

Pre-Christmas aid cuts on the horizon?

By Ashlee Betteridge and Stephen Howes

11 December 2014

The NGO and aid community is in battle mode again after an article in the *Australian Financial Review* [last week](#) [paywalled] suggested that Treasurer Joe Hockey and Finance Minister Mathias Cormann were in a clash with Foreign Minister Julie Bishop over whether the aid budget would face further cuts.

The Mid Year Economic and Fiscal Outlook (MYEFO) should be out this month, and Deloitte has [forecast dismal numbers](#), projecting the 2014-15 deficit to reach \$34.7 billion, \$4.9 billion worse than what was projected by the Treasurer in May. A number of the planned savings measures in the budget have also been knocked back by a hostile Senate.

News Ltd [reported](#) that Ms Bishop's staffers have been privately warning NGOs of looming cuts and advising them to get in touch with Hockey and Cormann—something Bishop's office denies.

If aid cuts go ahead, it would be on top of the [10 per cent cut](#) (after inflation) out to 2015-16 already delivered by the Coalition from the 2012-13 aid base it inherited.

When pressed, Ms Bishop wouldn't deny the swirling rumours, and said that if the aid budget is cut again, it would be on Labor's head.

"If savings are found from my department, I will hang that around the neck of Tanya Plibersek each and every day until the next election," Ms Bishop [said](#).

"She has a choice — pass the Budget proposals that we took to the Budget and have been arguing for, otherwise if there are savings from my department she as the Shadow Foreign Minister will be accountable for them. She will be responsible."

[On launching the photo exhibition celebrating 40 years of Australian aid](#) in Canberra last week, the Foreign Minister emphasised the quality of Australia's aid—there was careful avoidance of any mention of quantity.

This is [not the first aid cut scare](#) in recent months, with rumours in *The Australian* back in October. There was speculation at the time that was a 'trial balloon' to test how the public might react to further cuts. Back then, the Foreign Minister [vowed to fight any cut](#), but this time there are [not the same assurances](#).

As in October, the NGO sector has [geared up](#) in response, with [ACFID](#), [World Vision](#), [CARE](#)

and [ChildFund](#) among the many organisations releasing statements [calling](#) for the [aid budget to be left alone](#).

But in the pre-Christmas December haze, it might be a challenge to muster sufficient public outrage. It is a strategy that has been used before—most recently [by Labor, in December 2012](#) when announcing that part of the aid budget would go towards funding domestic asylum seeker costs.

Perhaps it is unsurprising that the government should look to raid the aid kitty again, given the Essential Poll after the budget that showed that the aid cuts were the [only popular cuts](#) among voters across all parties. But further cuts would not only be bad for the world's poor. They would also undermine the Coalition's [claim](#) that it, [unlike Labor](#), would give the aid program certainty and predictability.

About the author/s

Ashlee Betteridge

Ashlee Betteridge was the Manager of the Development Policy Centre until April 2021. She was previously a Research Officer at the centre from 2013-2017. A former journalist, she holds a Master of Public Policy (Development Policy) from ANU and has development experience in Indonesia and Timor-Leste. She now has her own consultancy, Better Things Consulting, and works across several large projects with managing contractors.

Stephen Howes

Stephen Howes is Director of the Development Policy Centre and Professor of Economics at the Crawford School of Public Policy at The Australian National University.

Link: <https://devpolicy.org/pre-christmas-aid-cuts-on-the-horizon-20141211/>

Date downloaded: 24 April 2024



Australian
National
University

The Devpolicy Blog is based at the Development Policy Centre, Crawford School of Public Policy, College of Asia and the Pacific, Australian National University.