



## **MEDIA STATEMENT**

9 April 2019

### **CUTS TO OVERSEAS AID WILL TRAP DEVELOPING PACIFIC COUNTRIES INTO FURTHER DEBT**

The Federal Government has cut overseas aid for the sixth successive year. In addition, its rushed *Export Finance and Insurance Corporation Amendment Bill 2019* will trap developing Pacific countries into further debt by restructuring much of the aid into loans for projects in the Pacific. Catholic Religious Australia (CRA) stands against this Amendment Bill.

In a complex manipulation of various funding streams, the Government will take \$500 million from the aid budget, merge it with loans from Australia's export credit agency with the inevitable result of further indebting developing Pacific countries.

"For a country with the economic stability and wealth of Australia" said Monica Cavanagh rsj, President of CRA, "cutting aid to developing countries strikes at the heart of a country which prides itself on the "fair go" and on giving a hand up."

"Allocating aid with strings attached is a short-sighted reactionary response that does not take into account the factors that drive the unprecedented movement of peoples seeking refuge," added Sr Monica. "There appears to be no connection made to the inter-related nature of these global problems."

This Amendment Bill will fundamentally reshape Australia's aid program, according to Dr Luke Fletcher, Executive Director of Jubilee Australia Research Centre which promotes *economic justice* for communities in the Asia-Pacific region and accountability for Australian corporations and government agencies operating there.

Marc Purcell, CEO of the Australian Council for International Development, describes the aid budget as being in "freefall" and notes that the Australian aid budget has gone from 0.21% to 0.19% in the years 2021-22. Australia has dropped from 13<sup>th</sup> to 19<sup>th</sup> in the list of world donors. Aid is being directed away from extremely needy countries in Asia and Africa in order to bolster our defences against China.

"This is a source of shame and I call on fair-minded Australians to ask their Ministers and local Members to re-think the Amendment Bill and act with compassion and generosity," said Sr Monica.

---

#### **MEDIA ENQUIRIES**

Sylvia MacRitchie-Hook

e: [comms@catholicreligious.org.au](mailto:comms@catholicreligious.org.au)

m: 0410 644 356