



AUSTRALIAN  
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DEVELOPMENT



Australia's International Development Contractors Community

*This is a joint statement of the Australian Council for International Development (ACFID) and the International Development Contractors' Community (IDCC).*

## ***Deteriorating environment requires development rethink***

Australia is not doing enough to underpin the peaceful, cooperative development of the Asia Pacific region on which its security, jobs and exports rely.

As the 2017 Foreign Affairs White Paper recognised, Australia's interests in a stable, open and increasingly equitable region are under considerable threat.

Advances in democracy, human rights and the rule of law are at risk - and space for civil society is shrinking.

Australia's 'international operating environment' is deteriorating.

We call on an incoming Australian government to recognise that Australian interests cannot be protected and advanced by military means alone. The circumstances that warrant a larger defence budget, also require a larger diplomatic and development effort.

We now spend nine times as much on defence as development - up from five times in 2012, with projections showing a continuing deterioration in future. This is unbalanced.

To influence other international actors and persuade them of our points of view we need to have earned a reputation as a heavily-invested, creative, consistent and respectful partner.

In the face of increasing challenges in our region, growing strategic competition and an international development budget that is a third smaller than it was five years ago, we cannot deliver adequately for Australia.

Nor are we sufficiently visible. A continuing trend to delegate more Australian assistance to multilateral bodies (almost half in 2016, compared with around a third in 2013) undervalues the role of Australian institutions, individuals, companies and community organisations in building vital people-to-people links and deep relations of trust. This trend must be reversed.

We must move decisively to reestablish our credentials as an Asian Pacific nation that wants to work cooperatively with others to shape the future of the region.

Ministers must lead that effort by spending more time in South East Asia and the Pacific, constructing strong, respectful bilateral relationships.

We must heed Pacific leaders' calls that their communities make the key decisions about their region, including on large infrastructure projects that carry substantial repayment obligations.

Those projects must be sustainable and inclusive and represent the best use of development resources. The new Australian Infrastructure Financing Facility for the Pacific (AIFFP) is one opportunity for the Australian Government to be more visible and shape the future, but it must be set up and governed in a way that delivers for our Pacific partners.

Too often we have taken the Pacific for granted. In rectifying that, we must not take Asia for granted.

The remarkable economic success of ASEAN nations disguises per capita incomes that are often a tenth of Australia's, as well as remaining pockets of absolute poverty and growing and destabilising inequality.

We must stay deeply engaged with ASEAN nations to help lift incomes and make their societies stronger and more resilient. Far-sighted leadership recognises that we are also key beneficiaries of such efforts and champions them publicly.

Asia's future development will be much more demanding, requiring complex policy reforms, substantial revenue raising and highly efficient public and private investment.

It will also require negotiating more space for non-government actors and achieving checks and balances to avoid concentrations of power that advantage a few and disadvantage many.

We need a determined effort to better understand and work with the so-called 'middle income' countries in Asia.

Equally importantly, all nations need to grapple with an increasingly complex array of economic, environmental, health and criminal challenges that can only be solved through international cooperation.

Australia must not only be at the forefront of these efforts. In order to reap the benefits, Australia must be willing and able to support nations with much less capacity to engage, agree and follow through with required actions.

The Foreign Affairs White Paper recognises this, but DFAT has not been adequately funded to deliver it. A new international budget strategy is required.

As part of that, our low levels of development cooperation, which now put us in the bottom third of all OECD countries, must increase.

A phased, predictable pathway is required to reach an initial Official Development Assistance target of 0.5% of national income.

DFAT's departmental running costs must be increased so that it can undertake both intensive diplomacy and high-quality international development cooperation.

In a changed world, our international development efforts must be reframed, not as aid, but as a collaborative enterprise in pursuit of shared regional and global interests.

Those interests include sustaining and broadening prosperity, reducing growing inequality, improving transparency and the rule of law and dealing, much more vigorously with climate change and environmental degradation. All of these interests require a continued focus on improving gender equality.

Our interests also include making substantially stronger humanitarian contributions to alleviate suffering, forestall large-scale people movement and recognise the intense pressure placed on national governments by disasters.

By doing so we will prevent crises becoming catastrophes and enhance our international reputation. We will also pay a smaller cost as disaster prevention is much cheaper than protracted emergency responses.

As the range and complexity of regional and global development challenges continues to increase, so must Australia's international problem-solving capacity. New and deeper skills are required, innovative ways of working and different approaches to relationships.

DFAT capability needs to be reconstructed to achieve these ends and it needs to draw on external capabilities particularly in the community and private sectors.

We recognise and respect the particular strengths and skills of our respective communities and agree they should be drawn on to suit the nature of the cooperation being undertaken.

An independent strategic review is needed to update and reset development cooperation policy, practice and resourcing.

We call on an incoming government to initiate such a review with the aim of completing it by the end of 2019.

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