany, Luxembourg, Norway, Sweden and the United Kingdom all have aid budgets at this target or above.

Australia, with one of the highest incomes per capita in the world, should make 0.7 GNI its long-term target. Anything lower may be politically expedient, but is not commensurate with global need or Australia's capacity to contribute. While in the past decade the global development landscape has changed with new forms of finance and resources coming into play, the reality is that for the poorest countries and communities ODA is a lifeline. Choosing to withhold that lifeline is unconscionable for a country of Australia's economic wealth.

Manageable pace of growth

Oxfam Australia supports calls by the Australian aid sector, represented by the Australian Council for International Development (ACFID), for Australia to allocate 0.7 percent of GNI towards ODA by 2030.

There are many possible trajectories to 0.7. At a bare minimum, Oxfam endorses ACFID's recommendation that the aid budget should grow by at least 10 per cent each year over the next 6 years to 2024-25.¹¹ However, given the development challenges and risks we face globally, Oxfam Australia recommends Australia adopts higher ambition by committing to:

- **An immediate injection of an additional \$560 million to the aid budget in 2018-19 and 2019-20, bringing Australia's ODA to \$4.5 billion and \$5 billion respectively.** This increase is a realistic pace of growth, based on the aid program's previously demonstrated capacity to transition from a static aid budget to an annual increase of this scale in a single year.¹²
- **From 2020-21 increase Australia's aid budget by 12 percent each year over the forward estimates, bringing the aid budget to \$6.1 billion by 2021-22.** Oxfam Australia estimates that a 12 percent annual growth is consistent with the goal of bringing Australia's ODA spend to at least 0.7 percent of GNI by 2029-30, based on GNI growth in line with CPI (see Table 1 below).

Table 1: Proposed progressive increase in Australia's aid budget to 0.7 by 2030

Financial year	Proposed ODA (real terms, \$m)	Year on year growth (real terms, \$m)	Year on year ODA growth (%)	GNI (est based on 2% growth CPI) (\$m) ¹³	ODA/GNI ratio (%) (est)
2017-18	3,912			1,744,606	0.22
2018-19	4,472	560	14	1,779,498	0.25
2019-20	5,032	560	12.5	1,815,088	0.28
2020-21	5,636	604	12	1,851,390	0.30
2021-22	6,312	676	12	1,888,418	0.33
2022-23	7,070	757	12	1,926,186	0.37
2023-24	7,918	848	12	1,964,710	0.40
2024-25	8,868	950	12	2,004,004	0.44
2025-26	9,932	1,064	12	2,044,084	0.49
2026-27	11,124	1,192	12	2,084,966	0.53
2027-28	12,459	1,335	12	2,126,665	0.59
2028-29	13,954	1,495	12	2,169,198	0.64
2029-30	15,629	1,674	12	2,212,582	0.71

Targeted new investments

In this submission Oxfam proposes a number of multi-year budget measures which would have a significant impact on poverty reduction and could be funded as part of the overall trajectory towards to 0.7 by 2030. These are summarised in table 2 below and outlined in further detail in the following sections. All proposed expenditure for 2018-19 could be accommodated by Australia increasing its ODA to just under \$4.5 billion, without requiring any reallocation of existing planned or contracted ODA expenditure. In future years the expenditure proposed in this submission could come from a mix of existing and additional ODA spend.

Table 2: Cost of proposed new aid budget measures and additional spending over forward estimates

	2018-19 (\$m)	2019-20 (\$m)	2020-21 (\$m)	2021-22 (\$m)
Gender mainstreaming the aid program: An additional \$2 million over two years for increased gender training and gender advisers within DFAT.	1.0	1.0		
Stop Violence Against Women in Asia: \$50 over 4 years for new program to tackle violence against women in Asia.	20.0	10.0	10.0	0.0
End Poverty Wages Initiative: New investment of \$10 million over four years to addressing the problem of poverty wages and poor labour rights practices in the garment industry.	2.5	2.5	2.5	2.5
Risk and Resilience Fund: New \$1.5 billion fund over four years to ensure sustained impact of Australian aid at the local level through investments in disaster risk reduction and climate change adaptation.	300.0	350.0	400.0	450.0
Women small scale farmers and fishers: 12% increase in funding for food and agriculture programs per year over forward estimates, allocated to programs that support small scale women farmers and fishers to improve climate-resilient food productivity and access to local and international markets.	40.8	45.7	51.18	57.3
Additional contributions to multilateral climate funds: Increase Australia's contribution to multilateral climate funds including the Green Climate Fund, Adaptation Fund and Least Developed Countries Fund)	50.0	50.0	125.0	200.0
Additional contributions to humanitarian action: Additional funding to meet Australia's fair share of total global humanitarian aid needs in 2018 (in addition to \$500m existing commitment).	72.9	To be determined based on global funding needs		
Increase Australian NGO Cooperation Program: Increase in ANCP funding to 6% of ODA by 2022 [^]	71.9	122.3	180.7	249.4
Total cost of proposed additional budget measures	559.1	581.5	769.38	959.2

[^] These figures are additional to Australia's existing annual commitment of \$129.3m towards ANCP from 2018-19 Federal Budget. See ANCP section below.

1.2 TACKLING INEQUALITY

Despite the gains in poverty reduction since 1990, the world's poorest people have been virtually locked out of developmental progress. The poorest 20 percent of the world's population – those who live on less than \$1.48 per day – have captured less than one percent of the benefits of global economic growth since 1990.¹⁴

People living in poverty are often stuck in a vicious cycle: their influence is diminished by their lack of resources, and their lack of voice diminishes their opportunities for development.¹⁵ Women and girls are more likely to be poor than men and boys due to gender inequality, which results in them owning fewer resources, carrying the burden of unpaid or underpaid labour, having less decision-making power than men and being subject to high rates of gender-based violence.¹⁶ People with disabilities, and their families and caregivers (particularly women), are more likely to be living in poverty as a result of discrimination and barriers to economic participation, education and healthcare.

Research by the International Monetary Fund (IMF) and Asian Development Bank (ADB) also shows that inequality constitutes a structural barrier to future economic growth.¹⁷ At the same time, inequality makes economic growth less efficient at reducing poverty by perpetuating social exclusion.¹⁸ The World Bank argues that reductions in inequality will be key to achieving the SDGs by 2030.¹⁹

While private finance flows, such as foreign direct investment (FDI) and remittances, are a significant source of revenue for developing countries,²⁰ ODA is also a critical tool for promoting inclusive development.

Investing in least developed countries and regions

Australia should allocate at least 30 percent of the aid program to Least Developed Countries (LDCs) in 2018-19, and commit to a time-bound strategy to increase ODA for LDCs to 0.2 percent of GNI by 2030.

Over the next 15 years, most people living in extreme poverty will live in countries that do not have adequate domestic resources to achieve the SDGs.²¹ Under the SDGs, Australia has agreed to consider setting a target of at least 0.2 per cent of ODA/GNI to least developed countries.²² Just over 20 percent of Australia's ODA goes to LDCs, however this is well short of the SDG target: Australia allocated just 0.05 percent of GNI to LDCs in 2015-16.²³

The majority (34) of LDCs are in sub-Saharan Africa, where Australia's aid spend is less than 5 percent.²⁴ While extreme poverty rates have more than halved in East Asia and the Pacific since 1990, extreme poverty dropped by just 10 percent in the same time period in sub-Saharan Africa.²⁵ Half of the world's extremely poor people reside in sub-Saharan Africa. Accordingly, a greater share of the foreign aid budget should be distributed to sub-Saharan Africa in order to better target Australia's foreign aid efforts to regions most in need of assistance.

Australia currently allocates more than 90 percent of its aid spend in the Indo-Pacific region,²⁶ where 11 out of the 48 current LCDs are located.²⁷ However, Australia allocated only 17 percent of total aid spend in 2015-16 in these 11 LDCs.²⁸ This demonstrates the vast majority of Australian aid in the Indo-Pacific region is going to countries that have less severe development challenges.

If Australia is serious about poverty eradication, it needs to revisit these geographic discrepancies and set a more ambitious LDC funding target. As a starting point Oxfam Australia recommends Australia adjust country program budget envelopes to ensure at least 30 per cent of Australia's ODA is delivered in LDCs in 2018-19, up from 20 per cent. This is a manageable realignment of country budgets in a single year. However, over the longer term Australia should be working towards the SDG's target of 0.2 percent of GNI to LDCs by 2030.

An aid program focussed on poverty-eradication will necessarily increase the share of ODA flowing to LDCs in the Indo-Pacific and Sub-Saharan Africa to assist them to increase the volume of domestic resources available for development, in accordance with the needs and aspirations of their citizens. This should be a priority now given recent declines in OECD donor funding of LDCs in general and African countries in particular.²⁹

Investing in gender equality

Gender inequality is arguably the most acute and widespread forms of inequality. Women are more likely than men to experience poverty, and two-thirds of the one billion plus adults who lack basic literacy skills are women.³⁰ Conversely, no other indicator has had a greater positive impact on development outcomes than improvements in gender equality.

Australia's aid program has a welcome focus on gender equality. DFAT's *Gender equality and women's empowerment* strategy demonstrates a commitment to the areas of women's leadership, women's economic empowerment and ending violence against women and girls.³¹ DFAT has also maintained modest but stable funding for gender-focused programs at a time when other donors to our region have reduced investment.

In 2016-17 Australia's investment in the Gender Equality Fund, including two 10-year programs (*Pacific Women Shaping Pacific Development*, and the South-East Asia economic inclusion-focused *Investing in Women Initiative*) increased by 10 percent to \$55 million. Nevertheless, overall, gender equality programming has been hit by cuts to aid and does not receive investment that is in proportion to its policy prioritisation.

Mainstreaming gender across the aid program

Allocate an additional \$2 million over the next two years towards building DFAT's capacity to mainstream gender equality across the aid program.

Oxfam supports Australia's aid performance standard that 'more than 80 percent of investments, regardless of their objective, will effectively address gender issues in their implementation'. However, we note this is

the only aid performance standard that has consistently not been met by DFAT out of ten key performance targets introduced in 2014.³²

Currently 78 percent of Australia's aid investments are rated as 'satisfactorily addressing gender equality in their implementation', up from a baseline of 64 percent.³³ However, it is not at all clear to external stakeholders how this self-assessment is conducted. Oxfam would encourage DFAT to publish the criteria they use for determining what is "satisfactory" to meet the gender equality performance standard.

Worryingly, investments in the agriculture, fisheries and water sector were reported in 2015-16 as declining in their gender equality performance as a result of DFAT partnering with private sector entities 'whose awareness of and ability to address gender inequalities in agriculture, fisheries and water still need strengthening'.³⁴

Despite the exceptional knowledge of the small number of gender specialists working at DFAT, across the aid program there does not appear to be sufficient technical capacity or cultural acceptance of the importance of gender equality to deliver on this the ambitious equality goals. This should be rectified by allocating additional funds towards building DFAT's capacity to mainstream gender across the aid program, including through the hiring of additional gender advisers, rollout of gender equality training across the Department and partners and systems to better monitor and address poor gender performance of partners.

Stand-alone gender programming: Violence against women

Commit \$50 million over four years to a new program to Stop Violence Against Women in Asia, including \$20 million in 2018-19.

Violence against women and girls is a global pandemic. Women and girls aged 15 to 44 are more at risk from rape and violence than cancer, motor accidents, war and malaria.³⁵

Violence against women and girls is particularly prevalent in Asia-Pacific region. In South-East Asia, 37 percent of ever-partnered women report having experienced sexual or physical intimate partner violence in their lives.³⁶ In South Asia, a staggering 46 percent of girls are married by the age of 18 – the highest rate of child marriage in the world.³⁷ In at least six Pacific countries, more than 60 percent of women report physical and sexual violence by a partner or a non-partner.³⁸ The cost of this abuse is significant: in Fiji, for example, costs associated with violence against women have been estimated to account for 7 percent of GDP.³⁹

Tackling violence against women is a critical strategy for promoting gender equality and women's economic and social empowerment. Australia should increase investment in stand-alone, evidence-based, holistic and long-term programs focussed on ending violence against women, which are open to a range of organisations, including international NGOs and local civil society. Such investment should focus on primary prevention to change attitudes and norms as well as support services for current survivors of violence.

DFAT's \$320 million *Pacific Women Shaping Pacific Development* program is a positive example of stand-alone gender programming to build from.⁴⁰ It is long-term (2012-2022); holistic (addressing leadership, SGBV and economic empowerment); working with a diversity of partners including Pacific governments, civil society organisations, the private sector, and regional and United Nations agencies; and is directly responding to the aspirations of Pacific governments (it aims to meet the commitments made in the 2012 Pacific Island Forum Leaders' Gender Equality Declaration). Australia should continue the significant emphasis on ending violence against women in programs like Pacific Women Shaping Pacific Development.

Let's Make our Families Safe: Safe Families in Solomon Islands

The scale and impact of sexual and gender based violence in the Solomon Islands is horrific: nearly two of every three women aged 15 to 49 experienced violence from their current or former partner; around 18% of women had experienced non-partner violence; 37% have been sexually abused before the age of 15.⁴¹

Oxfam supports the Safe Families Program, an intensive, locally-developed community mobilisation-based violence prevention program being implemented in Malaita and Temotu provinces. Undertaken in partnership with the Australian Government through *Pacific Women Shaping Pacific Development* and launched in 2015, it builds on the successes and lessons from Oxfam's previous Standing Together Against Violence (STAV) program.

STAV demonstrated that community mobilisation over time can significantly change the attitudes and norms which underpin violence against women and girls, and ultimately the prevalence of violence. The 2015 endline evaluation of STAV found that target communities reported a noteworthy decrease in the prevalence of violence against women, a decrease in harmful attitudes, an increase in positive norms related to equal relationships and respect for women, and men taking on more domestic duties.⁴² Learning from these successes, the Safe Families program was designed to have a greater focus on norms related to gendered power and inequality.

Safe Families is one of the first Pacific-grown primary prevention of violence programs. Trained community facilitators support local community members to undertake reflective learning and have structured conversations about power and inequality, and design collective action plans to address violence against women and girls. Communities are also supported to improve access to support services for survivors of violence, and alliances of stakeholders at the provincial level also inform national laws and policies to end violence against women.

The current focus for the program is to build the evidence base for the effectiveness of this ground-breaking Pacific-grown solution to violence against women and girls. In 2017, the program was awarded a grant from the World Bank and Sexual Violence Research Initiative (SVRI) to undertake a study of how the program is shifting gender norms to support ending violence against women. This research is being undertaken in 2018 with partners The Equality Institute and Jean Hailes Research Unit, Monash University. It will support the refinement of the Safe Families model and the potential for scale-up and replicability in Solomon Islands and other Pacific contexts.

Oxfam Australia also recommends Australia expand the provision of funding to address violence against women into Asia, where Australia has narrowed its gender equality focus in recent years to primarily funding women's economic empowerment work. This is particularly critical given the high prevalence of sexual and gender based violence in Asia targeting women and girls, and related issues including child marriage, which seriously undermine efforts to promote women's economic and social empowerment in the region.

Australia should consider the development of a new Stop Violence Against Women program in Asia. The program could be modelled off the lessons from violence against women components of Pacific Women Shaping Pacific Development, and should be delivered in collaboration with a range of partners including civil society.

Ending poverty wages

Australia should increase its commitment to addressing the problem of poverty wages and poor labour rights practices in the garment industry, with a new investment of \$10 million over four years. This commitment should support women garment workers to access their rights, including addressing systemic supply chain issues such as poverty wages, and should be directed to civil society organisations and multi-stakeholder initiatives that bring all actors to the table.

Millions of workers around the world, particularly women, struggle to survive on poverty wages. The current state of extreme global inequality, in which the growth in wealth of those at the top is fast outstripping the rate of growth in wealth for poorest people,⁴³ has happened on the backs of exploited workers.

There is perhaps no starker example of this unfair system than the global garment industry. A recent Oxfam report has shown that as little as two percent of the price of garments produced in Bangladesh actually makes it to the pockets of workers, where the local minimum wage equates to just 39 Australian cents an hour.⁴⁴ In Vietnam minimum wage is just 64 cents and in China it is 93 cents.⁴⁵ This simply is not a living wage.

At the same time, among the wealthiest men in the world sits Inditex founder Amancio Ortega, known best for Inditex's fast fashion brand Zara. Zara is regarded as one of the pioneers of fast fashion – creating cheap clothing in lightning-fast time that mimics what is on the runway. In Australia alone, the fast fashion industry has grown 21.5 percent over the five years leading up to 2016-17, with average annual profit margins of more than eight percent for fast fashion companies like Zara Australia and H&M.⁴⁶

If companies ensured the payment of living wages in their supply chains, it would mean workers would be able to afford a decent standard of living for them and their families. Elements of a decent standard of living include food, housing, healthcare, clothing, transportation, energy, water, childcare, education, other essential needs including some discretionary money and provision for unexpected events. There is enough profit and

other margins within the supply chains of big brands to mean that they can pay living wages, without creating higher prices for consumers.⁴⁷

Making living wages a reality for women

The Australian government should do more to ensure large businesses in Australia are paying living wages throughout their supply chains, particularly in the garment industry. This can be through incentivising or requiring large Australian businesses to show the steps they have taken to ensure living wages are paid to garment workers in their supply chains. This approach should be considered as part of Australia developing a National Action Plan on Business and Human Rights (see section 5 below).

This can also be supported through directly funding civil society organisations to help create a pathway to living wages and address the persistent problem of poverty wages.

Australia has made some welcome contributions to improving working conditions for people in developing countries, including in the garment industry over several years through contributions to *Better Work* – a program run by the International Labour Organisation (ILO) and the International Finance Corporation. Australia has committed US\$3 million from July 2016 to June 2019 to the program,⁴⁸ funded out of the Gender Equality Fund.⁴⁹ *Better Work* has had a modest but measurable impact on increasing the take-home pay of garment factory workers in Indonesia, Vietnam and elsewhere.⁵⁰ Other donor Governments, such as Germany through GIZ, have risen to the challenge of addressing poor labour practices and poverty wages in the garment industry by seeking to fund initiatives that bring local civil society, industry, NGOs, unions and governments together to address key issues in the sector. Their ‘Social and labour standards in the textile and garment sector in Asia’ program is one such example.

While not funded through development aid, another leading example upon which Australia could build is the model of the Bangladesh Accord on Fire and Building Safety, which brings all key stakeholders to the table, providing a real voice for workers and accountability on safety standards in the garment industry. There is a need for further directed funding, to address key issues and accountabilities in garment sector supply chains.

The scale of this industry is large and growing, with the Australian fashion retail sector turning over \$27 billion in Australia alone in 2016, and with the vast majority of garments sold in Australia made in countries across Asia. Australia must rise further to this challenge, expanding our development support in this area to include support for civil society actors and true multi-stakeholder initiatives aimed at addressing the key issue of poverty wages.

1.3 RISK AND RESILIENCE

Climate change is significantly amplifying the risk of extreme weather disasters by increasing the destructive power of storms and floods. At the same time, rising seas, shifting rainfall patterns, drought and other slow-onset changes are eroding people's land, natural resources and security, and magnifying existing vulnerabilities. Climate change is already forcing millions of people from their land and homes, and putting many more at risk of displacement in the future.⁵¹

While Australia must focus much more effectively on measure to mitigate climate change, we know dangerous impacts of climate change are happening now, and these impacts are being felt first and worst by poor countries that have virtually no responsibility for causing climate change. These impacts will only get worse over the coming years, particularly when combined with other factors that increase disaster risk – including rapid urbanisation, extreme inequality, state fragility and conflict.⁵²

Humanitarian disasters have a devastating impact on development, often reversing or significantly delaying progress on poverty reduction.⁵³ The economic losses resulting from disasters over the past 30 years amounted to well over US\$3.5 trillion.⁵⁴ Pacific Island countries are particularly at risk: the World Bank estimates that annual economic losses for Vanuatu and Tonga respectively are 6.6 percent and 4.4 percent of GDP.⁵⁵

Conversely, investing in resilience building programs that assist communities to adapt to climate change and reduce the risk of disasters can save lives and is far less costly than disaster response. Numerous studies have shown that \$1 dollar invested in effective disaster risk reduction (DRR) programs can save from \$2 to as much as \$80 in avoided or reduced disaster response and recovery costs.⁵⁶ Recent experiences of both Cyclone Pam and the Nepal Earthquake have demonstrated the value of DRR programs in reducing the impact and severity of natural hazards on communities.

Oxfam's own resilience program evaluations demonstrate the incredible benefits of investing in climate change adaptation and risk management to safeguard development gains (see box examples below).

Resilience building in Central America and Melanesia

Between 2014 and 2017 Oxfam implemented the Central America and Melanesia Resilience Building Program. The program was funded by a philanthropic donor and implemented in partnership with local organisations in 44 communities vulnerable to climate change and disasters across the Solomon Islands, Vanuatu, El Salvador and Guatemala. It involved a wide range of community-level resilience building activities and an Emergency Response Fund which was activated three times to support quick responses to weather induced disaster: Tropical Cyclone Pam in Vanuatu, Tropical Cyclone Winston in Fiji, and drought in El Salvador and Guatemala.

The program supported communities to better absorb disaster risk, adapt and transform their lives in spite of the changing climate.⁵⁷ Farmers assisted by the program reported improved crop yields and became better able to withstand weather uncertainty as a result of changed agricultural practices (such as returning to traditional crops and native seeds, changing planting locations and timing and wise management of scarcer water resources). After a small hazard event one of the

communities supported in El Salvador decided to harvest one of their communal plots to feed the people who had been evacuated and affected, thereby helping the affected group to recover quickly.

The program also resulted in improvements in disaster preparedness. Program participants across the board reported greater awareness about what to do to protect themselves in the event of disaster. One of the male project participants from Niu Birao, Solomon Islands explained that '[i]n my household we have a disaster kit prepared and we refer to it regularly. It's very important for my family because it will help us save lives and property.' This improved preparedness and contributed to the speed and effectiveness of Oxfam's responses to Tropical Cyclone Pam in Vanuatu in 2015, which impacted 60 per cent of the population spread across 63 islands.

Overall, the program directly and indirectly benefited over 85,000 people across the target countries, on a budget of just US\$4.6 million. That included more than 3,500 women and 2,900 men assisted to build resilience, nearly 40,000 community members who benefited indirectly from improved food security and disaster preparedness, and more than 41,000 people who were directly assisted through emergency assistance.

Sri Lanka: Weather Index Insurance program

In Eastern Sri Lanka, weather-related disasters like floods and droughts often damage or destroy the harvests of rice farmers. For a majority of them, paddy cultivation is their only income, and this climate-sensitive crop relies on the availability of right amount of water and sunshine. In Batticaloa, every year 40 percent of farmers lose their crops to flood; in 2014, the damage went up to 70 percent. 1.2 million Sri Lankans suffered from extreme drought in 2016, and Oxfam's research shows that farmers communities are the worst affected.

While the Sri Lankan government has a form of crop insurance for rice farmers, almost no one has benefitted due to complicated procedures and inadequate resources of the Agrarian Insurance Board. With the support of DFAT, Oxfam partnered with Sanasa, a private sector insurance provider to design a Weather Index Insurance scheme as an alternative product to side steps these challenges.

The Weather Index Insurance scheme is more transparent, accessible, user-friendly, and requires fewer resources as farmers insure their crops against the amount of rainfall. Rainfall levels are set for both droughts and floods, with payouts starting at the minimum threshold and increasing according to the severity. Oxfam has set up a weather station which monitors rainfall and automatically communicates in real time via SMS with the farmers, government, and the insurance provider – who triggers payments automatically.

In 2016, Oxfam supported 500 farmers to obtain the insurance for the Yala season (Yala is one of the two rice seasons of the year and happens from May to August). Due to dry weather and lack of rain in May 2016, a payout was triggered, and each farmer received compensation of LKR. 4,400 (\$37.30), with a total payout of LKR. 2,200,000 (\$18,653 to all farmers).

During the Maha Season 2016/17, from October to February, in spite of some short and sharp bursts of rain, most of Batticaloa experienced an extreme drought damaging or destroying the rice fields. However, the quantity of rain was higher than the minimum threshold that would trigger a drought payout, and this meant that 622 farmers who signed up for the Weather Index Insurance would not receive compensation. Oxfam negotiated with Sanasa, the insurance provider, and as a result, the farmers are now receiving payouts with the total being LKR. 3,550,000 (\$30,099).

Establishing a Risk and Resilience Fund

Establish a new \$1.5 billion Risk and Resilience Fund over four years to assist poor communities to improve their wellbeing despite the growing risk of disasters, climate change impacts and food insecurity. The fund should focus on delivering programs at the local level in partnership with affected countries and communities.

Against this backdrop of rising disaster and climate change risk, Australia's aid program must protect development gains through a strategic focus on resilience. The SDGs will simply not be achievable in countries facing high risk exposure and vulnerabilities, including all developing countries in the Pacific, Asia and Sub-Saharan Africa, without significant investments in risk reduction, climate change adaptation and resilient food security. Tackling rising risk and building resilience is therefore fundamental to the vision of the Australian aid program.

11 of the 15 countries with highest disaster risk worldwide are in the Indo-Pacific region, where Australia has focussed its aid spend.⁵⁸ However, most countries that lack coping and adaptive capacities to deal with climate change and disasters are in Sub-Saharan Africa and fragile states such as Afghanistan, Pakistan and Myanmar.⁵⁹

Australia has a strong track record in both DRR and climate change adaptation (CCA) programming and has been recognised internationally for this work, particularly in the Pacific region.⁶⁰ However, Australia's current levels of investment are not commensurate with the scale of risk or Australia's fair share of global contributions.

For example, over the past six years Australia's funding for DRR has stayed at two to three percent of an overall shrinking foreign aid budget.⁶¹ In 2016 the estimated funding breakdown for 'disaster risk reduction, preparedness and response' was just \$39 million – equivalent to just one percent of the total aid budget.⁶² This is much lower than Oxfam's global recommendation to donors, which is to allocate five percent of ODA by 2020 towards DRR.⁶³ While Australia has supported several effective CCA programs, particularly in the Pacific, these efforts do not come close to meeting Australia's fair share of climate finance for adaptation activities.

A Risk and Resilience Fund would give DFAT flexibility to invest in multi-year resilience building programs where they are needed most, and with partners able to work intensively at the local level with countries and communities on the frontlines of rising disaster and climate risk. A Risk and Resilience Fund should be underpinned by a coherent strategy for Australia's programmatic interventions in this area. This should include investing in the following priorities:

- Expanding community level DRR and CCA programs into Asia, where Australia's investment has waned in recent years.
- Significantly increasing investment in small scale food producers, particularly women farmers and fishers, to build resilient food security in Asia-Pacific and sub-Saharan Africa. This should include innovative programs such as micro-insurance schemes to help protect primary

food producers from destitution in the event of calamity (see program example below).⁶⁴

- Dedicated funding for community-based CCA, building on the lessons from the Community-Based Climate Change Action Grants provided over 2011-2015.⁶⁵ This should include initiatives that increase the involvement of women and young people in decision making around climate adaptation, increase the flow of information to communities and all stakeholders on climate risks and adaptation strategies, and support local and scalable activities for building community resilience.
- Allocating grant based funding through partners capable of delivering resilience programs in partnership with communities and local authorities, where investment is needed most. This includes funding through civil society actors, who have a vital role to play in supporting community level adaptation and ensuring accountable use of adaptation finance.⁶⁶

See Table 3 for a recommended breakdown of funding over the forward estimates. This is sourced from manageable increases to the aid budget (as recommended in section 1 above) and would ensure Australia meets its targets to DRR, and supplements other climate finance investments to achieve Australia’s fair share of climate adaptation finance.

Table 3: Risk and Resilience Fund: \$1.5 billion over four years

	2018/19 (\$m)	2019/20 (\$m)	2020/21 (\$m)	2021/22 (\$m)
Risk and Resilience Fund	300	350	400	450
Aid budget (proposed)	4,474	5,032	5,636	6,312
% of total ODA	6.7	7.0	7.1	7.1

Meeting Australia's fair share of climate finance

Australia should provide an additional \$50 million towards multilateral climate funds in 2018-19, and commit to mobilising 2.4 per cent of the global climate finance goal of USD \$100bn a year by 2020, with at least half coming from public funding. This will require increased investments in climate action as part of a growing aid program, as well as additional support beyond ODA.

The provision of adequate financing to assist poor countries to adapt to climate change and to resource equitable, low-carbon development strategies is both a matter of international justice and a critical development investment. In addition to safeguarding development gains and protecting livelihoods and human security, investment in climate change adaptation and mitigation offers significant co-benefits in terms local jobs and income, increasing access to energy, and promoting gender equality.⁶⁷

As part of a growing aid program, and in addition to investing in a new Risk and Resilience Fund (see above), Australia should continue to strengthen its contribution to multilateral climate finance mechanisms, including the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Least Developed Countries Fund (LDCF); continue to offer climate finance 'readiness' support to countries in our region; and ensure a portion of ANCP funding support for community-based climate change adaptation.

Further contributions to international climate finance, beyond ODA, may be achieved through, inter alia strengthening bilateral and multilateral cooperation on renewable energy, such as through the International Solar Alliance; and develop new and innovative sources of climate finance to supplement ODA contributions; and helping to mobilise private investment in climate change adaptation and mitigation (see table below).

Australia's contribution to international climate finance should be additional to Australia's existing aid commitments. This means that in the near term, contributions counted as ODA must be part of a growing aid program, in which the growth in the aid budget is at least as large as the contribution counted as climate finance. In the long term, Australia's contribution to international climate finance should be in addition to the 0.7% ODA/GNI target.

Many countries continue to face considerable barriers in accessing existing climate funds and need greater assistance to tap into opportunities presented by development donors and the GCF.⁶⁸ As Co-chair of the Board of the GCF, Australia has sought to make the Fund more effective in meeting the needs of Pacific countries and communities. Australia should continue to maximise its role in international institutions, including its role as Co-Chair of the Board of the GCF, towards improving the accessibility and effectiveness of support to Pacific Island countries and other vulnerable nations.

Australia must have a comprehensive climate change strategy for its aid program that ensures climate risks and opportunities for both adaptation and mitigation are factored across all aid investments. Oxfam had

understood DFAT was developing such a strategy in 2016, but believe nothing has been finalised to date. Oxfam would be very supportive of the continued development and finalisation of this strategy.

A clear and quantified commitment to meeting Australia’s international climate finance obligations, including providing a fair share of the USD\$100bn goal, should form part of this comprehensive climate change strategy. The table below provides an illustrative case for how Australia could meet its international climate finance obligations through a combination of ODA, additional public investments, and mobilized private finance.

Table 4: Pathway to meeting Australia’s fair share of the \$USD 100bn goal

		2018/19 (\$m)	2019/20 (\$m)	2020/21 (\$m)	2021/22 (\$m)
Existing commitments*		200	200	200	
Proposed new measures in aid budget	New contributions to multilateral climate funds (GCF, AF, LDCF)	50	50	125	200
	50% of proposed Risk and Resilience Fund	150	175	200	225
	20% of ANCP	40.3	49.7	60.7	73.6
	Increased investment in food and agriculture	40.8	82.7	129.2	200.8
	<i>Total</i>	<i>481.1</i>	<i>557.4</i>	<i>714.9</i>	<i>699.4</i>
Further contributions of public funding beyond ODA†		118.9	542.6	885.1	900.6
Mobilized private finance‡		600	1,100	1,600	1,600
TOTAL (public and private finance)		1,200	2,100	3,200	3,200

*Includes Government’s current commitment, made in December 2015, to provide at least \$1bn over five years. This includes a commitment of \$300m over four years to the Pacific, made in September 2016.

†This may be achieved through supporting new and innovative sources of public funding, such as revenue from an emissions trading scheme, levies on international transport emissions, and redirection of fossil fuel subsidies, thereby enabling additional investment across a range of bilateral and multilateral initiatives for climate change adaptation and mitigation.

‡To be counted in accordance with new guidelines being developed under the UNFCCC for accounting for mobilized private climate finance.

Increasing food security by empowering women small scale food producers

Australia should increase funding for food and agriculture programs by an additional \$40.8 million to reach \$380 million in 2018-19. Additional funding should focus assisting small scale women farmers and fishers to improve climate-resilient food productivity and, where appropriate, access to local and international markets.

Since 1990 there has been a 50 percent drop in the percentage of people in developing countries who are undernourished.⁶⁹ This is a significant achievement. Nevertheless, there are still 815 million people around the world who go to bed each night with an empty stomach. That's one in every nine people on the planet.⁷⁰ One in three people suffer some form of malnutrition, and children are particularly at risk.⁷¹

Small-scale food producers, particularly women, are recognised as being key to addressing food insecurity and malnutrition. Around 80 percent of the world's food is produced by family farms, and small-scale farming is the dominant livelihood in most developing countries.⁷² Growth in agriculture, particularly small-scale agriculture, benefits the poorest people twice as much as growth in other sectors of the economy.⁷³

Women farmers make up on average 43 percent of agricultural labour in developing countries.⁷⁴ However, they produce 20–30 percent less than men farmers because they often face barriers to accessing farm inputs, markets, technical assistance, extension services and finances. In Oxfam's experience, development partnerships that focus on supporting the most vulnerable small-scale farmers and fishers deliver the greatest social, economic and efficiency outcomes.⁷⁵ The FAO estimates that merely providing women farmers with the same resources (such as agricultural inputs, credits and services) currently used by men could increase their production by up to 30 percent, resulting in a 12 to 17 percent reduction in global hunger.⁷⁶

A focus on women small-scale food producers is also target 2.3 of the SDG's which aims to double, by 2030,

the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.⁷⁷

Resilience of agricultural practices and adaptation to climate change is another critical component of SDG 2.⁷⁸ Small-scale farmers are increasingly impacted by climate change and any program that supports smallholder women farmers must also address their resilience and adaptation to extreme weather.

Australia has an aid investment strategy for agriculture, fisheries and water which includes performance standards around increasing small-scale farmers and fishers' participation in markets, especially women.⁷⁹ The

Australian Centre for International Agricultural Research (ACIAR), responsible for delivering a large percentage of Australia's food and agriculture aid (\$106.5m in 2017-18) has notably increased its focus on small-scale producers and women in recent years.⁸⁰

Australia's 2017-18 budget allocated \$339.5 million towards agriculture, fisheries and water, a marginal increase on 2016-17 figures (\$314.1 million).⁸¹ This is, however, a significant reduction in funding for food security compared to five years ago, when the 2013-14 aid budget committed \$411 million towards food security programs.⁸²

Oxfam recommends the food and agriculture component to the aid budget grows by 12 percent per year, in line with a commensurate increase in overall ODA, equating to \$40.8 million in 2018-19. Oxfam recommends this increased funding allocation explicitly focusses on supporting small-scale women farmers and fishers to build climate resilient food production strategies, access finance, credit and training opportunities and link in to local and international markets.

Increase focus on fishers

Small scale fishers are critical to food security in Asia and the Pacific. Fish provide between 50 and 80 percent of the animal protein consumed by the 60 million people living in the lower Mekong basin,⁸³ and between 50 and 90 percent of animal protein in the Pacific region.⁸⁴

Small scale fishers are highly vulnerable to changing weather patterns and are often the worst hit when disasters strike. For example, in the wake of Typhoon Haiyan in the Philippines in 2014 fishing communities were hit hardest. An estimated 30,000 boats were damaged or destroyed in the disaster and nearly three-quarters of fishing communities were severely affected, losing crucial equipment such as boats, nets, and cages.⁸⁵

The Pacific Community estimates that 75 percent of fisheries in the Pacific may not meet food security needs by 2030 as a result of population growth, overfishing and low productivity, climate impacts and challenges with distribution networks.⁸⁶

Australia should increase its investment in small scale fishers and climate resilience, particularly women fishers, to address these growing challenges.

Humanitarian action

Australia should allocate at least \$572.9 million in 2018-19 towards humanitarian action, in accordance with Australia's fair share of projected global emergency needs. This should include a doubling of the Humanitarian Emergency Fund to \$300 million and \$200 million for protracted crises. An increased portion of humanitarian funding should be allocated towards the Australian Humanitarian Partnership and local NGOs.

The frequency and complexity of humanitarian crises around the world is increasing as we collectively grapple with the impacts of climate change, food insecurity, disasters and conflict.

More than 65.6 million people globally are now displaced as a result of persecution, conflict or violence,⁸⁷ and on average, more than 20 million people are uprooted each year by sudden-onset extreme weather disasters.⁸⁸ 2017 alone has seen a series of devastating disasters in various parts of the world, extreme weather events such as Hurricane Irma, deadly heat waves in India and Europe, and flooding in south-east Asia.

The UN estimates the cost of fragility and conflict in 2015 alone was a staggering US\$13 trillion.⁸⁹ Since then the conflicts in Syria, Iraq, Yemen and Myanmar have deteriorated, and tentative improvements to security in Afghanistan appear to be unravelling. Those most impacted by conflict and fragility are of course those with the least resources and power to protect themselves.

While resilience building is the first line of defence to these growing challenges, humanitarian preparedness and response will remain an essential lifeline for millions of people for many years to come.

Meeting Australia's fair share

In 2016, total humanitarian funding requirements were US\$17.7 billion. Of this, only US\$11.9 billion was provided, leaving a 39.8 percent shortfall.⁹⁰ In contrast, the humanitarian funding shortfall in 2008 was just 28.5 percent.⁹¹ The gap between global humanitarian needs and global humanitarian funding is increasing every year. This funding gap comes at enormous human cost. Thousands of women, men, boys and girls in crisis situations are being denied lifesaving assistance including food, water, shelter and healthcare.

Australia's global humanitarian funding contribution in 2015 was US\$238.7 million, down from US\$241.9 million in 2005.⁹² That means that Australia's humanitarian funding allocation has declined in real terms over the decade, despite global humanitarian funding needs increasing from US\$4 billion to US\$10.9 billion in the same period.⁹³

Oxfam strongly welcomes Australia's commitment, announced alongside Australia's Foreign Policy White Paper, to increase the humanitarian assistance budget to \$500 million per year.⁹⁴ While this is a positive step towards closing the humanitarian funding gap, it does not go far enough.

Oxfam has calculated that Australia's fair share of projected global humanitarian needs in 2018 is \$572.9 million.⁹⁵ This fair share methodology includes all upper-middle-income countries as potential donors, in recognition that increasingly upper-middle-income countries are assuming responsibility for responding to emergencies, particularly in their immediate region. However, we acknowledge that it is difficult for middle-income countries to provide humanitarian assistance when they have significant development challenges themselves. Therefore, this fair share should be seen as the absolute *minimum* a wealthy country like Australia should be expected to allocate towards humanitarian action.

Humanitarian Emergency Fund

The 2017-18 Federal Budget increased the Humanitarian Emergency Fund to \$150 million. This is just a small fraction of the US\$23.5 billion the UN predicts will be required this year.⁹⁶ To respond to the growing stress on the humanitarian system, including the projected increasing frequency and intensity of extreme weather events in our region, we recommend a substantial increase in Australia's emergency response capacity by increasing the Humanitarian Emergency Fund to \$300 million.

In addition to increasing the Humanitarian Emergency Fund, Oxfam recommends Australia increase the effectiveness of its humanitarian assistance by ensuring that wherever possible, it responds in a timely manner to early warning signs of crises. This is particularly relevant in the case of slow-onset food crises. This year the Food and Agriculture Organisation (FAO) found that in the Horn of Africa, early action in response to early warnings of drought successfully reduced the impact of the drought.⁹⁷

Australia should also ensure decisions about where and when to trigger the Humanitarian Emergency Fund are made on the basis of need. Australia should pay particular attention to utilising the fund to mobilise humanitarian assistance for under-funded, 'forgotten' crises.

Australia should also continue to use the Humanitarian Emergency Fund to invest in humanitarian preparedness, particularly in the Pacific and Asia where Australia has a particularly important operational role in response to emergencies. For example, Australia's \$45 million Pacific Disaster Ready Program, launched in 2017 to run for five years is a welcome initiative. The program aims to strengthen the ability of Pacific governments, communities and local organisations to be better prepared for and able to respond to slow and rapid onset disasters, with a particular focus on strengthening leadership and agency of women, youth and people with disabilities in disaster management.

Australian Humanitarian Partnership

The Australian Humanitarian Partnership (AHP) is a flagship \$50 million partnership running from 2017-2022 between DFAT and six consortia of Australian NGOs to deliver assistance to save lives and alleviate suffering in the aftermath of conflict, disasters and other humanitarian crises. Oxfam Australia is one of six Australian NGOs selected through a competitive process to manage a consortium of partners to deliver assistance through the partnership, and support disaster preparedness activities in the Pacific. The AHP is funded through the Humanitarian Emergency Fund.

Numerous reviews have shown the AHP has a strong track record delivering fast emergency assistance the immediate aftermath of crises.⁹⁸ Given ANGOs have strong existing partnerships and relationships with communities at the grassroots level means this mechanism has comparative advantage when it comes to Australia being able to deliver assistance at speed, compared to multilateral UN funds which can have time delays in remitting funding.⁹⁹

Despite evidence the partnership is highly effective, its budget is a very small proportion of Australia's overall humanitarian funding. Australia's allocation of humanitarian funding to NGOs is low when compared to other OECD donors. In 2016 Australia allocated less than 10 percent of humanitarian funding to NGOs, considerably lower than the OECD DAC average of 22 percent.¹⁰⁰

Australia should consider increasing the proportion of funding it allocates to NGOs in general, and the AHP in particular. The AHP design recommends that DFAT aim to increase the share of response funding being channeled through ANGOs from current levels to around 18-20 percent.¹⁰¹

Oxfam's humanitarian response in Bangladesh: Australian Humanitarian Partnership

Under the AHP, Oxfam Australia works in consortia with the Australian Broadcasting Corporation International Development, Habitat for Humanity Australia and CBM Australia. The AHP enables the Australian Government to rapidly respond to humanitarian crises, capitalising on the experience and expertise of Australian NGOs, and their longstanding connections with communities, particularly in the Asia Pacific region. Australia activated the AHP as part of its response to the escalation of violence in Myanmar in late August, which in just three months drove more than 620,000 Rohingya refugees into Cox's Bazar in southern Bangladesh. The refugees joined hundreds of thousands of Rohingya refugees who had fled Myanmar over the past decades, and today more than 830,000 Rohingya refugees reside in Cox's Bazar. It is the densest population of refugees anywhere in the world, which brings with it enormous humanitarian challenges.

With support provided through the AHP, Oxfam and other AHP partners were able to rapidly scale up relief efforts in Bangladesh. In the first two months alone, Oxfam supported 180,000 people with clean drinking water, food rations, emergency toilets, water pumps, hygiene kits and emergency shelters in the over-crowded, ill-equipped camps and ad-hoc settlements of Cox's Bazar.

Investing in local humanitarian actors

In adopting the Grand Bargain at the World Humanitarian Summit in 2016, Australia committed to ensuring that humanitarian responses reinforce and not replace national and local capacity.¹⁰² The Grand Bargain committed to channelling at least 25 percent of funds as directly as possible to local actors by 2020. Currently Australia does not have well developed mechanisms for funding local humanitarian responders directly. Given many ANGOs, including Oxfam, deliver humanitarian assistance in partnership with local NGOs and civil society, increasing funding for ANGOs could be a stepping stone towards meeting this Grand Bargain commitment.

Funding for protracted crises

Australia should earmark \$1 billion to protracted humanitarian crises over the forward estimates as part of a move towards multi-year funding for protracted crises. This should include \$200 million for protracted crises in 2018-19.

The continuation of decades-long conflicts and the emergence of new protracted crises have challenged humanitarian actors to better integrate humanitarian responses with long-term development programming. Based on experience in multiple protracted crises, we know that a key enabling factor for humanitarian responders to effectively plan for the long term, and for national governments to develop their own national strategies, is the availability of multi-year funding.¹⁰³ We also know that humanitarian funding is most effective when aligned, so far as practicable, to national development plans.¹⁰⁴

In 2016, the importance of predictable funding was explicitly recognised in the *Grand Bargain: A Shared Commitment to Better Serve People in Need*. Signatories committed to ‘increase multi-year, collaborative and flexible planning and multi-year funding instruments’, and to do so in at least five countries.¹⁰⁵ Australia made its own commitment, as part of the Grand Bargain process, to ‘promote and increase predictable, multi-year, un-earmarked, collaborative and flexible humanitarian funding toward greater efficiency, effectiveness, transparency and accountability of humanitarian action for affected people.’¹⁰⁶

Oxfam welcomes Australia’s moves towards the development of multi-year humanitarian assistance packages for some protracted crises, including multi-year funding packages for Syria and Iraq. Oxfam recommends that Australia continue to roll out this approach (multi-year and un-earmarked humanitarian funding) wherever possible, and that increasingly, year-on-year funding cycles for protracted crises should become the exception rather than the norm.

We recommend that at a minimum, Australia provides multi-year humanitarian funding for the following humanitarian crises, in accordance with the Grand Bargain commitment, in addition to existing funding packages for Syria and Iraq: Bangladesh (Rohingya refugee crisis), South Sudan and Yemen.

Oxfam recommends this could be achieved by allocating \$200 million in the first year and increasing with growth of overall ODA.

Table 5: Protracted crisis funding - \$1 billion over four years

	2018/19 (\$m)	2019/20 (\$m)	2020/21 (\$m)	2021/22 (\$m)
Protracted crisis funding	200	225	265	310
Aid budget (proposed)	4,472	5,032	5,636	6,312
% of total ODA	4.5	4.5	4.7	4.9

1.4 INVESTING IN CIVIL SOCIETY AND SOCIAL ACCOUNTABILITY

Governments have the primary responsibility for making the investments necessary for all their citizens to achieve the SDGs. While aid can help poor countries to build the necessary institutional capacity to make these investments, equally important is the role that aid plays in helping citizens to hold their governments accountable for effective service delivery.

Australia invests ODA heavily in partner government capacity – from the placement of technical governance advisers in national ministries, to delivering large sectoral programs through commercially managed service delivery facilities, to providing on-budget support, and investing in public-private partnerships to develop infrastructure projects. These investments are designed to work with partner governments to deliver essential services at scale, and hopefully enhance the capacity of partner states to deliver development outcomes for their citizens over the longer term.

Investing in services and building the capacity of governments and the private sector is only one side of the equation. We know a vibrant civil society with effective organisations capable of holding government and the private sector to account are key to sustaining development progress and poverty reduction. Strategic aid investments can substantially increase the capacity of civil society to play this social accountability role.¹⁰⁷ In Oxfam's experience, citizen and civil society engagement programs can also reduce aid diversion by ensuring the people who programs are intending to benefit have oversight.

Yet, in many of the countries where Australia delivers ODA there is a shrinking space for civil society organisations, and a consequent reduction in the ability of communities to hold political and private sector institutions to account.

Australia needs to get the balance right in its mix of partners: investing both in government and private sector actors, as well as local and national civil society players – either directly or through international NGOs, research organisations and other multilateral partners – to play their vital social accountability role.

Investing in civil society

All country and thematic programs should have a civil society strengthening objective and ensure delivery of aid through a mix of partners, including at least 20 percent delivered through NGOs.

To promote social accountability and long-term effectiveness of the aid program, Oxfam recommends that DFAT invest systematically in civil society strengthening at a country, regional and sector program level. This would require more funding and support to be directed towards civil society actors, including NGOs, research bodies, media and grassroots community organisations, as part of a strategic investment in social accountability to protect the long-term outcomes of Australian aid.

All country, sectoral and thematic programs should have a clear strategy for supporting and resourcing civil society actors to ensure social accountability. The precise model of civil society engagement will depend on the context and should be informed by diverse civil society stakeholders as part of the design process. Tried and tested civil society funding model options available to the Australian Government include:

- **Multi-pillar program design** – in which a regional or sectoral program has multiple inter-connected pillars, with one led by civil society and responsible for inclusion and social accountability outcomes. An example of this model is DFAT’s Mekong Water Governance Program, under which Oxfam has lead responsibility for the “inclusion pillar” (see box over page).
- **Investing in country and regional civil society coalitions** – to support civil society networks and alliances that are already collaborating to hold governments accountable for development outcomes that could scale up with increased resources. An example of this is the European Union funded *Raising Pacific Voices: Reinforcing Pacific Civil Society* program. The three-year program is currently being implemented by Oxfam in the Pacific with the Pacific Disability Forum (PDF) and the Pacific Regional Non-Governmental Organisations Alliance (PRNGO Alliance) members across ten Pacific Island countries, in the three sub-regions of Melanesia, Polynesia and Micronesia. The program is strengthening Pacific civil society organisations’ effectiveness in shaping regional and international policy-making.
- **Consortium and grant models** – in which multiple civil society actors collectively manage a large grant, or allocate one of the partners to manage the grant on behalf of the consortium. An example of this model is the Vanuatu NGO Climate Change Adaptation program, locally known as Yumi stap redi long Klaemet Jenis, which was funded by DFAT and implemented by Oxfam, CARE, Save the Children and Vanuatu Red Cross Society (VRCS) in partnership with a range of other organisations. The program was implemented in 39 communities in 12 islands across four provinces in Vanuatu.
- **Grants for partnerships** – in which DFAT funds a single entity (NGO, Human Rights Commission or research body) to partner with multiple

smaller civil society organisations and entities. As Oxfam and many other Australian NGOs work consistently with civil society organisations, networks and coalitions at country level in program delivery we have literally thousands of examples of this partnership approach working to deliver positive outcomes.

Investing in these civil society engagement models could be done in a variety of different ways, depending on the country, sectoral or thematic program design and context.

A multi-pillar approach: Mekong Region Water Resources Program

Shared by six countries — Cambodia, Laos, Vietnam, Thailand, China and Myanmar — the Mekong region is rich in resources, culturally diverse and home to what the people of the region call their ‘life blood’; the Mekong River. Yet decisions about how water is managed are often made quickly and with little input from river-dependent communities.

Australia has been providing assistance to Mekong communities in water management since the 1990s through the Greater Mekong Water Resources Program (GMWRP). The current iteration of the program, which runs from 2014-18, aims to support water resources management of the Mekong Region to achieve ‘economic development that is sustainable, equitable and improves livelihoods’.¹⁰⁸ Oxfam Australia leads the ‘inclusion pillar’ of the program, responsible for supporting civil society and local communities to participate in water management decision making. As part of the program Oxfam nurtures relationships with 22 partner organisations from formal and informal entities, river networks and academia to ensure farmer and fisher communities along the Mekong River have a say in decisions on water infrastructure development.

The inclusion pillar of the program has successfully increased women’s leadership and participation in relation to water governance issues; has increased civil society partners’ knowledge of technical issues related to water governance, enabling them to help communities to understand and participate in water governance practices and systems; and is creating space for civil society to engage in policy dialogue with government and development partners about water management issues.¹⁰⁹

The program is also helping to build better relationships between civil society organisations and governments and inter-governmental institutions in the Mekong region. A representative of the Mekong River Commission Secretariat in Lao PDR was quoted in a mid-term evaluation of the program saying, for example:

*‘Oxfam is a connector that engages with us; they provide a link between MRC and other stakeholders, share information and support civil society to raise concerns to us. Oxfam is a good mirror for us – we cannot see ourselves from other’s points of view. Oxfam reflects our view to other stakeholders and then reflects what they are doing or issues back to us. They ask us difficult questions, but they are constructive’.*¹¹⁰

Building the Australian NGO Cooperation Program

Allocate at least \$201 million to ANCP in 2018-19 and commit to increase investment in ANCP to 6 percent of ODA by 2021-2022. ANCP should provide multi-year (3-5+) funding cycles for participating NGOs.

One obvious way Australia can scale up its investment in civil society engagement models is through the Australian NGO Cooperation Program (ANCP), through which NGO partners have already been accredited via a rigorous process. The Office of Development Effectiveness' (ODE's) 2015 evaluation of ANCP found it was one of the best performing programs against Aggregate Development Results (ADR). It found that in 2013–14 ANCP represented

around 2.7 percent of the aid budget and delivered 18.2 percent of the department's output-level aggregate development results. In comparative terms ANCP reported the largest number of aggregate development results of any program in DFAT while being the eighth largest program by value.¹¹¹

Despite these strong results, funding for ANCP has declined from \$134 million in 2014-15 to only \$129.3 million in the 2017-18 aid budget.¹¹² This constriction of funding has happened at a time where the total number of ANCP NGO recipients is increasing – from 54 NGOs in 2016-17 and 57 NGOs in 2017-18 – resulting in existing grant recipients experiencing ANCP funding cuts. Expanding funding for ANCP is a logical option for increasing investment in civil society and social accountability, as well as improving the overall results of Australia's aid program.

The ANCP would be further strengthened by introducing predictable, multi-year funding commitments for NGOs, rather than the current annual funding cycles. ODE's 2015 evaluation of ANCP identified the lack of funding predictability and risks associated with unexpected budget cuts as significant weaknesses of the program.¹¹³

Table 6: ANCP funding increase to 6% of ODA by 2021/22

	2018/19 (\$m)	2019/20 (\$m)	2020/21 (\$m)	2021/22 (\$m)
ANCP increased funding	201.24	251.60	309.97	378.73
Aid budget (proposed)	4,472	5,032	5,636	6,312
% of total ODA	4.5	5	5.5	6

2. A FAIR AND EFFECTIVE TAX SYSTEM

Oxfam Australia estimates Australia could save at least \$11.3 billion annually by putting in place policies to close down multinational tax avoidance and ensure companies continue to pay their fair share of tax. These savings would pay for the cost of the expenditure measures recommended in this pre-budget submission many times over.

Not only does tax avoidance by the wealthiest segment of our society entrench poverty and exacerbate inequality by limiting the ability of governments to spend on socially desirable programs and services, it leads to an unfair tax system that places a greater tax burden on ordinary people for basic services that benefit us all.

Oxfam Australia also recommends Australia ensure the tax system maximises the benefits of charitable giving in Australia, by implementing a “Gift Aid” program based on lessons in the United Kingdom.

2.1 CLOSING CORPORATE TAX LOOPHOLES

Australia should place further restrictions on the use of related party flows and other tax tricks that result in reduced taxable income in Australia. Oxfam estimates that clamping down on tax tricks, including this measure, could result in savings of up to \$6 billion a year.¹¹⁴

Oxfam Australia estimates that Australia lost \$5-6 billion in 2014 to corporate tax avoidance.¹¹⁵ The Australian Tax Office estimates an annual tax gap of \$2.5 billion resulting primarily from transfer pricing.¹¹⁶ These figures are conservative estimates, considering the billions in revenue multinationals make each year in Australia on which no or minimal tax is paid.¹¹⁷ For example, in 2012-13, \$100 billion worth of related party flows went from Australia to Singapore. If just 10 percent of that was taxable, up to \$3 billion in taxes were avoided for Singapore alone – this is already above ATO’s \$2.5 billion official tax gap estimate.

Applying the same logic to Switzerland’s \$15.6 billion in related party flows in 2012-13, Australia would have lost about \$0.5 billion in tax revenue.¹¹⁸ These losses for just two countries’ related party flows already amount to \$3.5 billion.

Clamping down on loopholes like related party flows could return significant revenue for Australia. Clamping down on other tax tricks that firms are able to use to shift profits out of Australia would likely result in an even larger amount of tax due to Australia. For example, had the \$9 billion in advertising revenues for Facebook and Google been booked in Australia rather than shifted to offshore tax havens, Australia would have been due to receive \$3 billion in tax revenue.

Hold enablers of tax avoidance to account

The Australian government should follow through on the 2017-18 budget commitment to require tax and financial advisors to report on potentially aggressive tax planning schemes.

There has been no progress on the 2016-17 budget announcement that tax and financial advisors would be required to report potentially aggressive tax planning schemes. In October, the UK's HM Revenue and Customs won a case against a tax avoidance scheme promoter that could lead to millions in recovered tax revenue, under its strengthened Disclosure of Tax Avoidance Scheme (DOTAS) rules. The Australian Government should pursue a similar policy to make enablers of tax avoidance schemes internalise the cost associated with their tax advice.

2.2 RETAIN COMPANY TAX RATE

Australia should reverse the decision to reduce the company tax rate to 25% for businesses with turnover above \$50 million. This would save an estimated \$4.8 billion annually over the next 10 years.

Persisting with the proposed company tax cuts without closing tax loopholes first will cost Australia money and send entirely the wrong message to would-be corporate tax cheats.

In December 2016, Oxfam released a global report, *Tax Battles*, which shows that there is a dangerous global trend to cut corporate tax rates with the aim of attracting investment.¹¹⁹ For G20 countries, the average corporate tax rate has fallen from 40% just 25 years ago to less than 30% today. Yet evidence shows that corporate tax rates are not the main consideration for companies when seeking where to invest.

There are twelve main reasons why companies choose to invest in a country, according to the World Economic Forum's Global Competitiveness report.¹²⁰ The most important are the quality of the country's infrastructure, the availability of an educated, healthy workforce, and social stability. Corporate tax contributions are vital to ensuring the revenue for these investments.

The Commonwealth Treasury estimated that these tax cuts will come at a budgetary cost of \$48.2 billion over the 10 years from 2017-2017,¹²¹ and the best analysis from the Commonwealth Treasury shows that the net benefits to Australians' incomes (as measured by GNI) will be much smaller once profits flowing out of Australia are taken into account through the dividend imputation system.

All of this means that at a time when economic inequality is rising in Australia, cuts to the corporate tax rate could mean a reduction in \$48.2 billion of essential public services that could be aimed at tackling inequality.

2.3 GREATER TAX TRANSPARENCY

Australia should ensure greater tax transparency by:

- **Modifying current legislation to require multinational companies operating in or from Australia with global income of over \$250 million to publicly report their income, taxes paid, number of staff and assets held for every country in which they operate.**
- **Committing to a comprehensive Extractive Industries Transparency Regime, which would require large oil, gas and mining companies in Australia to publicly disclose all payments to governments in countries where they operate - including taxes, royalties, bonuses and fees – from 2020.**
- **Making the beneficial ownership register public, extending it to cover both companies and trusts and committing to its implementation as soon as possible.**

Tax transparency is an important tool in the fight against tax avoidance. Greater transparency can be achieved by mandating public country by country reporting. It is harder to put in place dubious tax arrangements when payments have to be publicly reported and scrutinised. Public and media scrutiny leads to increased accountability, and can dissuade companies from offshoring their profits improperly and artificially.

Public country by country reporting would allow civil society to leverage their community reach to make tax avoidance a reputational risk, thereby dissuading firms from engaging in profit shifting. It would also help reduce compliance efforts for the government and ATO by allowing civil society organisations to scrutinise corporate tax behaviour and hold them to account. Such public reporting would benefit Australia and developing countries by allowing all tax authorities, including in developing countries, access to data.

Oxfam is also calling for a special tax transparency arrangements to be implemented in relation to the extractives industry. Australian mining companies have a large presence in African countries, where over half of the world's poorest people live. Requiring Australian oil, gas and mining companies to publicly disclose all payments to governments in countries where they operate – including taxes, royalties, bonuses and fees – would help to ensure any financial benefits of resource extraction actually flow to the people who need it most. Oxfam recommends Australia implement an Extractive Industries Transparency Regime from 2020.

The Government has long been committed to a beneficial ownership register of company structures and Oxfam welcomes this. However, to be effective the beneficial ownership register must be public. Finalisation and implementation of the register has been delayed and it has now been announced that the information will only be available to key regulators. This is a reversal from the Government's position in 2016 to make the register public. Like public country by country reporting, making such ownership information public would work to dissuade tax avoidance and would lower regulatory compliance costs.

2.4 GIFT AID

The Federal Government should reform charitable giving arrangements to give Australian donors the option to donate their tax deduction back to charity.

Australian charities raised an estimated \$10.5 billion through tax deductible donations in 2016 to fund critical community building, poverty reduction and international development programs.¹²² To put this in perspective, donations to the charity sector were roughly three times the budget of Australia's aid program.

Deductible Gift Recipient (DGR) status is vital for the health of Australia's non-profit charitable sector, and should continue to be strengthened. There is ample evidence that DGR arrangements incentivise charitable giving in Australia. For example, DGR registered charities, including Oxfam Australia, generally receive a significant spike in donations leading up to the end of financial year on 30 June.

Australia should consider additional ways to maximise the incentives and benefits of charitable donations. Australia could do this by implementing a tax deduction donation scheme, modelled on the United Kingdom Gift Aid incentive scheme.

In the UK, donors who register for Gift Aid effectively split the tax incentive with the charity they donated to. The charity is able to claim 25 percent of the value of the donation from the UK government, and donors are able to claim the remaining portion (40 percent for "Higher rate" taxpayers and 45 percent for "additional rate" taxpayers).¹²³ For example, if a donor made a £100 donation to an eligible charity, the charity would be entitled to claim Gift Aid of £25, and the donor would then be able to claim back the remaining portion of their tax deduction entitlement. Gift Aid would therefore increase the value of the donation to £125 without any additional cost to taxpayers.

Oxfam recommends the Government works with the Australian charity sector to implement a similar Gift Aid scheme. The Federal Government could provide Australians with the option of donating all or part of the value of their tax deduction back to the eligible charity of their choice. This would provide greater efficiencies in incentivising and providing maximum benefits of charitable giving.

3. INVESTING IN ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

In 2017, Aboriginal and Torres Strait Islander peoples continue to experience unacceptable disadvantage, poverty and discrimination. This budget must take meaningful steps towards working with, not dictating to, Aboriginal and Torres Strait Islander peoples to deliver lasting change.

As a non-Indigenous organisation, Oxfam Australia works alongside Aboriginal and Torres Strait Islander peoples and their organisations to promote self-determination and develop and advocate solutions to the problems they face. Oxfam has supported Aboriginal and Torres Strait Islander people and communities for close to 40 years.

We work in partnership with Indigenous organisations and coalitions such as the National Congress of Australia's First Peoples, Close the Gap and Change the Record. In line with this approach, we strongly support the recommendations in these organisations' budget submissions.

3.1 FUNDING CONGRESS

The Federal Government should provide the National Congress of Australia's First Peoples with \$20 million over the forward estimates.

Since 2010 the National Congress of Australia's First Peoples (Congress) has played an important representative role for Aboriginal and Torres Strait Islander Peoples. It is the largest Aboriginal and Torres Strait Islander organisation in the country, with 180 member organisations and almost 9,000 individual members.¹²⁴

In 2016 a wide range of Aboriginal and Torres Strait Islander organisations and peak bodies and supporting organisations, including Oxfam Australia, endorsed the Redfern Statement.¹²⁵ The statement was a watershed moment. It called for the Australian Government to better engage with Aboriginal and Torres Strait Islander peoples, including by funding Congress.

Congress was originally established with funding from the Commonwealth Government. However, Congress has received no core operational funding since 2013-14, severely limiting its ability to provide a representative voice for Aboriginal and Torres Strait Islander peoples.¹²⁶

The 2014-15 Federal Budget defunded Congress without proper consultation or a plan for ensuring the body was sustainable. According to Congress, in order to survive the organisation has had to make drastic changes, such as: reducing the number of board meetings to just four per year; significantly reduced remuneration for Co-Chairs and Directors; the

CEO donating his services for free for six months; and, limiting the organisation's ability to undertake consultation and member recruitment.¹²⁷

In 2016, the Commonwealth Government agreed to a \$2.4 million, fee-for-service contract with Congress to conduct consultation activities with Aboriginal and Torres Strait Islander peoples throughout the country.¹²⁸ While this gesture is welcome, it does not address Congress's legitimate request for long-term, operational funding.

In his annual Closing the Gap report to Parliament in February 2017 the Prime Minister stated that:

The national interest requires a re-commitment to the relationship with Aboriginal and Torres Strait Islander peoples. But there can be no relationship without partnership. And there can be no partnership without participation.¹²⁹

If Australia is serious about participation and representation it should provide sufficient operational funding over the forward estimates to Congress. Oxfam welcomes the Government's recent consultation with Congress at the Ministerial Council of Indigenous Affairs Ministers, however such engagement cannot take place in a sustained way without core operational funding.

3.2 CLOSING THE GAP

Immediately restore \$534 million for Indigenous Affairs Programs and Aboriginal Health and fully cost implementation of the National Aboriginal and Torres Strait Islander Health Plan and Closing the Gap 'refresh' to ensure these plans are fully funded.

Closing the Gap between Indigenous and non-Indigenous health outcomes in Australia has been a stated priority of successive Australian Governments. While some improvements have been made in Indigenous health outcomes, these have not kept pace with improvements in outcomes in the general Australian population.

Aboriginal and Torres Strait Islander people can still expect to live around 10 fewer years than other Australians, and the mortality rate of Indigenous children under five remains double the rate of non-Indigenous children.¹³⁰ In the Prime Minister's 2017 Closing the Gap Report, six of the seven closing the gap targets were not on track.¹³¹

These poor outcomes on health, mortality and general wellbeing are linked to a number of controllable factors, including: insufficient investment in Aboriginal and Torres Strait Islander specific health services; low Indigenous utilisation and access to many mainstream health services; limited Indigenous access to health subsidies and low adoption of private health insurance;¹³² rapid policy shifts in Indigenous affairs which have impacted service delivery; and funding cuts and uncertainty.

The Government's decision, as part of the Indigenous Advancement Strategy, to cut \$534 million over the forward estimates from the 2014 Federal Budget was particularly short sighted given the trajectory of Indigenous health and wellbeing indicators. Productivity Commission

reports that expenditure on services exclusively for Aboriginal and Torres Strait Islander people dropped from 22.5 per cent of all direct Indigenous affairs expenditure in 2008-09, when the Closing the Gap Statement of Intent was signed, to 18 per cent in 2015-16.¹³³

The 2018 Federal Budget will coincide with a planned 'refresh' of the Closing the Gap Strategy from mid-2018. The refresh and Federal Budget present a unique opportunity to align the Closing the Gap Strategy and resourcing in order to ensure real progress is made to achieve health equality by 2030. To maximise this opportunity, Oxfam Australia supports the recommendations of the Close the Gap Coalition Steering Committee for the Federal government to focus investment on:

- Implementing the National Aboriginal and Torres Strait Islander Health Plan 2013-2023;
- Developing the Aboriginal and Torres Strait Islander Health Workforce and the Aboriginal Community Controlled Health Sector; and
- Expanding services in geographical areas identified by the Australian Institute of Health and Welfare (AIHW);

At a minimum, the government should restore the \$534 million that has been taken from Indigenous Affairs Programs and Aboriginal Health since 2014. In addition, the government should fully cost and fund the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013-2023, and additional plans arising from the Closing the Gap refresh, to ensure these ambitions are fully funded over the forward estimates.

This Budget must break from the past and truly start to work in partnership with Australia's First Peoples to achieve health equality.

3.3 CHANGING THE RECORD

Aboriginal and Torres Strait Islander people are incarcerated at higher rates than non-Indigenous Australians, are more likely to experience violent crime and legal issues across all areas of the justice system which require appropriate and adequate legal support.

Oxfam Australia works in collaboration with the Change the Record Coalition to promote smarter policy solutions that reduce incarceration and violence. We call for the Australian Government to work with the States and Territories and Aboriginal and Torres Strait Islander people to set appropriate justice targets, as part of the Closing the Gap strategy, to improve community safety and reduce Indigenous incarceration.

Ending over-incarceration

Work with Aboriginal and Torres Strait Islander bodies and the Change the Record Coalition to develop a plan for investment in prevention and early intervention initiatives that address the key drivers of Indigenous incarceration

Over the past decade the number of Aboriginal and Torres Strait Islander people imprisoned has increased inexorably to the point where the rate of Indigenous imprisonment is 15 times greater than the non-Indigenous population.¹³⁴ The rates for women and children are 15 and 25 times greater respectively than that of the non-Indigenous population.¹³⁵

According to economic modelling by Price Waterhouse Coopers, Indigenous incarceration costs the Australian economy \$7.9 billion every year, and these costs are rising. PWC estimates closing the gap between Indigenous and non-Indigenous rates of incarceration would save a staggering \$18.9 billion per year by 2040.¹³⁶

The over-incarceration of Aboriginal and Torres Strait Islander people is a result of disadvantage, intergenerational trauma and poverty, and a justice system that has consistently failed to tackle the root causes of offending. The Federal Government has a role to play in supporting the States and Territories and service providers to deliver culturally relevant early intervention and prevention programs that reduce the likelihood Indigenous people will come into contact with the criminal justice system in the first place.

Family violence

Allocate an additional \$10 million to Aboriginal community controlled legal and support services, such as Family Violence Prevention Legal Services (FVPLS), to help reduce occurrences of domestic violence experienced by Aboriginal and Torres Strait Islander women.

Aboriginal and Torres Strait Islander women experience violence at a higher rate than non-Indigenous women, and are 32 times more likely to be hospitalised as a result of family violence.¹³⁷ It is estimated that the annual costs of domestic and family violence towards Aboriginal and Torres Strait Islander women and families is approximately \$2.2 billion.¹³⁸

Family Violence Prevention Legal Services provide vital services to Aboriginal and Torres Strait Islander women experiencing and at risk of family and domestic violence. Many organisations in this sector face greater demand for their services than they are able to deliver. Currently, FVPLSs are not resourced to provide national coverage and significant service gaps exist, particularly in urban areas. Additional funding beyond the Government's current commitments would help to meet the service gap, giving greater certainty to both staff and women accessing these services.

4. PROTECTING DISPLACED PEOPLE

Conflict and persecution has forced women, men and children to leave their homelands in record numbers in search of safety in recent years. More than 65.6 million people globally are now displaced as a result of persecution, conflict or violence,¹³⁹ and on average, more than 20 million people are uprooted each year by sudden-onset extreme weather disasters.¹⁴⁰

Climate change is already forcing vulnerable communities from their land and homes and placing many more at risk of displacement in future. For many of our Pacific Island neighbours, climate change is a threat to their very survival.

Australia should increase its refugee resettlement program, expand alternative migration pathways for refugees and humanitarian entrants, in particular family reunion, and explore new visa pathways for people at risk of forced migration as a consequence of climate change.

4.1 REFUGEE RESETTLEMENT AND FAMILY REUNION

Australia should increase the humanitarian and refugee resettlement program to 44,000 places annually, at an estimated cost of \$780 million. This should include 22,000 UNHCR-referred refugees, a humanitarian family reunion program of at least 10,000 places and a community sponsorship program of 10,000 places.

The vast majority of the world's 22.5 million refugees are being hosted in developing countries, while the six wealthiest nations between them host less than nine percent of refugees.¹⁴¹ As the number of people in need of refuge reaches historic highs, the capacities of countries that have traditionally hosted them are increasingly stretched, and countries with the capacity to resettle refugees are not doing nearly enough. At the beginning of this year the UNHCR projected that 1.19 million people would require resettlement through the year, but fewer than 100,000 places have been made available.¹⁴²

In response to this growing disparity between resettlement needs and places on offer, last year 193 States signed the *New York Declaration on Refugees and Migrants*, committing to a 'more equitable sharing of the burden and responsibility for hosting and supporting the world's refugees.'¹⁴³

While Australia has a long history supporting refugee resettlement through the UNHCR, we can and should do more. In line with the *New York Declaration*, Australia should resettle its fair share of the world's refugees,

commensurate with the size of our economy and capacity to welcome new people into Australian society.

Australia's fair share

Oxfam's fair share assessment finds that Australia should take responsibility for at least 1.85 percent of the global total of refugees requiring resettlement. Based on current UNHCR projections, Australia's fair share is 22,000 UNHCR-referred refugees annually.¹⁴⁴ This target should be reviewed annually, to reflect global resettlement needs.

Refugees are only identified by UNHCR as in need of resettlement if they are at risk or have particular needs or vulnerabilities.¹⁴⁵ In reality there are millions of displaced people who fall outside UNHCR's submission categories, but for whom resettlement is the most appropriate solution. Many of these people have existing family links in Australia and incredible talents and contributions to make in our community. Thus, Oxfam recommends Australia offer a number of alternative pathways for people from refugee and humanitarian backgrounds who are not referred by UNHCR, including those with family connections in Australia.

Family reunion

One of the greatest challenges facing refugees living in Australia is family separation. Opportunities for people on refugee or humanitarian visas to bring family members to safety in Australia are limited both in terms of the number of places available, and eligibility requirements. The family stream under the migration programme is expensive, with evidentiary requirements effectively excluding many refugee and humanitarian entrants, and waiting periods of up to 30 years. Most refugees seeking to bring family members to Australia are thus forced to apply through the Special Humanitarian Programme. But demand far exceeds supply, and in practice it is extremely difficult for refugees to bring even immediate family members to Australia, let alone *non*-immediate family members.

Family separation has 'devastating psychological, economic and social impacts',¹⁴⁶ and detracts from refugees' ability to effectively and productively settle into life in Australia.¹⁴⁷ It is also in some cases a driver for irregular migration to Australia.¹⁴⁸

As a signatory to the *New York Declaration*, Australia committed to ensuring flexible arrangements to assist family reunification.¹⁴⁹ Promoting access to family reunion for refugees and humanitarian entrants in Australia would have enormous social and economic benefits, because refugees surrounded by family support networks are more likely to contribute positively both to their communities and to the Australian economy.¹⁵⁰ Oxfam recommends Australia establish a humanitarian family reunion program, starting with 10,000 places annually.

Australia is currently committed in accepting 18,750 people in 2018-19 through the refugee and humanitarian intake program. By investing an additional \$780 million Australia could increase this commitment to meet both Australia's fair share of UNHCR referred places and reunite 10,000 families per year.¹⁵¹

Community sponsorship

In addition, Oxfam supports the current government efforts to engage the Australian community in the resettlement of refugees through the Community Support Program. We recommend this program is developed in consultation with refugee communities and relevant stakeholders into a community sponsorship program that is additional to Australia's existing humanitarian intake quota, and in time is able to offer at least 10,000 places annually.

This program should enable members of the broader public, including families, church and community groups and clubs, to sponsor refugees – building on the lessons from Canada's highly successful community sponsorship program.¹⁵² The program should also continue to encourage and enable businesses to sponsor refugees through the scheme. Costs associated with visa fees and bond charges should be reviewed and adjusted to ensure the scheme is affordable for sponsors and does not prevent refugees from accessing critical settlement support.

4.2 CLIMATE DISPLACEMENT

Establish a pilot climate displacement visa program with 500 initial places, at a cost of \$26 million in 2018-19.

For many of our Pacific Island neighbours, climate change is a threat to their very survival. While the majority of displacement in the context of disasters and climate change is internal, in future significant numbers of people may also be forced to move across borders.

Pacific island countries have contributed almost nothing to global climate pollution, and have the fewest resources to cope with its impacts. Countries like Australia have a duty to act. Australia must be squarely focussed on helping to minimise displacement through ending its climate pollution and supporting communities to adapt to the impacts of climate change (see section 1.3 above). Nonetheless, it is also necessary for Australia to support long-term strategies to enable people who are forced to move to do so safely, with dignity, and on their own terms.

Australia must therefore take a comprehensive, proactive and rights-based approach to the challenges of migration and displacement in the context of climate change. This includes enhancing seasonal mobility schemes, working to ensure the new Global Compact on Migration fully addresses migration and displacement related to climate change, and creating channels for safe and regular migration for those who are forced to move.

In this regard, Australia should introduce a pilot visa scheme, similar to that proposed by the Government of New Zealand, with at least 500 places for communities displaced or at risk of displacement as a result of climate change.¹⁵³ This scheme should be developed in consultation with Pacific governments, regional bodies, and affected communities; be driven by the needs and perspectives of women, young people, and whole communities; and considered as one of a broader suite of measures for responding to the growing risk of displacement linked to climate change.

4.3 ENDING OFFSHORE 'PROCESSING'

End offshore processing of people seeking asylum in Manus Island and Nauru, saving an estimated \$438.8 million.

Australia's warehousing of refugees on Manus Island and Nauru has caused systematic harm and should not continue. Oxfam staff have witnessed the deleterious impact caused by the prolonged uncertainty and treatment of refugees and asylum seekers held on Manus Island.¹⁵⁴ We are disturbed by the multitude of credible and independent reports that have demonstrated the psychological and physical harm caused by this system.

In addition to abrogating Australia's obligations to protect and assist refugees, Australia's offshore processing arrangements are extremely costly. At a conservative estimate, the Federal Government could save \$438.8 million in 2018-19 by shutting down the management of offshore processing. This money would be far better invested into programs and initiatives that open up safe and legal pathways for refugees, as an alternative to irregular migration (see section 4.1 above).

Oxfam recommends the Australian Government the Australian Government ends offshore processing of refugees and asylum seekers, including by closing the detention facilities in Manus Island and Nauru. If Australia cannot continue to maintain this system if it wants to be a global leader on human rights, as indicated by Australia's membership of the UN Human Rights Council.

5. BUSINESS AND HUMAN RIGHTS

Australia should allocate \$1 million in 2018-19 towards the development and initial implementation of a Business and Human Rights National Action Plan, in consultation with key stakeholders across the community and private sector.

The Australian Government should develop a strong National Action Plan (NAP) on business and human rights, based on the United Nations Guiding Principles on Business and Human Rights.

The United Kingdom, Netherlands, Italy, Denmark, Germany, Norway and a range of other countries have already developed National Action Plans, and many other countries, including Malaysia, Ireland, Greece and Thailand, are currently developing theirs.

The NAP should set an agenda for the Australian Government to review legislation and ensure it is adequately meeting the need for Australian businesses operating both domestically and overseas to protect and respect human rights, and to invest in education and collaboration with businesses to help them meet human rights obligations — including paying living wages. It should outline how the Australian Government will address and support Australian-based businesses to ensure human rights abuses are not part of their systemic operations, and could include each of the recommendations outlined above as part of the Government's action plan to address this issue.

Given that the national action plan will need a domestic and international business practice focus, Oxfam recommends the NAP should be led by Department of Premier and Cabinet in close collaboration with DFAT, the Attorney Generals Department and other relevant departments.

Experience from other comparable NAP development processes shows that a dedicated budget, enabling funding for participation of diverse stakeholders in the process, the establishment of monitoring systems and funding for implementation, is critical to success.¹⁵⁵

This funding should be part of Australia's domestic budgeting priorities, rather than the aid budget, and should support a cross-departmental committee and team to lead on the development of the Plan, as well as a process of open and transparent consultations with key stakeholders in business and civil society about the content of such a Plan.

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