



# media release

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## Australian Council for International Development

11 May 2010

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### Half a billion dollar aid increase should benefit the world's poorest

Millions of people could be given a chance to escape extreme poverty as a result of today's much needed increase in the Australian aid budget. The 2010/11 budget has received a welcome increase of over half a billion dollars, said the Australian Council for International Development (ACFID), the peak Council for Australia's aid and development charities.

"We welcome the increase in aid funding of \$530 million in 2010/11 which lifts aid from \$3,818 million in 2009/10 to \$4,349 million in 2010/11. This increase responds to the dire need in developing countries where 100 million people have been thrust back into extreme poverty in the past two years as a result of the Global Financial Crisis. Australia has a big role to play in helping them," ACFID Executive Director Marc Purcell said.

"It is vital that the quality and impact of aid spending improves the lives of the poorest. We do not want to see this increase swallowed up by consultants' salaries and we welcome the announcement of a review of technical assistance. Money needs to reach the poorest people in least developed countries and improve their basic education and health."

"Aid is less than 1% of the overall Federal Budget, yet is vitally important to the lives of millions. At the current rate of increase, the Rudd Government is on track to reach its target of 0.5% of Gross National Income by 2015 and should now move quickly to announce a timetable for reaching the UN goal of 0.7% of GNI."

Mr Purcell responded to **features** of the 2010/11 budget:

- "The **geographical expansion of the aid program** to Africa, Latin America, and South Asia must target the needs of the poorest, particularly the peoples of sub-Saharan Africa who are the hardest hit by climate change, food insecurity and conflicts."
- "The expansion of Australian aid must be for the long-term, predictable and planned, as well as coordinated with other donors. It should support the **national development priorities of developing countries.**"
- "\$350 million of the aid increase is going towards **climate change financing and adaptation** from 2011/12. This money must go directly towards helping the most vulnerable communities in the world adapt to climate change. Such financing for adaptation should not be at the long-term expense of aid for poverty alleviation."

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The Australian Council for International Development is an independent national association of Australian non-government organisations (NGOs) working in the field of international aid and development.

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ACFID media release, 11 May 2010 (continued)

- “Innovative sources of funding for adaptation for climate change are not considered in the budget. The G20 is considering **a tax on international currency transactions** – the ‘Robin-Hood tax’. Australia needs to drop its resistance to this measure and move with other G20 countries to adopt better financing mechanisms to assist vulnerable communities around the world.”
- “Over and over again, **Australian aid charities have proven their effectiveness** in alleviating poverty by working closely with local people. The Australian public donate over \$800 million to Australian aid charities each year to support our work. We ask the Government to work in partnership with us to help halve global poverty by 2015.”
- “As the aid budget scales up, we welcome the Government’s increased focus on AusAID’s independence, staffing and capacity to deliver a high quality aid program.”

**For further information:**

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