



Pre-Budget Submission 2021-22



Introduction

Micah Australia welcomes the opportunity to make a submission to the 2021-22 Budget. Micah is a coalition of churches and Australian Christian development agencies. We advocate for an Australia that acts justly for those most impacted by global poverty and we engage in advocacy to strengthen Australia's overseas aid and development partnerships.

The issue of global justice is one in which Christians are substantially invested. We believe that individuals, institutions and nations are called to respond to neighbours in need with generous love and compassion. Christian humanitarian and international development agencies in Australia collect \$621 million in charitable donations each year. The supporters of Micah do not just call for Government action, they act themselves. Each year Christians from across the country, region and around the world have joined together as part of Voices for Justice in Canberra to discuss Australia's development cooperation policy.

The world is facing unprecedented immediate and long-term crises in the face of a global pandemic, with profound impacts on human health and wellbeing, alongside the long-term challenges of responding to the climate crisis. The global pandemic is not only a health and economic challenge but is also increasing humanitarian risk. The United Nations recently estimated 235 million people worldwide would need lifesaving assistance and protection in 2021 – a historic increase of 40 per cent in just one year. The World Food Programme calculated that COVID-19 would create an additional 121 million hungry people globally by the end of 2020, mostly in already crisis-affected countries.

Ending COVID for all begins with the equitable and timely distribution of the vaccine however it cannot end there. The response and recovery efforts in the Asia-Pacific and around the world need to respond to the impacts in each context. This will require investments in human wellbeing and economic recovery, including social protection, health and social care and working with vulnerable communities. It will also require humanitarian response to already protracted crises to respond to increased risks of violence, hunger and malnutrition. Micah in this budget submission is outlining a suite of specific proposals to respond to these challenges, consistent with the Government's new *Partnerships for Recovery* strategy. They are consistent with Australia's leading role in the region and contribution to the global effort.

Recommendations Summary

1. Overall Volume of Australia's Official Development Assistance

Recommendation 1.1

- a. Commit to increase Australia's development cooperation budget to the internationally agreed benchmark of 0.7% of GNI by 2030.
- b. Commit to transitioning the temporary commitments to Official Development Assistance (ODA) of approximately \$1.1 billion, to permanent increases to support the recovery of the region from COVID-19.

2. Priority Investments

Recommendation 2.1:

- a. Increase Australia's contribution to the ACT Accelerator's global purchasing mechanisms by at least \$500 million.
- b. Ensure equitable and timely access to a COVID-19 vaccine, through working with community and faith leaders to increase community awareness and uptake.

Recommendation 2.2:

- a. Protect the world's most vulnerable by providing Australia's fair share of global humanitarian funding, \$696 million per year, including increased support for crises that have escalated due to COVID-19.
- b. Commit \$150 million in 2020-21 to address food security and child malnutrition in countries at high risk of famine, particularly in Africa and the Middle East.

Recommendation 2.3

- a. Increase investment in programs targeted at addressing violence against children in our region to \$73 million over four years.

Recommendation 2.4:

Increase investment in measures that protect vulnerable groups from trafficking, modern slavery, forced labour and child labour, including:

- a. Maintain current funding for the ASEAN-Australia Counter-Trafficking (ASEAN-ACT) program of \$80 million over 10 years.
- b. Invest in a cross-sector, global strategy to combat modern slavery by providing \$10 million to the Global Fund to End Modern Slavery (GFEMS).

Recommendation 2.5:

Increase support for measures to tackle gender-based violence, including expanding resourcing and capacity of essential services such as shelters, helplines, online counselling and support referral services; and improving law enforcement and criminal justice capacity.

Recommendation 2.6:

Commit a minimum of \$304 million over 8 years for Pacific Women Lead in order to build on the momentum established by Pacific Women and ensure that COVID-19 response and recovery can continue into the future.

Recommendation 2.7:

- a. Commit to increased support for climate change mitigation and adaptation efforts, including disaster risk reduction.
- b. Create a dedicated climate adaptation fund targeting local community-led climate adaptation initiatives.

Recommendation 2.8:

- a. Commit to increase the central disability allocation to \$14 million in 2020-21 and increase by CPI over the forward estimates.
- b. Create a Disability Inclusion Fund of \$10 million as part of \$304 million of Pacific and Timor-Leste COVID response and recovery fund.

3. Partners

Recommendation 3.1:

Maintain and strengthen the development cooperation portfolio's global program through investments in effective multilateral and non-government organisations.

4. Transparency

Recommendation 4.1:

Release a comprehensive budget Australian Aid Budget Summary with the 2021-22 Federal Budget.

Overall Volume of Australia's Official Development Assistance

Recommendation 1.1

- a. Commit to increase Australia's development cooperation budget to the internationally agreed benchmark of 0.7% of GNI by 2030.
- b. Commit to transitioning the temporary commitments to Official Development Assistance (ODA) of approximately \$1.1 billion, to permanent increases to support the recovery of the region from COVID-19.

Since the 2019 election the Government has implemented its further cuts so that the core development cooperation program is now \$4 billion. In addition, it has announced an ODA eligible commitment of \$304 million over two years to a Pacific Relief and Recovery Fund and \$500 million over three years for the rollout of COVID-19 vaccines across the region. Finally, the announcement of \$550 million to the ASEAN region include a range of development, security and economic commitments. However, none of these new announcements represent a permanent increase in the development cooperation program. The recovery effort in the region is going to be so significant that these investments need to be permanent increases.

Micah has a long-standing call to successive Australian governments to reach the 0.7% of GNI international benchmark for ODA. As the world collectively confronts the immediate crisis of the COVID-19 pandemic, the ongoing consequences for human wellbeing and the climate crisis, ODA will continue to be a vital source of resources in tackling global challenges and marshalling collective global effort. A critical first step in reaching this goal would be to transition the temporary commitments of approximately \$1.1 billion to permanent increases in the core development cooperation program.

Priority Investments

Recommendation 2.1:

- a. Increase Australia's contribution to the ACT Accelerator's global purchasing mechanisms by at least \$500 million.
- b. Ensure equitable and timely access to a COVID-19 vaccine, through working with community and faith leaders to increase community awareness and uptake.

Micah welcomes the commitments already made to vaccine development and distribution both in our region and globally. As the efficacy of vaccines is established and the scale of the effort required increases, so too will Australia need to renew its commitment to funding equitable and timely access to the vaccine. The Access to COVID-19 Tools (ACT) Accelerator faces immediate funding gaps of USD 3.7 billion, with a projected USD 23.7 billion required in 2021. Australia should scale up its commitment of \$68 million by \$500 million consistent with its fair share of funding requirements.

Rollout plans not only need to ensure equitable access between countries but also within countries, ensuring the scientific led prioritisation ensures the vaccine is distributed based on need and vulnerability. In managing previous outbreaks and vaccine rollouts (e.g. the Ebola epidemic), community and faith leaders were critical to improving uptake as one of the most trusted sources of information in many communities. Community and faith leaders can work with communities to involve them in the vaccine rollout, give them accurate information, dispel myths, and help ensure that vaccines are distributed fairly and fully accepted. The importance of engaging community and faith leaders in the COVID-19 vaccine distribution was confirmed by recent World Vision research in Bangladesh and Myanmar, which found that people were much more likely to accept a COVID-19 vaccine if their community and faith leaders had publicly expressed support for the vaccine.

Recommendation 2.2:

- a. Protect the world's most vulnerable by providing Australia's fair share of global humanitarian funding, \$696 million per year, including increased support for crises that have escalated due to COVID-19.
- b. Commit \$150 million in 2020-21 to address food security and child malnutrition in countries at high risk of famine, particularly in Africa and the Middle East.

Micah member, World Vision has warned that over 19 million people, including 10 million children, are at risk of famine in 12 of the world's most fragile countries due to a deadly mix of conflict, the economic impacts of COVID-19, and natural disasters. The grim forecast equates to a 50 per cent rise in people at risk of starvation, compared with 2019. According to the WFP, 9.3 million people in Syria are now food insecure (46 per cent of the population), the highest number ever recorded and an increase of 1.4 million people since the start of 2020.

The Australian Government should commit A\$150 million package to avert famine and child malnutrition. This contribution should be new and in addition to planned 2020-21 expenditure. It is recommended that this funding package be channelled into appropriate mechanisms including the United Nations Central Emergency Response Fund (CERF), World Food Programme and the Australian Humanitarian Partnership to ensure swift action in response to emerging food crises.

Recommendation 2.3

Increase investment in programs targeted at addressing violence against children in our region to \$73 million over four years.

The Government has committed to renewing its engagement with the Pacific region through the Pacific Step Up. Investing in programs to end violence against children in the region would add a new dimension to Australia's relations with the Pacific and Timor-Leste region while addressing a key social challenge. This type of social transformation programming would complement the Government's other initiatives in the region.

Childhood is when an individual's lifelong health, cognitive development and growth are shaped. Investing in children brings a triple dividend of development benefits. It immediately improves the lives of vulnerable children; builds their health, capacity and productivity for future life stages and lays the foundations for strong development outcomes for the next generation.

The report *Unseen, Unsafe; the underinvestment in ending violence against children in the Pacific and Timor-Leste*, published by child-focused agencies in 2019, including Micah members, highlights serious underfunding as well as the endemic levels of violence against children in the region. It found that over 4 million children across the region experience violent discipline at home. In addition, child sexual abuse and neglect are also unacceptably high, for example:

- 1 in 4 adolescent girls experienced physical violence, and 1 in 10 sexual violence;
- In Papua New Guinea, more than half of all sexual violence cases referred to medical clinics in Port Moresby and Tari were against children.

The arrival of Covid-19 and its impacts have worsened this dire situation and increased the vulnerability of children especially the most marginalised such as children with disabilities.

COVID-19 has increased the vulnerability of children to exploitation. Economic hardship and school closures have led to desperate families pushing their children into begging, forced marriage or work, exposing children to higher risks of being exploited in forced labour. The United Nations estimates that the education of 1.6 billion children was disrupted because of the pandemic, and 23.8 million additional children and youth (from pre-primary to tertiary) may drop out or not have access to school next year due to the pandemic's economic impact alone.

The Australian Government should increase investment in programs targeted at addressing violence against children to \$73 million over the forward estimates. This would bring it funding to the level of 1.5% of the funding to the region.

Recommendation 2.4:

Increase investment in measures that protect vulnerable groups from trafficking, modern slavery, forced labour and child labour, including:

- a. Maintain current funding for the ASEAN-Australia Counter-Trafficking (ASEAN-ACT) program of \$80 million over 10 years.
- b. Invest in a cross-sector, global strategy to combat modern slavery by providing \$10 million to the Global Fund to End Modern Slavery (GFEMS).

Across the Asia-Pacific region, migrant workers make up a large portion of these vulnerable populations, and COVID-19 has triggered an unprecedented exodus of migrants desperate to return home. Most of those who have made it home risked infection from the coronavirus on crowded journeys over borders, have lost their income, and now face unemployment and growing debts in their home communities. Those left behind are locked down in a foreign country, often without an income or proper documentation, and confronting increased risk on many fronts. These urgent problems plaguing migrants amidst the COVID-19 pandemic—like unemployment, growing debt and improper documentation—are proven drivers of many forms of modern slavery and labour exploitation.

Those who are already in situations of trafficking or exploitation often face serious health risks. Many workers have no choice but to continue working – often working and living in conditions such that the possibility of infection spreading is extremely high. In some cases, the demand for cheap labour, and thus for exploitative work, has increased as a direct result of the health crisis, for example in areas such as the production of medical supplies across the ASEAN region.

Australia’s COVID Response strategy must address the heightened risk of modern slavery and trafficking on the world’s vulnerable people, many of whom are in the Indo-Pacific region. The ASEAN-ACT has been a longstanding commitment from the Australia Government which is more critical now more than ever. The GFEMS is an international public-private partnership that seeks to catalyse and coordinate a coherent global strategy to end modern slavery by making it economically unprofitable. Australia would be joining with the US, UK and Norway in committing to this fund.

Recommendation 2.5:

Increase support for measures to tackle gender-based violence, including expanding resourcing and capacity of essential services such as shelters, helplines, online counselling and support referral services; and improving law enforcement and criminal justice capacity.

Since the outbreak of COVID-19, there has been an alarming increase in reports of violence against women and girls worldwide. Financial insecurity, job losses and the preventative measures taken to curb the spread of COVID-19 - such as lockdowns and school closures which leave women and children confined in close physical proximity with abusive family members – have led to what the UN has called a “shadow” pandemic of rising gender-based violence.

Existing gender inequalities are exacerbated during a crisis, resulting in women and girls facing even higher rates of violence, sexual abuse and control from husbands, partners and families. During the Ebola outbreak in Sierra Leone, rates of sexual violence and abuse against women and girls spiked, with teenage pregnancy increasing by 65% during the crisis, with long-term implications for young women’s health and education and that of their children.

Investment in, and capacity to address violence against women and children have long been inadequate to cope with the demand. This increase in violence is happening at a time of further reduced capacity of service providers (health, police, social care, court systems, charities).

Australia’s international development assistance budget must include measures to address the endemic violence against women and children that has been exacerbated by COVID-19. Key priorities in Australia’s COVID-19 Response Plans must be increased funding for prevention efforts, increasing victims’ access to essential support services and enhancing the capacity of the criminal justice system to apprehend and prosecute abusers.

Recommendation 2.6:

Commit a minimum of \$304 million over 8 years for Pacific Women Lead in order to build on the momentum established by Pacific Women and ensure that COVID-19 response and recovery can continue into the future.

Pacific Women Shaping Pacific Development (Pacific Women) has been a significant long-term investment by the Australian Government in supporting women in the Pacific to shape its future. This program – with its focus on empowering women leadership and equality - has the potential to help change the gender attitudes that lead to the perpetration and justification of violence against women and children, and so can reduce its prevalence in the long-term (see recommendation 2.4). Micah supports a renewed commitment of the government to *Pacific Women Lead* in line with the priorities of women in the Pacific. Women church leaders have a unique voice and role which could be drawn on in shaping the future of development in the Pacific. Furthermore, the future program should include specific measures to strengthen its engagement of local church and faith-based organisations, to ensure they are part of the dialogue. Micah itself looks forward to strengthening the partnership between its Australia Women Church Leaders network and Pacific women church leaders. In order to build on the momentum created over the

past ten years the Government should commit at least \$304 million over 8 years to the implementation of *Pacific Women Lead*.

Recommendation 2.7:

- a. Commit to increased support for climate change mitigation and adaptation efforts, including disaster risk reduction.
- b. Create a dedicated climate adaptation fund targeting local community-led climate adaptation initiatives.

As Christians we believe we have a responsibility to be stewards of the whole of the ecology which we believe is created by God. In the context of a changing climate and broader ecological degradation (both on the land and in the ocean), this is impacting directly on the economic, social, and cultural wellbeing of people.

We know from the work of our member agencies the impact that climate change is having on people living in poverty. Changes to productivity of land are a direct threat to those who subsist on farming. Alongside this, the increase in natural disasters impacts directly on the productive assets of many livelihoods. The Asia Pacific region is the most disaster-prone region in the world, with a person living in the region almost twice as likely to be affected by a disaster as a person living in Africa and 30 times more likely than a person living in North America or Europe. Australia takes great pride in seeing the Pacific as 'family'. If this is to have true meaning, then Australia needs heed of the call of Pacific people for Australia to step up and commit to net zero emissions by 2050 alongside investments in climate change mitigation and adaptation efforts.

While increasingly all investments are needing to consider the climate impacts and seek to be 'climate positive' in their implementation, this does not diminish the need for dedicated climate mitigation and adaptation efforts, particularly in our region, particularly in building resilience to the increased threat of natural disasters. Micah is supportive of community-led climate adaptation investments which respond to the unique needs of local communities. This could build on the experience of the *Community-Based Climate Change Action Grants Program*.

Recommendation 2.8:

- a. Commit to increase the central disability allocation to \$14 million in 2020-21 and increase by CPI over the forward estimates.
- b. Create a Disability Inclusion Fund of \$10 million as part of \$304 million of Pacific and Timor-Leste COVID response and recovery fund.

The Australian Government must secure strong foundations for disability inclusion throughout Australia's international development and COVID-19 recovery programs, by increasing its central disability allocation to \$14 million in FY21-22 with a 1.5 per cent CPI increase over the forward estimates. It is vital that the Department of Foreign Affairs and Trade (DFAT) has sufficient core departmental budget for staff and associated support costs to enable the effective implementation, monitoring and advocacy supporting *Development for All 2015-2021*, *Partnerships for Recovery: Australia's COVID-19 Development Response* and national COVID-19 response plans. Increasing disability specific funding is critical as it lays the foundation DFAT relies upon to deliver its mandate for disability inclusive development and thereby building stronger and more effective development and COVID-19 response programs. The proposed annual \$14 million budget is a modest increase on the FY2020-21 budget with additional funds to be put towards the global development and implementation of disability inclusive data that is essential to achieving the Sustainable Development Goals, ground-breaking work to advance accessibility across the Pacific, contributing to the development of sign languages in the Pacific, and implementing the *Pacific Framework for the Rights of Persons with Disabilities 2016-2025*.

Micah also supports the creation of a Disability Inclusion Fund of \$10 million as part of the existing \$304 million response and recovery fund. The priorities of the fund could be built around the pillars of the *Partnerships for Recover* strategy including:

- *Health security*: Inclusive public health information, gender-based violence and sexual and reproductive health services and equitable access to a vaccine.
- *Economic recovery*: Job creation investments include specific streams for people with disabilities.

- *Stability*: Ensure social protection schemes are accessible to people with disabilities and account for the specific needs for people with disabilities.

Reports from organisations representing people with disabilities (OPDs) indicate that they are among the hardest hit by the COVID-19 pandemic. People with disabilities have experienced higher job losses, food insecurity and face immense challenges to protecting themselves from the virus. Without strategic intervention, the pandemic is set to widen inequalities and push people with disabilities deeper into poverty. The pandemic has also validated the logic of focusing on pre-conditions to inclusion through focusing on interventions that lay the foundations to people with disabilities to be included in services and all aspects of community life.

3. Partners

Recommendation 3.1:

Maintain and strengthen the development cooperation portfolio's global program through investments in effective multilateral and non-government organisations.

One of the significant consequences of the cuts to the development cooperation program over the past six years has been the effective end to a bilateral program outside of the Asia-Pacific region. If the Government accepted Micah's recommendation to increase the development cooperation program this would provide the opportunity for targeted bilateral investments outside of the immediate region. However, the current size of the budget, places a burden on the global program as Australia's only way to make a significant contribution outside the Asia-Pacific. Pervasive poverty is still predicted to be at its highest in sub-Saharan Africa over the coming decade. Alongside this, the world continues to face the greatest global humanitarian burden since the World War II with over 70 million people forcibly displaced worldwide, primarily in the Middle East and parts of Africa. Emerging global threats will need collective global effort. Therefore, there is a strong case to maintain and strengthen Australia's investment in its global program which currently sits at about 30% of the budget.

The combination of transitioning temporary commitments of ODA to permanent increases alongside increased humanitarian funding would mean that Australia could continue to step up in the Pacific without stepping back from its global responsibilities elsewhere in the world.

4. Transparency

Recommendation 4.1:

Release a comprehensive budget Australian Aid Budget Summary with the 2021-22 Federal Budget.

Since 2016-17 DFAT had returned to the practice of producing a comprehensive summary of the Australian Aid Budget. This is a valuable tool for accountability and transparency, both of which are critical to maintaining public confidence in the development cooperation program. It was therefore disappointing to see this did not continue in the 2020-21 budget. While Micah recognises the significant impact COVID-19 had on the budget process for that year, a comprehensive summary should resume in 2021-22 like those previously produced. Micah values the detailed information in those summaries as a valuable resource for communicating with its supporters on the impact of Australia's development cooperation program.

Conclusion

Micah Australia is committed to working with all parties to achieve commitment across the parliament to a generous and effective development cooperation program. It welcomes the Government's recent recognition of the importance of investment in our region to build a resilient post-COVID world. It looks forward to continuing its productive working relationship with the Government. If there are any matters on which you would like further information, please contact Matt Darvas, National Director at matt.darvas@micahaustralia.org.





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