

28 January 2022

The Hon. Josh Frydenberg MP
Treasurer
Parliament House
Canberra ACT 2600

Dear Treasurer,

Caritas Australia's Pre-Budget Submission 2022-23

As the international aid agency of the Catholic Church in Australia, Caritas Australia works to uphold human dignity and promote justice in partnership with marginalised communities, regardless of their ethnicity, political beliefs or religion. We support long-term development programs and emergency humanitarian programs in the Pacific, Asia, Africa and Indigenous Australia. Over 60,000 people in Australia actively support our work through fundraising and advocacy.

Caritas Australia welcomes the opportunity to participate in the consultation for the 2022-23 Federal Budget. Our submission is based on over 55 years of experience in working with our development and humanitarian partners and with the communities we serve, including during the COVID-19 pandemic over the past two years.

Our key recommendations for the 2022-23 Federal Budget are as follows:

Extend the Australian Government's temporary COVID-19 response measures to 2025-26

Caritas Australia recognises that over the past two years, the Australian Government has made a number of welcome and significant commitments to help our region respond to the COVID-19 pandemic through a number of temporary and targeted measures. However, two of these initiatives, the Pacific Response Package and the Vaccine Access and Health Security Initiative, are due to expire in mid-2022 and mid-2023 respectively.

Our region continues to face huge challenges from COVID-19. In some countries vaccination rates remain low, particularly in PNG where only 3 per cent of the population is vaccinated.¹ Economies in our region have been badly impacted and will take years to recover, especially in countries such as Fiji which are heavily dependent on international tourism. COVID-19 has also

¹ Reuters COVID-19 Tracker, PNG data. <https://graphics.reuters.com/world-coronavirus-tracker-and-maps/countries-and-territories/papua-new-guinea/>, accessed 25 January 2022.

exacerbated other pre-existing socioeconomic issues and placed additional pressure on healthcare and social support systems which were already under strain before the pandemic.

We urge the Australian Government to extend the Pacific Response Package and the Vaccine Access and Health Security Initiative to 2025-26 to give assurance and certainty of planning to Australia's development partners.

Recommendation 1: Extend the Pacific Response Package and the Vaccine Access and Health Security Initiative to 2025-26.

Provide Australia's fair share of global vaccine finance

Australia continues to have an important role to play in contributing to global mechanisms to ensure that COVID-19 vaccines are accessible worldwide, such as through the COVAX mechanism which is one of the most effective ways to ensure fair and equitable access to COVID-19 vaccines for every country in the world.²

We urge the Australian Government to:

Recommendation 2: Contribute our fair share to the global pandemic response effort with an additional \$420m to purchase vaccines, diagnostics, and treatments for low and middle-income countries.

Recommendation 3: Share at least 20 million domestically produced vaccines through the COVAX facility to support equitable global vaccine access.

Strengthen Australia's response to global humanitarian crises

Over the past year, conflict, the impacts of COVID-19, extreme weather events and climate shocks, and other disasters have left millions of people in situations of crisis and food insecurity. These crises have been particularly pronounced in countries such as Afghanistan, Myanmar and Ethiopia.

In Afghanistan, the turmoil of 2021 after decades of political and civil unrest, drought, economic instability and the impacts of COVID-19 have left a devastating toll. Afghanistan now has the highest number of people in emergency food insecurity in the world, with more than one in two children under-five facing acute malnutrition. 24.4 million people - over half the population - need humanitarian aid. Women and girls are at particularly high risk.³ We urge the Australian Government to provide an additional \$100m per year in humanitarian funding for Afghanistan to address the escalating humanitarian crisis and protect vulnerable groups.

Recommendation 4: provide an additional \$100m per year in humanitarian funding for Afghanistan to address the escalating humanitarian crisis and protect vulnerable groups.

² End COVID For All coalition, 2021. *A Shot of Hope: Australia's role in vaccinating the world against COVID-19*. September 2021.

³ OCHA, 2022. Humanitarian Response Plan, Afghanistan. United Nations Office for the Coordination of Humanitarian Affairs, January 2022.

We also encourage the government to enhance the effectiveness of Australia's humanitarian aid by providing multi-year funding as well as funding that prioritises localisation, in line with Australia's commitments under the Grand Bargain.

Multi-year funding provides humanitarian actors with a level of predictability that enables efficiency and effectiveness gains, sustained capacity building and the ability to respond quickly when an emergency strikes.⁴ An example of how long-term multi-year funding has led to sustainable outcomes, and also enabled a swift and effective response to emergencies, is the Church Partnership Program in Papua New Guinea and the COVID-19 Vaccine Hesitancy Project.⁵

On localisation, Caritas Australia's experience of supporting humanitarian programs in the Pacific, Asia and Africa have shown us that programming is most effective and impactful when it is led by the people closest to and most affected by the issues and concerns of the community. Civil society organisations have a key role to play in responding to protracted crises, given their local networks and ability to reach local communities. The importance of localisation is more pronounced than ever in the face of the COVID-19 pandemic. We encourage the government to direct humanitarian funding in line with the Grand Bargain target of providing at least 25 per cent of humanitarian funding to local and national responders as directly as possible.

Recommendation 5: Ensure that local civil society organisations are included as a core component of funding packages for protracted crises.

Put Australia's development cooperation budget on track to meet our 2030 SDG targets

While Caritas Australia welcomes the commitments made in 2020 and 2021 for COVID-19 response and recovery, these commitments are temporary and have come in the context of prolonged and severe cuts to Australia's ODA over the past eight years. The Australian Government has cut Australia's ODA to just 0.21 per cent of Gross National Income (GNI), from 0.32 per cent in 2013-14.⁶ Our aid is now at the lowest level it has ever been in the last sixty years. These cuts to our ODA have gone against Australia's commitment as a signatory to the Sustainable Development Goals (SDGs) to reach an ODA target of 0.7 per cent GNI by 2030.⁷

We urge the Australian Government to put Australia's ODA on track to reach our commitment of 0.7 per cent ODA/GNI by 2029-30, with an interim target of 0.5 per cent ODA/GNI by 2025-26.

Recommendation 6: Increase Australia's development cooperation budget to 0.5 per cent ODA/GNI by 2025-26, and to 0.7 per cent ODA/GNI by 2029-30.

⁴ Development Initiatives, 2020. *Multi-year humanitarian funding: Global baselines and trend*. March 2020.

⁵ The Church Partnership Program (CPP) in PNG is an example of where long-term support and funding has led to sustainable outcomes. CPP commenced in 2004 and is a collaboration between the seven mainline churches in PNG and their Australian faith-based NGO partners. CPP has progressively improved the internal institutional capacity of PNG churches and extended the reach and quality of their programs and services. These established networks and relationships facilitate a quick response to emergencies. A recent example is the COVID-19 Vaccine Hesitancy Project.

⁶ Development Policy Centre. Australian Aid Tracker. www.devpolicy.org/aidtracker, accessed 24 January 2022.

⁷ Target 17.2 of the Sustainable Development Goals

Increase support for community-led climate change adaptation and invest in an Australian roadmap on climate action in line with our Paris Agreement targets

While COVID-19 has presented stark new challenges, communities around the world continue to face the ongoing challenges of climate change. The communities we support are losing their homes, food and water security, public infrastructure, health, wellbeing, livelihoods and even lives as a result of environmental degradation and climate-related disasters.⁸ Like COVID-19, climate change is undermining the security, stability and economic resilience of our region and is exposing and exacerbating social, economic and ecological vulnerabilities.

Climate adaptation projects that build resilience against these climate impacts, such as sea walls, water tanks and climate-resilient infrastructure and farming methods, are a major priority for the communities we work with in the Pacific, Asia and Africa. For many of our partners, climate adaptation is synonymous with disaster risk reduction, especially in the most vulnerable communities. Disaster risk reduction protects lives, livelihoods and economies, and is also highly cost effective – every \$1 invested in disaster risk reduction activities saves up to \$15 on response and recovery in the aftermath of a disaster.⁹

Effective climate adaptation and disaster risk reduction calls for a localised approach. We encourage the government to ensure that climate finance is made accessible to local communities and civil society organisations, and that it prioritises the most vulnerable.

Recommendation 7: Increase investment in climate change adaptation and disaster risk reduction funding mechanisms that are accessible to local civil society actors, and include a dedicated stream which principally targets community-led climate adaptation initiatives.

Recommendation 8: Incorporate criteria within climate finance initiatives that require recipients to commit to objectives and indicators that:

- target at-risk communities;
- target participation of civil society actors, who play a key role in ensuring targeting of at-risk communities; and
- strengthen accountability and feedback mechanisms to ensure genuine voice and participation by civil society.

Furthermore, no climate change or disaster risk reduction strategy will be effective without an understanding and acknowledgement of the root causes of that vulnerability, and of Australia's own influence, domestically and internationally, in relation to tackling climate action. We urge the Australian Government to develop and implement a roadmap to align Australia's domestic and international climate policies with our commitment to the Paris Agreement target of limiting global warming to 1.5 degrees, especially in light of any new policy framework emerging from the COVID-19 recovery.

⁸ As documented in an annual *Caritas State of the Environment for Oceania* reports from 2017 to 2020. Available for download at www.caritas.org.au/publications/special-reports/

⁹ Department of Foreign Affairs and Trade, 2019. *Climate Change Action Strategy*. November 2019.

Recommendation 9: Invest in developing and implementing a roadmap to align Australia's domestic and international climate policies with our commitment to the Paris Agreement target of limiting global warming to 1.5 degrees.

Strengthen support for ending violence against women and girls, and for increasing women's participation in decision-making

Our partners have continued to highlight that violence against women and girls is an urgent issue for their communities.¹⁰ This is particularly relevant in the Pacific, which has some of the highest rates of violence against women and girls in the world¹¹, and in fragile, conflicted-affected countries. The COVID-19 pandemic has exacerbated existing levels of violence and inequality¹², and presents a clear and urgent need to increase resourcing to prevent and respond to violence against women and girls. Informed by the work of our partners, we call for increased support for community-led prevention initiatives, such as community education and behaviour change programs, as well as community-led initiatives to respond to and support survivors of violence.

Recommendation 10: Increase the accessibility of multi-year funding for locally-led initiatives to end violence against women and girls

In many countries in which we work, women continue to face significant barriers to participating in decision-making which affects themselves and their communities. Yet evidence from global studies shows that the participation of women increases the effectiveness of humanitarian outcomes and reduces gender inequalities.¹³ For example, in Caritas Tonga's experience, communities in Tonga fare better during natural disasters when women play a leadership role in early warning systems and reconstruction.¹⁴ We urge the Government to dedicate additional resources to support locally-led initiatives on women's participation and leadership.

Recommendation 11: Increase the accessibility of multi-year funding for locally-led initiatives to support women's leadership and participation in local decision-making forums.

¹⁰ Caritas Oceania, 2020. *Caritas Oceania submission to the 2020 Inquiry on the Human Rights of Women and Girls in the Pacific*. September 2020.

¹¹ ESCAP, 2021. *The Covid-19 Pandemic and Violence Against Women in Asia and the Pacific*. Social Development Division of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). April 2021.

¹² ESCAP. *Ibid*.

¹³ UN Women, 2015. *The Effect of Gender Equality Programming on Humanitarian Outcomes*. April 2015.

¹⁴ Caritas Oceania, 2020. *Ibid*.

Summary of recommendations for the 2022-23 Federal Budget

<p>Extend the Australian Government's temporary COVID-19 response measures to 2025-26</p>	<p><u>Recommendation 1:</u> Extend the Pacific Response Package and the Vaccine Access and Health Security Initiative to 2025-26.</p>
<p>Provide Australia's fair share of global vaccine finance</p>	<p><u>Recommendation 2:</u> Contribute our fair share to the global pandemic response effort with an additional \$420m to purchase vaccines, diagnostics, and treatments for low and middle-income countries.</p> <p><u>Recommendation 3:</u> Share at least 20 million domestically produced vaccines through the COVAX facility to support equitable global vaccine access.</p>
<p>Strengthen Australia's response to global humanitarian crises</p>	<p><u>Recommendation 4:</u> Provide an additional \$100m per year in humanitarian funding for Afghanistan to address the escalating humanitarian crisis and protect vulnerable groups.</p> <p><u>Recommendation 5:</u> Ensure that local civil society organisations are included as a core component of funding packages for protracted crises.</p>
<p>Put Australia's development cooperation budget on track to meet our 2030 SDG targets</p>	<p><u>Recommendation 6:</u> Increase Australia's development cooperation budget to 0.5 per cent ODA/ GNI by 2025-26, and to 0.7 per cent ODA/GNI by 2029-30.</p>
<p>Increase support for community-led climate change adaptation and invest in an Australian roadmap on climate action in line with our Paris Agreement targets</p>	<p><u>Recommendation 7:</u> Increase investment in climate change adaptation and disaster risk reduction funding mechanisms that are accessible to local civil society actors, and include a dedicated stream which principally targets community-led climate adaptation initiatives.</p> <p><u>Recommendation 8:</u> Incorporate criteria within climate finance initiatives that require recipients to commit to objectives and indicators that:</p> <ul style="list-style-type: none"> - target at-risk communities; - target participation of civil society actors, who play a key role in ensuring targeting of at-risk communities; and - strengthen accountability and feedback mechanisms to ensure genuine voice and participation by civil society. <p><u>Recommendation 9:</u> Invest in developing and implementing a roadmap to align Australia's domestic and international climate policies with our commitment to the Paris Agreement target of limiting global warming to 1.5 degrees.</p>

Strengthen support for ending violence against women and girls, and for increasing women's participation in decision-making	<p><u>Recommendation 10</u>: Increase the accessibility of multi-year funding for locally-led initiatives to end violence against women and girls.</p> <p><u>Recommendation 11</u>: Increase the accessibility of multi-year funding for locally-led initiatives to support women's leadership and participation in local decision-making forums.</p>
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Conclusion

Caritas Australia appreciates the government's continuing commitment to strengthening Australia's international development cooperation and to helping our global neighbours achieve their human development goals. We look forward to the opportunity to work with the government on the issues identified in this submission.

Yours sincerely,



Kirsty Robertson
Chief Executive Officer
Caritas Australia