



Australian Government

AusAID

Rt Reverend John D Harrower OAM
 Bishop of Tasmania
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Dear Rt Reverend Harrower

I refer to your letter of 24 April 2012, to the Deputy Prime Minister and Treasurer, the Hon Wayne Swan MP, regarding Australia's foreign aid budget. Your letter has been referred to the Australian Agency for International Development (AusAID) for response.

The Australian Government remains committed to spending 0.5 per cent of Gross National Income (GNI) on official development assistance (ODA) and to playing its part in achieving the Millennium Development Goals (MDGs). In 2012-13, Australian overseas aid will increase to \$5.2 billion, up from \$4.8 billion in 2011-12. This maintains overseas aid at 0.35 per cent of Australia's GNI.

In order to help achieve a budget surplus, the Government decided in the 2012-13 Budget to defer the achievement of providing 0.5 per cent of GNI as overseas aid by one year to 2016-17. However, funding for overseas aid will continue to grow significantly over the next four years. By 2015-16, Australian aid will increase to \$7.7 billion, equivalent to 0.45 per cent of GNI.

As a portion of our national income, Australian aid has increased to its highest levels since 1986. The Government has increased the annual aid budget by \$1.7 billion or 50 per cent since 2007 and will increase aid by a further 60 per cent by 2015-16. Australia ranks highly against other international aid donors. Despite being the thirteenth largest economy, Australia is currently the tenth largest donor in the Organisation for Economic Cooperation and Development and we are on track to become the sixth largest donor by 2015-16.

Importantly, the Government is also committed to improving the effectiveness of our increasing aid budget. On 8 May 2012, the Minister for Foreign Affairs, Senator the Hon Bob Carr, released a plan for growing the Australian aid program to 2015-16. Titled "*Helping the World's Poor Through Effective Aid: Australia's Comprehensive Aid Policy Framework to 2015-16*", the Framework includes forecasts of where Australian aid will be spent over the next four years and the results that will be achieved in terms of lives saved, people lifted out of poverty, children educated and vulnerable people provided with life-saving assistance in times of crises.

This plan will see 75 per cent of Australian aid benefit Asia and the Pacific, where an estimated 900 million people still live in poverty. By 2015-16, Australia's development assistance will make a significant contribution to global efforts towards reaching the MDGs. For example, Australia's aid will help more than 10 million children to be vaccinated and more than 8.5 million people to have increased access to safe water, reducing child deaths and illnesses. Australian aid will also help four million more boys and girls to be enrolled in school and assist 30 million poor people in natural disasters, conflicts and crisis situations.

The Comprehensive Aid Policy Framework sets a new standard for aid predictability and accountability for Australia and its development partners. It demonstrates the Government's commitment not only to increase the size of the aid program, but also to do this in a way that is effective and delivers value for money.

For more information on the Australian aid program, including the Comprehensive Aid Policy Framework, you may wish to visit the AusAID website at www.ausaid.gov.au. I trust this information is of assistance.

Yours sincerely



James Hall
Acting Assistant Director General
Budget Branch

6 June 2012