

19 January 2017

Budget Policy Division  
Department of the Treasury  
Langton Crescent  
Parkes ACT 2600

**BY EMAIL: [prebudgetsubs@treasury.gov.au](mailto:prebudgetsubs@treasury.gov.au)**

Dear Treasurer,

**Re: CBM Australia 2017-18 Pre-Budget Submission**

Please find enclosed CBM Australia's 2017-18 Pre-Budget Submission.

CBM Australia has identified five key budgetary priorities for the Australian aid program in three broad areas:

**1. The aid program budget: manageable growth**

- 1.1 The 2017-18 Federal Budget should, at a minimum, restore the aid budget to 0.3 per cent of GNI, approximately \$5.5 billion, during the life of the current Parliament (2016-2019).
- 1.2 Restore cuts previously made to the proven effective Australian NGO Cooperation Program, and increase in accordance with the Consumer Price Index.

**2. Within the aid program budget: enhancing the lives of people with disability**

- 2.1 Increase the existing \$12.9 million annual investment in disability-specific services in accordance with the Consumer Price Index, and maintain this funding for the life of *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program*.
- 2.2 Ensure the Department of Foreign Affairs and Trade has sufficient core departmental budget for staff, skills and technical support to enable the implementation and monitoring of *Development for All 2015-2020*, in Canberra and at post.

**3. Supporting effective investments: improved budget planning and tracking**

- 3.1 Consistent with Australian leadership on disability-inclusive development, work with international partners to advocate for a DAC Code on disability to enable future budget tracking on disability globally.

CBM Australia thanks Treasury for this opportunity to submit our recommendations for the 2017-18 Federal Budget. If you require further information or would like to discuss our recommendations, please contact Erin Ryan via email at [eryan@cbm.org.au](mailto:eryan@cbm.org.au) or by phone on (03) 8843 4579.

Yours sincerely,



Jane Edge  
Chief Executive Officer  
CBM Australia

# FEDERAL BUDGET SUBMISSION TO TREASURY 2017-2018

Contact: Erin Ryan, Policy and Advocacy – Political Lead: [eryan@cbm.org.au](mailto:eryan@cbm.org.au)

**CBM Australia thanks Treasury for this opportunity to submit our ideas and priorities for the 2017-18 Federal Budget.**

## SUMMARY OF RECOMMENDATIONS

### **1. The aid program budget: manageable growth**

- 1.1. The 2017-18 Federal Budget should at a minimum commit to restoring the aid budget to 0.3 per cent of GNI, approximately \$5.5 billion, during the life of the current Parliament (2016-2019).
- 1.2. Restore cuts previously made to the proven effective Australian NGO Cooperation Program, and increase in accordance with the Consumer Price Index.

### **2. Within the aid program budget: enhancing the lives of people with disability**

- 2.1. Increase the existing \$12.9 million annual investment in disability specific funding in accordance with the Consumer Price Index, and maintain this funding for the life of *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program*.
- 2.2. Ensure the Department of Foreign Affairs and Trade has sufficient core departmental budget for staff, skills and technical support to enable the implementation and monitoring of *Development for All 2015-2020*, in Canberra and at post.

### **3. Supporting effective investments: improved budget planning and tracking**

- 3.1. Consistent with Australian leadership on disability-inclusive development, work with international partners to advocate for a DAC Code on disability to ensure future budget tracking on disability globally.

## 1. THE AID PROGRAM BUDGET: MANAGEABLE GROWTH

The \$224m cut from the Australian aid budget in 2016-17 marked the final step in a years-long descent to Australia's lowest-ever percentage allocation of aid as a share of national income. While the Coalition's pre-2013 election policy platform articulated an ongoing commitment to reaching the internationally-agreed allocation of 0.5 per cent of Gross National Income (GNI) to aid<sup>1</sup>, this assertion was quickly replaced by aid cuts in a MYEFO and budget cycle widely acknowledged as 'unfair' to those in need.

In 2017, with the Coalition established in a second term of government and actively pursuing a new vision for Australian foreign policy, the time is right to consider Australia's aid expenditure as a key element of our place in the world. While the severity of recent cuts to aid has rendered 0.5 per cent of GNI a necessarily long-term goal, the 2017-18 Budget should take the first steps towards budgetary reconstruction. CBM Australia recommends that the Australian Government, at a minimum, commits to restoring the aid budget to 0.3 per cent of GNI (approximately \$5.5 billion) during the life of the current Parliament (i.e. before 2019). We further encourage the Australian Government to place this commitment within a longer-term trajectory for reaching our 0.5 per cent commitment.

In keeping with prior stated commitments to prioritising aid delivery through non-government organisations, CBM Australia further recommends that the Australian Government commits to restoring cuts made to the Australian NGO Cooperation Program (ANCP). The Office of Development Effectiveness' evaluation found that despite receiving only 2.7 per cent of the aid budget, ANCP delivered the largest comparative number of aggregate development results, at 18.2 per cent of the Department's total<sup>2</sup>. By any measure, ANCP represents value for money and should accordingly, at minimum, have prior funds restored and increased in line with the Consumer Price Index.

### 1. The aid program budget: manageable growth

- 1.1. The 2017-18 Federal Budget should at a minimum commit to restoring the aid budget to 0.3 per cent of GNI, approximately \$5.5 billion, during the life of the current Parliament (2016-2019).
- 1.2. Restore cuts made to the effective Australian NGO Cooperation Program, and increase in accordance with the Consumer Price Index.

## 2. WITHIN THE AID PROGRAM: ENHANCING LIVES OF PEOPLE WITH DISABILITY

In the Department of Foreign Affairs and Trade's own 2016-17 aid budget summary, the Australian Government stated its commitment to 'playing a leadership role in disability-inclusive development to enable people with disabilities in developing countries to find pathways out of poverty and realise their full potential... [as] articulated in *Development for All 2015-2020, Australia's strategy for strengthening disability-inclusive development in the aid program*<sup>3</sup>. This is

<sup>1</sup> Liberal Party of Australia (5 September 2013) *Final update on Federal Coalition election policy commitments*.

<sup>2</sup> Office of Development Effectiveness (2015) *Evaluation of the Australian NGO Cooperation Program Final Report*.

<sup>3</sup> DFAT (2016) *Australian Aid Budget Summary 2016-17*. p. 53.

a welcome commitment, and one necessary for affirming Australia's international leadership in achieving inclusive communities and improved living standards for the one-in-five people living with disability in a developing country<sup>4</sup>.

Investing in disability inclusion is also critical for maximising the impact and effectiveness of Australian aid. Development practitioners increasingly understand that policy and program interventions cannot achieve their objectives around comprehensive poverty alleviation while inequalities persist, and when people with disability are unable to participate and benefit. As global efforts continue to improve the availability of accurate data pertaining to disability in many development contexts, indicators of the cost of exclusion to household and community economic growth, in addition to individual wellbeing, are emerging:

- A study led by the WHO and published by The Lancet found that depression and anxiety, the most common mental illnesses/psychosocial disabilities, cost the global economy US \$1 trillion per annum. However, every US \$1 invested in scaling up treatment and inclusion leads to a return of US \$4 in improved health outcomes and ability to work<sup>5</sup>.
- In Pakistan, investment in community-based inclusion for people who are blind was estimated to lead to US \$71.8m per annum in increased household earnings. Productivity gains over a ten year period were projected to total between US \$709 million and US \$4.9 billion, depending on whether inclusion models targeted the entire population of people who are blind, or only those who experience particular cause-based blindness (e.g. trachoma or river blindness)<sup>6</sup>.
- Underinvestment in the empowerment and inclusion of people with disability can also place economic strain on the household through family members having to forgo work to act as full-time, unpaid assistants. A study found the lost income from adult caregivers in Bangladesh to total US \$234 million per annum<sup>7</sup>; these losses could be easily minimised through early investment in disability inclusion.

To ensure sustainable economic growth and poverty alleviation as an outcome of Australia's aid program, people with disability must be included. Effective inclusion, however, is not cost-neutral and must be budgeted for. An increased allocation to disability-inclusive development across the aid program will greatly assist to embed and monitor disability inclusion across all aid investments, and support their intended outcomes in reaching people with disability.

CBM Australia is supportive of the commitments to inclusion set out in the *Development for All* strategy. We call for these commitments to be fully resourced, for the life of the strategy (until 2020), with the \$12.9 million annual investment in disability-specific funding to be increased at least in accordance with the Consumer Price Index.

The implementation of strategic priorities is only as effective as the capacity of those charged with implementing them. CBM Australia therefore also calls for the Department of Foreign Affairs and Trade to increase the core departmental budget available for staff, skills and technical

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<sup>4</sup> World Health Organisation and World Bank (2011) *World Report on Disability*. p. 27. [http://www.who.int/disabilities/world\\_report/2011/en/index.html](http://www.who.int/disabilities/world_report/2011/en/index.html)

<sup>5</sup> Chilsholm, D., Sweeny, K., Sheehan, P., Rasmussen, B., Smit, F., Cuijpers, P. and Saxena, S. (2016). 'Scaling-up treatment of depression and anxiety: a global return on investment analysis', *The Lancet Psychiatry*. Vol. 3(5), pp. 415 – 424.

<sup>6</sup> Awan, H., Khan, N. And Malik, S. (2012). 'The economic burden of blindness in Pakistan: a socio-economic and policy imperative for poverty-reduction strategies'. *Indian Journal of Ophthalmology*. Vol. 60(5), pp. 358 – 364.

<sup>7</sup> World Bank, cited in Morgon Banks, L. and Keogh, M. *Inclusion Counts: The Economic Case for Disability-Inclusive Development*. CBM International, 2016, Bensheim. p. 76.

support to enable the implementation and monitoring of *Development for All 2015-2020*, both in Canberra and at post. An increased and dedicated investment will support the achievement of the strategy's objectives, and will help to cement Australia's reputation as a catalyst for, and global leader in, disability-inclusive development.

## **2. Within the aid program budget: enhancing the lives of people with disability**

- 2.1. Increase the existing \$12.9 million annual investment in disability specific funding in accordance with the Consumer Price Index, and maintain this funding for the life of *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program*.
- 2.2. Ensure the Department of Foreign Affairs and Trade has sufficient core departmental budget for staff, skills and technical support to enable the implementation and monitoring of *Development for All 2015-2020*, in Canberra and at post.

## **3. SUPPORTING EFFECTIVE INVESTMENTS: IMPROVED BUDGET PLANNING AND TRACKING**

Since the introduction of the first *Development for All* strategy in 2009, Australia has been viewed as a global leader in disability inclusion in aid policy and practice. In the context of Australia's forthcoming Foreign Policy White Paper however, we should consider how we can lead not only by example, but by influence.

The Australian aid program's recent experience in dramatically increasing its commitment to and resourcing of gender equality activities has demonstrated what can be achieved in a structurally supportive global environment. The OECD's Development Assistance Committee (DAC) has long implemented a gender marker code to facilitate the improved tracking of expenditure towards gender equality in member states' aid programs. The DAC gender marker has proven its value not only in international reporting, but in driving improvements in Australia's own aid program; when the Australian Government outlined its commitment to ensuring that 80 per cent of aid investments address gender issues, the DAC code was used to maintain consistency of reporting and rapidly assess progress towards a key measure of aid effectiveness.

Data on disability-inclusive aid investments, however, is lacking around the world. The OECD's Creditor Reporting System (CRS) does not provide clear and comprehensive data on aid projects related to disability inclusion or impairment prevention. The establishment of a disability marker, in the form of a DAC code, would allow for enhanced reporting standards and ensure improved tracking of development assistance that targets people with disability, including by sector breakdown.

Australia has a long-established leadership role in disability-inclusive development and is well placed to lead the international community in the development of a DAC code for disability inclusion. To do so would strengthen not only Australia's own aid outcomes and reporting, but also our international reputation. CBM Australia calls upon the Australian Government to shape international commitment to disability inclusion by committing to working with the global community to introduce a DAC code for disability inclusion.



### **3. Supporting effective investments: improved budget planning and tracking**

- 3.1. Consistent with Australian leadership on disability-inclusive development, work with international partners to advocate for a DAC Code on disability to ensure future budget tracking on disability globally

#### **About CBM Australia**

CBM Australia is an international development agency, committed to improving the quality of life of people with disability in the poorest places in the world. In 2015, CBM Australia supported field projects in 17 countries and supported advocacy and alliance partners including governments, non-government organisations and Disabled People's Organisations (DPOs) in 18 countries.

CBM Australia is proud to have a partnership with the Department of Foreign Affairs and Trade (DFAT) as part of the Australian NGO Cooperation Program (ANCP) and is member of the Australian Council for International Development.