Submission to the Foreign Policy White Paper Consultation

Oxfam Australia

28 February 2017

About Oxfam Australia

Oxfam Australia is an independent, not-for-profit, secular development agency whose vision is of a just world without poverty. Oxfam Australia:

- Undertakes long-term development programs;
- Provides emergency response during disaster and conflict;
- Undertakes research, advocacy and campaigning to advance the rights of poor and marginalised people, including women, and works with them to achieve equality; and
- Promotes fair trade, supporting local artisans and producers through our shops and Fairtrade food brand.

We are a long-term Australian Government development partner.

In the 2015-16 financial year (a 9 month reporting period for Oxfam), Oxfam Australia directly reached more than 2.5 million people, 1.3 million through our long-term development work, and more than 1.2 million affected by disaster. Through our advocacy and policy work, we have reached millions more. Oxfam Shops supported more than 136 producer partners in more than 38 countries, including Australia.

More than 550,000 Australians annually support Oxfam Australia by contributing skills, time and financial support to advance our work.

Oxfam Australia is a member of Oxfam International, a global confederation of 18 organisations that work together, last year collectively reaching more than 22 million people in 85 countries around the world.

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A prosperous, peaceful and secure world is in Australia's national interest and it is undeniably in Australia's national interest to actively contribute to efforts designed to promote inclusive prosperity and enhance human security. This requires a long-term investment in communities, civil society, good governance and the environment, with a particular focus on:

- Sustainable and equitable growth in response to rapidly rising economic inequality and evidence showing a narrow focus on economic growth is insufficient. Efforts must focus on reducing poverty, creating productive employment, ensuring decent work, enabling governments to provide good quality public services through fairer tax arrangements, and support for a strong and vibrant civil society.
- Reducing the number and minimising the impact of humanitarian crises by addressing the broad range of hazards, threats and underlying vulnerabilities facing individuals, communities and states. This requires a focus on the root causes of human insecurity including food insecurity, insecure land rights and livelihoods, climate change, underinvestment in disaster risk reduction, and impunity in the arms trade.
- Protection and assistance, with a focus on saving lives, to all people affected by disaster or conflict. Where people are forced to flee or conflict and disaster drives internal displacement, their rights of those affected must be respected. When rebuilding begins, inclusive peace and recovery processes must be promoted.

These issues and challenges are of global concern but they are also challenges acutely felt by countries in Australia's region. To have a meaningful and lasting impact, Australian foreign policy and foreign aid must be targeted geographically as well as with respect to the issues. Geographically located in the Indo-Pacific region, it is appropriate that Australia focus its efforts on the countries in its region. Australia's humanitarian response is an exception to this geographic focus. Humanitarian assistances should be driven by the humanitarian imperative to respond to those most in need.

The way in which Australia undertakes its foreign policy will impact the effectiveness of initiatives. The Australian Government approach should also be seen as an expression of Australian values. The following principles should underpin all Australian foreign policy efforts to promote Australian values and to bolster the effectiveness of Australia's efforts:

- Leadership: Australia is at the front and doing its fair share in international responses to global issues of concern.
- Integrity: Government action matches statements made, and commitments, on human rights, international humanitarian law and sustainable development. These obligations extend to partners in foreign policy and foreign aid delivery.
- Nuanced policy analysis: Policy-making grapples with complexity and is informed by a sound understanding, which draws upon the experience and technical expertise within civil society as well as government, of the root causes of problems and the interrelated nature of issues.
- A whole-of-government approach: Domestic policy settings align with foreign policy to give effect to international commitments and initiatives.
- Committed to gender equality: Gender analysis is integrated in order to promote gender equality, and not exacerbate or entrench existing power structures and discrimination.
- Innovative: New ways of working and delivery of foreign policy objectives are adopted in order to address new challenges and more effectively respond to entrenched issues.
- Responsiveness to the most marginalised communities: Australian foreign aid is focused on meeting with the Sustainable Development Goals and foreign aid spending is 0.7 percent of GNI well before 2030

1. Introduction

There have been significant changes in the world in the 14 years since the Australian Government last released a Foreign Policy White Paper. We live in a globalised world and a globalised marketplace more than ever before. This deepening interdependence has created opportunities and benefits. The proportion of the global population living below the extreme poverty line decreased from 26 to 13 percent between 2002 and 2016.[1] However, one in ten people worldwide were still living in extreme poverty in 2013[2] and in most countries the gap between rich and poor is at its highest level in 30 years.[3]

Significantly, the challenges the world faces today are not a natural outcome of development. Many of the challenges in need of an effective response today were present in 2003. These challenges have persisted or come to the fore due to inaction or as a result of deliberate policy choices that have entrenched existing power structures, fostered the extremes of wealth and poverty, persistently violated human rights, stifled social mobility, disregarded the importance of decent work, created food insecurity, fuelled disillusionment with government, and exacerbated vulnerability to natural disasters and the other effects of climate change.

These issues undermine inclusive prosperity and fuel human insecurity. This is contrary to Australia's national interest, which is best served when there is inclusive prosperity, human security and support for those impacted by humanitarian crises.

Inclusive prosperity requires a focus on sustainable and equitable development rather than a narrow focus on economic growth. Human security requires a focus on the complex economic, social, and environmental issues that cause instability. Humanitarian assistance must be available to all people affected by disaster or conflict and focus on saving lives.

The international rules-based order is the most comprehensive and effective framework for pursuing sustainable and equitable development, addressing the roots causes of instability, and assisting people in crisis. As a middle power, Australia has also benefited from the stability and security provided by international humanitarian law, human rights standards, and many other global rules of cooperation like those relating to trade and investment.

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[1] United Nations, 'The Sustainable Development Goals Report 2016' (Report, United Nations, 2016), 3.
[2] 2003 is the year for which the most comprehensive data on global poverty is available. See World Bank Group, *Poverty and Shared Prosperity: Taking on Inequality* (Report, World Bank Group 2016), 1.
[3] World Food Programme, Hunger Statistics (2017) <https://www.wfp.org/hunger/stats>.
[3] B. Keeley, 'Income Inequality: The gap between rich and poor' (OECD Insights, OECD, 2015), 11.

While the rules-based international order is another constant since 2003, a strengthened commitment to it is needed in the face of decisions taken by other states that erode, and in some circumstances reject fully, the well-established rules-based international order. The recommendations in this submission give effect to this commitment by matching Australian government action to human rights, international humanitarian law and sustainable development commitments.

The effectiveness of Australian foreign policy will be further enhanced if Australia is at the front of the response to global issues of concern and is doing its fair share; is informed by nuanced policy analysis; aligns domestic policy settings with international commitments; addresses gender inequality; supports new ways of working and delivering foreign policy objectives; and is responsive to the most marginalised communities through an adequately funded foreign aid program.

It is timely, therefore, to review the focus of Australia's foreign policy, the values that inform that focus, and the most effective way to deliver on foreign policy objectives.

This submission makes 48 recommendations on how Australia, over the next decade, should be contributing to inclusive prosperity and human security. They should be read together because in a complex and inter-related world, efforts to promote inclusive prosperity will be essential to addressing some of the root causes of insecurity. Likewise, human insecurity undermines the ability of the state to deliver basic services and the stability needed if individuals are to establish sustainable livelihoods, both of which are essential to inclusive prosperity.

Oxfam Australia also endorses the recommendations of the Australian Council for International Development (ACFID), the peak body for humanitarian and international development non-government organisations in Australia, in their submission to the White Paper consultation process.

Oxfam Australia welcomes the opportunity to provide this submission to the Foreign Policy White Paper consultation process and believes it is well placed to provide recommendations in this formative phase of the White Paper process. As an international development agency working with communities across 27 countries and as a member of Oxfam International, we witness the impact of global phenomena at the local level and the positive impact that decisions at the global and regional level can have for people and their communities across the globe.

2. An ambitious but targeted foreign policy

2.1 A targeted foreign policy

Given the scope of the challenge, a foreign policy that seeks to respond to all the issues in all regions risks spreading Australian too thin. Instead, Australia's foreign policy should be ambitious but targeted.

With respect to geography, Australia's foreign policy and foreign aid should focus particularly on the Indo-Pacific region, which includes the countries of the Asia-Pacific and East and South Africa. Australia has developed strong working relationships with governments in the region as well as at the sub-national level through organisation-to-organisation and people-to-people relationships in the private sector and civil society. As a developed county in the region, Australia is a significant foreign aid donor and has an ongoing responsibility to assist developing countries to achieve sustainable development.

The issues and challenges Oxfam Australia believes should be the focus of Australian foreign policy are issues of global concern but are also challenges facing the countries in Australia's region. They are:

- Inclusive prosperity and reduced inequality through fairer tax arrangements; private sector conduct that respects human rights and is sustainable, accountable and transparent; promoting decent work for all; and supporting a strong and vibrant civil society.
- Solutions to the root causes of human insecurity including improved food security; securing the right to land and livelihoods; climate action; investment in disaster risk reduction; and preventing the supply of weapons.
- Protection and assistance to all people impacted by humanitarian crises including respect for the rights of people forced to flee conflict and inclusive peace and recovery processes when rebuilding begins.

Australia's humanitarian response, however, should continue to be global. This is in recognition that humanitarian assistance should be driven by the humanitarian imperative to respond to those most in need, regardless of geographic location. A global focus also recognises that the impacts of a humanitarian crisis can extend beyond the immediate crisis area, and thus requiring a response that adopts broad lens which captures the flow on effects in the geographic region and more broadly.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

1. Focus foreign policy and foreign aid on the Indo-Pacific region, which includes the countries of the Asia-Pacific and East and South Africa.
2. Maintain and strengthen a global focus for Australia's humanitarian assistance.

2.2 An Ambitious foreign policy

2.2.1 Leadership

Australia should be at the front and doing its fair share in international responses to global issues of concern. This is an increasingly important approach to foreign policy in light of some of globalisation's effects, which have moved ahead of the capacity and will of some governments to protect the interest of the most vulnerable and promote inclusive and sustainable development.

As a leader, Australia should be seeking to play a constructive role and champion and lead by example through the domestic implementation of emerging norms that are seeking to address globalisation's effects, for example the Sustainable Development Goals and the Guiding Principles on Business and Human Rights, the latter will be discussed in more detail in Section 3.2.2. The Sustainable Developments Goals are ambitious and historic as they seek to eradicate – not just reduce – extreme poverty and hunger, they also apply to all countries. Delivering on the goals will require real action by all governments including the Australian Government.

2.2.2 Integrity

Statements made on human rights, international humanitarian law and sustainable development must be matched by Australian Government action. Domestically, the Australian Government must protect and institutionalise human rights and align policy decisions with global frameworks and emerging norms to give effect to the international-rules based order.

Further, if Australia is to expect other governments to uphold and give full effect to their international obligations, Australia must apply the highest standards to its own actions at home. The impact of diplomacy efforts abroad will be undermined if Australia is seen to be lacking in credibility.

Foreign policy efforts including diplomacy and participation in international fora, foreign aid, and responses to emerging crises must comply with humanitarian principles, human rights standards and norms, and environmental best practice. This obligation should extend to partners in foreign policy and foreign aid delivery, in recognition that the Government is increasingly partnering with private sector and civil society organisations to achieve foreign policy objectives.

A commitment to the international rules-based order also requires continued support for multilateral institutions including the United Nations. Australia should continue to play a proactive, principled and constructive role in multilateral processes, ensuring respect for human rights and building on the expertise and leadership it has shown in areas such as protection of civilians, disarmament, peace building and the rights of women and girls during its term on the United Nations Security Council.

Government should develop clear standards relating to human rights and the environment that apply to all foreign policy and foreign aid partnerships and projects. Standards should be supported by safeguard measures to promote and strengthen compliance, including a grievance mechanism that is accessible, transparent, predictable, equitable and capable of providing remedies when it is found that standards have not been met.

More broadly, the Australian Government can play an important role in encouraging private sector behaviour that is supportive, and does not impinge, on the realisation of human rights by establishing clear and high expectations for private sector behaviour. Furthermore, the private sector should be encouraged not only to adopt sustainable business practices that respect human rights, but to actively contribute to tackling the world's greatest challenges including extreme poverty and climate change.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

3. Actively uphold the rules-based international order, implement existing standards and emerging norms in domestic policy, participate constructively in multilateral fora and initiatives, and engage in respectful bilateral and regional cooperation.
4. Develop clear standards relating to human rights and the environment that apply to all foreign policy and foreign aid partnerships and projects.
5. Develop and apply strong safeguard measures across partnerships and projects, including a grievance mechanism that people can use to inform

> Government when those standards are not being met, promoting and strengthen compliance.

2.3 Ways of working

A new Foreign Policy White Paper is an opportunity to take stock not only of the priority challenges and opportunities but how Australia can most effectively advance its national interest.

2.3.1 Nuanced policy analysis

The United Nations Secretary-General, António Guterres, upon taking the oath of office in December 2016 reminded us that 'we live in a complex world'.[4] Australian Government foreign policy should seek to understand complex and interlinked global issues so that policy solutions address issues before they become entrenched and to minimise the need for reactive foreign policy. This will require the Government to draw on expertise across government (including overseas posts with on the ground knowledge) and from outside of government, including for example, multilateral organisations with mandates that have enabled them to foster technical expertise.

Within the Department of Foreign Affairs and Trade there should be an ongoing commitment to deepen the knowledge of, and address any skills gaps in, the public service so that staff feel confident to engage with the pressing issues. A highly skilled Department of Foreign Affairs and Trade is also essential for maintaining stakeholder confidence in government decision-making.

The Australian Government should also engage civil society in policy analysis and decision-making. This recognises the experience and technical expertise within civil society organisations that can input, and in doing so, strengthen policy analysis and decision-making.

First, for civil society to effectively engage, consultations must take place when policy-making is at a formative stage and with sufficient time to provide input. Second, there needs to be a level of transparency and openness from Government that enables civil society to meaningfully engage and provide input, rather than participate in discussions at a level of generality and abstraction that limits their

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[4] António Guterres, 'Remarks to the General Assembly on taking the oath of office' (Speech delivered at the United Nations General Assembly, New York, 12 December 2016) < https://www.un.org/sg/en/content/sg/speeches/2016-12-12/secretary-general-designate-antónio-guterres-oath-office-speech>.

meaningfulness. Third, there needs to be improved accountability with respect to input provided to the government during policy dialogues. This could take the form, for example, of reports back to stakeholders on how input was considered and whether the input was acted (or not acted) on and the reasons for the approach taken.

In Australia today, civil society includes an increasingly diverse range of diaspora communities. These diaspora communities bring unique perspectives and knowledge, innovative ideas and cultural diversity to a range of development, humanitarian and peace-building challenges. They are important agents for change, not only through support to development and humanitarian outcomes in their countries of origin, but also in Australia as champions for greater Australian interconnectedness to the rest of the world. As such, there are significant opportunities to strengthen linkages and partnerships with diaspora communities to advance Australia's foreign policy in new and creative ways.

In addition to improving government decision-making, this is an opportunity for the Australian government to model the form of engagement with civil society organisations that is needed for good governance and is illustrative of a government that respects the role of civil society. This will be discussed in more detail in Section 3.2.4.

Foreign policy development should also take into consideration lessons learnt from previous efforts so that Australia is continuously strengthening the effectiveness of its efforts. This commitment to learning should embrace the views of civil society organisations that can bring a different, but important, contribution to discussions on effectiveness. The development sector has particular experience with self-reflective practice and tools for continuous monitoring and evaluation, which could assist in a government commitment to evidence-based analysis and evaluation.

2.3.2 A whole-of-government approach

To give effect to international commitments and initiatives, the Australian Government will need to ensure domestic policy settings and foreign policy align. This will require a whole-of-government approach to facilitate collaboration across government departments where responsibility for implementation sits outside the scope of the Department of Foreign Affairs and Trade. For example, the issues raised in this submission with respect to fairer tax arrangements and climate action will require collaboration with Treasury and the Department of the Environment and Energy respectively.

Appreciation is also needed of the positive influence at the global level, and encouragement provided to other countries, of ambitious domestic initiatives by Australia.

2.3.3 Embedding a commitment to gender equality

Gender inequality is the most serious and pervasive form of discrimination in the world. Women form the majority of those living in poverty. They have fewer resources, less power and less influence in decision making when compared to men. As a result, women and girls are exposed to various forms of violence and exploitation and experience further inequality because of their ethnicity, age, race, class, marital status, sexual orientation and (dis)ability.

Transforming gender and power relations, and the structures, norms and values that underpin them, is critical to human security. This will requires changes to laws and policies as well as individual and collective beliefs, attitudes and behaviours.

Supporting women to take control and collective action is the most important driver of sustained improvements in women's rights, and a powerful force to end insecurity and poverty. Promotion of enabling environment for women's participation and leadership is also essential for there to be a space for women's voices are to be heard.

To date, Australia has been a vocal advocate for gender equality. The Australian Government should seek to build on this work through diplomacy, multilateral and bilateral advocacy, and foreign aid. Efforts should target the discrimination and disadvantage experienced by women, such as gender-based violence, while mainstreaming a stronger understanding of gender in policy frameworks and decisions so that the response to all global issues considers the particular challenges experienced by women and girls and seek to redress these, not exacerbate inequality and discrimination.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

6. Integrate gender analysis into initiatives and all aspects of foreign policy, foreign aid and humanitarian assistance to ensure Australia's efforts are promoting gender equality, not exacerbating or entrenching existing power structures and discrimination.

7. Increase the focus and expenditure on gender equality, assisted by gender-sensitive country-level budgeting, in the Australian foreign aid program including:

- Funding for evidence-based holistic approaches to ending violence against women such as changes to policy and legislation, community-driven support, advocacy and awareness services; locally led services addressing the immediate needs of survivors of violence.
- Women's economic empowerment initiatives that take into account violence against women, diverse economies, natural resource management, land rights and unpaid labour burdens.

2.3.4 Innovation

New challenges and entrenched issues require Australia, individually and as part of collective global efforts, to consider new ways of working and delivering foreign policy objectives. Oxfam Australia welcomes the Government's interest in innovation and support for innovation, such as the INNOVATIONXCHANGE, to achieve foreign policy and foreign aid objectives.

With rapid advances in technology, there will be ways to better harness technology; and innovation in this space is welcomed. However, we would encourage the Government to adopt a broad approach to innovation so that process and system innovations are also supported. In Oxfam Australia's experience, for example, multi-stakeholder dialogues and collaborative initiatives are bringing together government, civil society actors, institutions and the private sector in a range of niche contexts to develop solutions.[5] This is increasingly relevant in a world where other actors are sitting beside states and their behaviour can influence sustainable development outcomes.

2.3.5 A rebuilt aid budget

The cuts to Australian foreign aid have had significant ramifications for the reach and effectiveness of Australian foreign aid, undermining previous Australian foreign aid investments and putting at risk hard-won gains. This is because well-targeted assistance can reach people and places that other types of investments, including those by the private sector, simply cannot. Furthermore, good governance and policy settings on a range of issues such as tax, trade and the environment will be powerful drivers of poverty alleviation, but there is an ongoing need for aid to assist the most vulnerable.

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[5] For more information see Oxfam Australia, Submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade, *Inquiry into the Role of the Private Sector in Promoting Economic Growth and Reducing Poverty in the Indo-Pacific Region,* May 2014, 20 and 29.

Foreign aid enables people to access services, along with social and economic opportunities, that would otherwise be out of reach. For example, foreign aid assists with improved access to clean water, participation of children at school, support from safe havens when fleeing family violence, access to market for small-scale farmers, and the inclusion of communities in their own development. These are some of the pressing challenges experienced by the 767 million people globally that still live on less than US$1.90 per day; the majority of whom reside in Australia's geographic neighbourhood, the Asia-Pacific.[6] Eighteen of Australia's twenty closest neighbours are developing countries and issues such as gender-based violence, access to safe water, lack of education and maternal and child mortality remain significant challenges. A focus on these issues also aligns with the focus of the Sustainable Development Goals.

Thus, a decision not to invest in foreign aid is contrary to Australia's national interest, which is integrally linked to regional stability and economic prosperity. As noted in the Foreign Minister's forward to the 2016-17 Australian Aid Budget, 'Australian aid is an investment in our region…Australians benefit when our region is stable, economically vibrant, open to trade, and home to people who are safe, healthy, educated and employed'.[7]

Yet, Australia's foreign aid spending as a proportion of the Australian economy is at its lowest level in the history of the foreign aid program. Currently, A$3.8 billion is spent on official development assistance (ODA), accounting for less than one percent of Australian Government expenditure or 0.23 percent of Australia's gross national income.[8] Australian foreign aid to southern Africa has been cut by 70 percent despite the region experiencing ongoing demand for assistance and a long history of Australian Government assistance to the region.[9]

The current spending level, cuts to Australian foreign aid spending in recent years that have put Australian on a downward trajectory, and the absence of a commitment to scale up the aid budget is contrary to the Australian Government's commitment to achieve the Sustainable Development Goals by 2030.[10] This includes

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[6] World Bank Group, *Poverty and Shared Prosperity: Taking on Inequality,* above n 2, 3.

[7] Commonwealth, *Australian Aid Budget Summary 2016-17* (Department of Foreign Affairs and Trade, 2016), 5.

[8] For further analysis by Oxfam Australia of Australian foreign aid spending see Oxfam Australia, Submission to Treasury, *2017-2018 Pre-Budget Submission,* January 2017, 5.

[9] Ibid, 6.

[10] J. Bishop (Minister for Foreign Affairs), 'National Statement' (Speech to the 2015 UN Summit Plenary Meeting for Sustainable Development, United Nations General Assembly, New York, 27 September 2015) < http://foreignminister.gov.au/speeches/Pages/2015/jb_sp_150927b.aspx?w=tb1CaGpkPX%2FlS0K%2 Bg9ZKEg%3D%3D>.

the pledge in Goal 17 for wealthy developed nations to allocate 0.7 percent of GNI towards ODA.[11]

The Australian government must reverse this trend and set Australia on a path to achieve a foreign aid budget of 0.7 percent of GNI well before 2030. Foreign aid spending should be focused on lifting people out of poverty and combating inequality. Decisions on who delivers foreign aid should be informed by an assessment of which organisations are best placed to assist the most marginalised and communities most in need. This assessment must also consider whether potential partners comply with human rights and environmental best practice (see Section 2.2). Once decided, foreign aid funding should be predictable, multi-year and transparent, consistent with the aid effectiveness principles to which Australia has committed.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

8. Undertake nuanced policy analysis with input from technical experts, with meaningful engagement with civil society, and informed by ongoing monitoring and evaluation of Australia's foreign policy efforts.
9. Adopt a whole-of-government approach in order to give effect to global commitments.
10. Promote innovation, including systems and process innovations, to improve the effectiveness of Australian foreign policy and foreign aid efforts.
11. Align the Australian foreign aid program strategy and policies to all seventeen Sustainable Development Goals and the overarching goal of ending extreme poverty by 2030, and place particular focus on goals that require significant resources and change.
12. Commit to increasing Australia's foreign aid budget to 0.7 percent of GNI well before 2030.
13. Continue publishing an official, comprehensive Foreign Aid Budget Statement that details the Australian Government budget's total annual aid allocations, and allocations by country, theme and multilateral objective.

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[11] United Nations – Department of Economic and Social Affairs of the United Nations, *Sustainable Development Goal 17,* Development Knowledge Platform < https://sustainabledevelopment.un.org/sdg17>.

3. A Prosperous World Requires Inclusive Growth

Economic development is critically important for a prosperous world. In considering how to support and encourage economic development in Australia's region and globally, we would caution against a Foreign Policy White Paper that conflates economic growth and economic development.

This is because prosperity means more than just GDP growth or foreign direct investment figures or the amount of trade in goods and services. Prosperity is about sustainable and equitable growth that reduces poverty, creates productive employment, ensures decent work, and enables government to provide everyone with good quality, free public health services and education.

As the World Bank's Commission on Growth and Development concluded, 'growth is not synonymous with development…to contribute significantly to social progress; growth must lift everyone's sights and improve the living standards of a broad swath of society'.[12] Thus the Commission has recommended that economic growth should not be the final goal.[13]

Oxfam Australia's experience is consistent with this view. Economic growth is important and should play a role in poverty alleviation, and Australia's foreign policy more generally, but there are limitations to a narrow focus on economic growth. Such an approach risks overemphasising economic growth as a means for promoting prosperity and alleviating poverty when the benefits are not always shared equally and may lead to further marginalisation of the poorest people.

3.1 Inequality

Since the last Foreign Policy White Paper, research has increasingly shown that economic growth is insufficient. Economic inequality is rapidly on the rise. The incomes of the poorest ten percent of people increased by less than $3 a year between 1988 and 2011, while the incomes of the richest one percent increased 182 times as much.[14]

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[12] R. Kanbur and M. Spence, 'Equity and Growth in a Globalizing World' (Report, Commission on Growth and Development, 2010), xii.

[13] Ibid.

[14] D. Hardoon, S. Ayele and R. Fuentes-Nieva, 'An Economy for the 1%: How privilege and power in the economy drive extreme inequality and how this can be stopped' (Briefing Paper, Oxfam, 18 January 2016), 9.

Today, seven out of ten people live in countries where such inequality has increased in the last thirty years.[15] Had economic growth been pro-poor between 1990 and 2010, 700 million more people (most of them women) would not be living in poverty today.[16] Left unchecked, the disparity between rich and poor is likely to become entrenched and immutable.

Tackling growing inequality is one of the highest priority issues for the Organisation for Economic Cooperation and Development (OECD) to ensure ongoing global prosperity.[17] The World Bank has twinned its goal for ending poverty with the need for shared prosperity.[18]

3.2 Reducing Inequality

The Australian Government recognises that it is possible for poverty to persist despite growth in the broader economy.[19] If Australian foreign policy is to promote prosperity that is inclusive, addressing inequality must be a core priority.

Working to achieve prosperity for all recognises the inherent dignity and the equal rights of all people. The Universal Declaration of Human Rights commits countries, including Australia, to promote social progress and better standards of life for *all* as a goal in itself.[20]

The International Covenant on Economic, Social and Cultural Rights emphasises the centrality of equality and non-discrimination to achieving the broader goals of 'freedom, justice and peace in the world'.[21] Research since the adoption of the Covenant supports this.

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[15] Oxfam International, '*Working for the Few, political capture and economic inequality*' (Briefing Paper, Oxfam International, 2014), 3.

[16] D. Hardoon and J. Slater, 'Inequality and the End to Extreme Poverty' (Media Briefing, Oxfam International, 2015), 3.

[17] OECD, *Inequality,* OECD < http://www.oecd.org/social/inequality.htm>.

[18] World Bank, *Inequality and Shared Prosperity,* World Bank < http://www.worldbank.org/en/topic/isp>.

[19] J. Bishop (Minister for Foreign Affairs), 'A new Paradigm in Development Assistance – Harnessing the private sector' (Speech, Queen's Hall – Parliament of Victoria, Melbourne, 29 April 2014) < http://foreignminister.gov.au/speeches/Pages/2014/jb_mr_140429.aspx?w=tb1CaGpkPX%2FlS0K%2 Bg9ZKEg%3D%3D>.

[20] *Universal Declaration of Human Rights,* General Assembly Resolution 217A (III), UN GAOR, 3rd session, 183rd plenary meeting, UN Doc A/810 (10 December 1948).

[21] *International Covenant on Economic, Social and Cultural Rights,* opened for signature 16 December 1966, 993 UNTS 3 (entered into force 3 January 1976), preamble.

With respect to economic development, research shows that failing to address inequality harms economic growth.[22] OECD analysis of Japan, for example, found Japan lost 5.6 percentage points from its growth rate over the past two decades due to increases in inequality.[23] With respect to Asia more generally, 500 million people continue to live in abject poverty despite the booming regional economy.[24] International Monetary Fund (IMF) and Asian Development Bank (ADB) research indicates that this extreme inequality constitutes a structural barrier to future growth.[25]

Inequality also makes economic growth less efficient at reducing poverty by perpetuating social exclusion. The relevant non-economic indicators of inequality including those relating to access to health, education, housing and other economic and social rights illustrate this. Today gender inequality is arguably the most acute and persistent example of inequality. Women are more likely than men to experience economic poverty.[26] Two thirds of the one billion plus adults who lack basic literacy skills are women.[27] Approximately 830 women, 99 percent of whom live in developing countries, die every day from preventable causes related to pregnancy and childbirth.[28]

Addressing gender inequality should be a focus in itself, and as such Oxfam Australia welcomed the appointment of Australia's first Ambassador for Women and Girls in 2013 as a commitment by the Australian Government to focus on and contribute to initiatives designed to empower women and girls, particularly in the Indian Ocean Asia-Pacific region. Going forward, an awareness of gender impacts must be integrated into all aspects of policy and project and addressed to ensure efforts are promoting gender equality, and not exacerbating or entrenching existing power structures.

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[22] OECD, 'Does Income Inequality Hurt Economic Growth' (Focus on Inequality and Growth Report, OECD Directorate for Employment, Labour and Social Affairs, December 2014), 2.
[23] Ibid.
[24] Asian Development Bank, 'Key Indicators for Asia and the Pacific 2014 – Special Chapter: Poverty in Asia, A Deeper Look' (Report, 45th Edition, Asian Development Bank, 2014), 34.
[25] See for example, A. Berg and J Ostry, 'Inequality and Unsustainable Growth: Two sides of the same coin (IMF Discussion Note, IMF, 2011); R. Barro, 'Inequality and Growth Revisited' (Working Paper Series on Regional Economic Integration, No.11, Asian Development Bank, 2008); F. Cingano, 'Trends in Income Inequality and its Impact on Economic Growth' (OECD Social, Employment and Migration Working Papers, No.163, OECD, 2014).
[26] United Nations, 'The World's Women 2015: Trends and Statistics' (Report, ST/ESA/STAT/SER.K/20, Department of Economic and Social Affairs of the United Nations, 2015), 179.
[27] Ibid, xi.
[28] World Health Organisation, *Maternal Mortality* (November 2016) <http://www.who.int/mediacentre/factsheets/fs348/en/>.

The importance of addressing inequality, and particularly gender inequality, for creating a more prosperous world should not be understated. According to the United Nations Development Programme (UNDP), over the past 30 years no other indicator has had a greater impact on development outcomes than gender equality,[29] yet gender inequality remains the most fundamental obstacle to eradicating poverty and promoting economic growth. Without changing current trends in economic inequality and in the gap between the wealth of men and women, the Sustainable Development Goals on ending extreme poverty and creating gender equality by 2030 simply will not be met.

Analysis of economic data from India, Indonesia and Malaysia is illustrative of the challenge. A conservative estimate shows that the GDP of these three countries could be 2 to 4 percent higher if the rate of women's employment were comparable to that of developed countries.[30] This is because high levels of inequality obstruct productive investment and limit the productive and consumptive capacity of the economy. When marginalised groups cannot engage with the economy or access educational opportunities, a country's workforce and skill base is undermined, in turn diminishing economic development.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

14. Tackle economic inequality and strive for inclusive growth as a central priority across all aspects of Australia's foreign policy, trade, and foreign aid, trade efforts. Monitor and evaluate Australia's contribution to addressing economic inequality and the promotion of inclusive growth.
15. Focus foreign aid efforts on assisting people to overcome poverty by helping to eliminate extreme poverty, reduce inequality, promote sustainable development, and protect human rights.

If Australia's foreign policy efforts are to promote inclusive prosperity, there needs to be a focus on:

- Fairer tax arrangements;
- Private sector respect for human rights and sustainable, accountable and transparent practices;
- Decent work for all; and

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[29] United Nations Development Program, *Gender and Poverty Reduction,* < http://www.undp.org/content/undp/en/home/ourwork/povertyreduction/focus_areas/focus_gender_and_poverty.html>.

[30] United Nations Development Program, 'Power, Voice and Rights: A turning point for gender equality in Asia and the Pacific' (Asia-Pacific Human Development Report, UNDP and Macmillan, 2010), 3.

- A strong and vibrant civil society.

Each issue will be considered in turn with respect to the goal of inclusive prosperity. The recommendations, however, are equally important to a foreign policy committed to addressing the root causes of insecurity and the absence of peace that we experience in many areas of the world today. As such they should be viewed as equally important to achieving the goal of peace and security. In this way, Australian foreign policy will be comprehensively contributing to sustainable security and peace. And vice versa. Absent functioning state institutions and stable operating environment, it is difficult for state institutions to govern, deliver basic services and promote inclusive development.

3.2.1 Fairer tax arrangements

Fiscal policy – tax and spending – is the main tool available to governments to affect, and alter, income distribution and therefore reduce inequality. Government can choose, for example, to spend revenue on services that increase equality through access to quality schools for all, accessible health systems, availability of clean water and other services; which ultimately reduces poverty and increases people's quality of life and chances of prosperity.

To pay for these services, however, all countries need to ensure that sufficient tax is collected in a fair way and spent wisely. This is increasingly a challenge for governments, both developing and developed. The ability of capital to move freely disproportionately benefits corporations that use this power to leverage tax breaks, lower tax rates and tax exemptions from countries seeking to secure trade and foreign direct investment. As a result corporate tax rates are falling all over the world.[31]

At present the global tax system also enables corporations to maximise profit through the use of structures that, in effect, enable tax avoidance. Tax avoidance by multinational corporations deprives the Australian economy of an estimated A$6 billion in tax revenue annually, and tax avoidance by Australian-based multinational corporations deprives developing countries of nearly A$3 billion in tax revenue per year.[32] Oxfam Australia research found that the use of tax havens overseas by companies based in Australia would cost developing countries A$5.6 billion over the

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[31] Oxfam International, 'Tax Battles: The dangerous global race to the bottom on corporate tax' (Policy Paper, Oxfam International, 12 December 2016); OECD, 'Tax Policy Reforms in the OECD 2016' (Report, OECD, 22 September 2016).
[32] Oxfam Australia, 'The Hidden Billions: How tax havens impact lives at home and abroad' (Research Report, Oxfam Australia, June 2016), 6.

next five years.[33] This is money that could be going towards essential public services, poverty reduction efforts and inclusive economic development.

Globally, Oxfam Australia analysis shows that more than one in every $2 of private foreign investment in developing countries came from a tax haven in 2014.[34] This resulted in an estimated US$638 billion in profits being 'shifted' to tax havens.[35] This amounts to approximately US$172 billion in foregone tax revenue across 110 developing countries.[36]

This lost government revenue disproportionately impacts the poorest of people who are most reliant on public services, that this foregone revenue could provide such as education, health and social protection. This is contrary to achieving inclusive global prosperity.

Tackling tax havens and illicit financial flows was a priority issue for Australia during the Australian Government's presidency of the G20. Following Australia's leadership role on the issue in 2014, Australia is well placed to continue advocacy for reform of the global tax regime; and it should be a key focus of Australian foreign policy.

Policy and advocacy work going forward should focus on promotion of and collaboration with the relevant multinational organisations and likeminded countries on worldwide tax transparency so that the ongoing use of tax havens is more transparent. Greater transparency makes it more difficult for large corporations to continue to shift profits out of the poorest nations.

Attention should also be given to the global governance frameworks needed to respond to the movement of capital, which is a global issue. The OECD-led Base Erosion and Profit Shifting (BEPS) process has been welcome and significantly moved action forward in the tax policy space. However, developing countries need an equal seat at the table to achieve truly global reform of the tax system. Australia, therefore, should call for and support an UN-led global tax body. Alongside advocacy on a global tax body, Australia should participate and seek to maximise existing global platforms, including through support for developing country participation.

In addition, a comprehensive response to the global tax challenge will require countries, including Australia, to better align domestic policy settings to address global tax issues. This includes laws that require companies to publicly report on

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[33] Ibid.
[34] Ibid, 6.
[35] Ibid.
[36] Ibid.

their incomes, taxes paid, profits and employees in every country in which they operate, utilising public country-by-country reporting legislation similar to that already in effect across Europe, Canada and the UK.

It is also imperative that the Australian Government adhere to the commitment to establish a public registry of ultimate beneficial owners of companies, foundations, trusts, and accounts that include all companies registered in, or operating in and from Australia. Public information of this nature will make it harder for multinational companies to dodge tax, and provide developing country tax authorities with the necessary information to ensure companies comply with tax rules.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

16. Tackle the global problem of tax avoidance and tax dodging through foreign policy dialogue, domestic settings and commitments, and targeted support combined with funding for developing countries through the Australian foreign aid program.
17. Advocate globally for fairer tax practices, including consideration of support for the creation of an UN-led global tax body to ensure developing countries have a voice in tax negotiations and adoption of legislative measures such as public country-by-country reporting on tax practices.

3.2.2 Private sector respect for human rights

Private sector enterprises, through their capital flows and international supply chain practices impact millions of people in the Indo-Pacific region. Through this footprint, the private sector has the potential to drive economic development through investment, employment, business creation, innovation and knowledge transfer.

How private sector corporations conduct their core business can either contribute to reducing poverty or plunge marginalised people further into poverty. Further marginalisation is the direct result of natural resource exploitation with little regard for irreversible environmental impacts, the forced displacement of communities from their homes with dire implications for their livelihoods, business practices that have little regard of the responsibility of business to respect human rights, and through the application of pressure on suppliers that results in poor working conditions.

Therefore, to realise the benefits of private sector activity in reducing poverty and prevent it from plunging vulnerable people further into poverty, it is critical for companies to respect the rights of local communities and their workers, operate in

transparent, ethical and accountable ways, and adhere to global corporate accountability standards. It also means paying a fair share of tax in the country where the business activity occurs (as discussed in Section 3.2.1).

Oxfam Australia recognises that the operating environment for companies with activities overseas includes those characterised by corruption, conflict and weak governance. This exacerbates the risk of companies further entrenching poverty as the state is affording little protection to workers and communities impacted by business operations. This cannot and should not, however, be used as an excuse to perpetuate poor practices. Rather, private sector operations in these environments should give heightened attention to the sustainability and accountability of their business practices and how to effectively respect human rights.

The starting point for any private sector organisation should be a commitment to conduct its core business ethically, demonstrating respect for human rights and the environment. This requires companies, at a minimum, to identify, mitigate, and prevent the risk of adverse impacts from their business practices. If there is an adverse impact, then the company must provide remedy to impacted communities.

Some businesses are recognising the need to put people and sustainability at the heart of what they do; or risk being left behind, as global standards and expectations outpace their performance and commitment. The Foreign Minister has noted that having strong and transparent standards is one of the best ways the private sector can make sure it is having a positive impact on poverty.[37]

The Foreign Policy White Paper is an opportunity to build on the Minister's acknowledgement of the need to improve business practices as they relate to human rights. In the White Paper the Government should establish an expectation on all companies to adopt business practices that are profitable *and* benefit local communities.

To give effect to this commitment, the Government should show its support for the authoritative sources on the responsibilities of companies (and governments) as it relates to business and human rights, and how these responsibilities can be met. These are set out in the UN Guiding Principles on Business and Human Rights.[38] Australia co-sponsored the 2011 Human Rights Council resolution endorsing the

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[37] J. Bishop (Minister for Foreign Affairs), 'A new Paradigm in Development Assistance – Harnessing the private sector', above n 19.
[38] United Nations, 'Guiding Principles on Business and Human Rights: Implementing the United Nations Protect, Respect and Remedy Framework' (Report, Office of the High Commissioner for Human Rights at the United Nations, Geneva and New York, 2011).

Guiding Principles, but has not yet taken action to ensure that they are implemented in Australia.

The Australian Government should develop a National Action Plan[39] on business and human rights that implements the United Nations Guiding Principles on Business and Human Rights through specific, forward-looking commitments with associated timelines and allocated responsibilities. This initiative can also support efforts to promote decent work opportunities in the Asia-Pacific region, discussed in more detail in Section 3.2.3

An important measure for improving the standard of business practices is the National Contact Point established under the OECD Guidelines for Multinational Enterprises. The OECD Guidelines are recommendations addressed by governments to multinational enterprises operating in or from adhering countries, of which Australia is one. The Guidelines provide principles and standards for responsible business conduct. Importantly, the role of the National Contact Point includes an investigatory capacity when a complaint is raised in relation to the actions of a multinational enterprise.

In other OECD countries such as the United Kingdom and the Netherlands, the National Contact Point is structured to promote independence, has expertise in relevant standards of responsible business conduct, and is resourced to investigate complaints and seek independent professional mediators to address complaints. This gives a higher profile to the OECD Guidelines for Multinational Enterprises, allows complaints to be progressed more quickly and gives the Government expert human rights advice on which to draw.[40] Similar steps to strengthen the functioning of the National Contact Point are needed in Australia to give full effect to the OECD Guidelines.

Recommendation
The Foreign Policy White Paper outline Australia's commitment to:
    18. Promote standards of business practice by:
        o Developing a National Action Plan in consultation with stakeholders, including NGOs and trade unions, on the UN Guiding Principles on Business and Human Rights.

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[39] United Nations Office of the High Commissioner for Human Rights, *State National Action Plans* (2017) < http://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>.
[40] For further recommendations on how to strengthen the National Contac Point see OECD, 'Implementing the OECD Guidelines for Multinational Enterprises: The National Contact Points from 2000 to 2015' (Report, OECD, 2016).

> o Promoting the OECD Guidelines for Multinational Enterprises by resourcing and strengthening the National Contact Point including its remedy mechanism

A particular issue to emerge in the past decade has been the rapid escalation of large-scale land acquisitions, particularly in the agriculture and forest sectors. Since 2000, approximately 48 million hectares has changed hands.[41] This amounts to an area more than the size of Germany.

There are a number of drivers to this trend including the significant shifts in palm oil, sugar, soy and timber markets, the 2007-8 food price spikes driving renewed interest in agriculture; the rise of the 'bio-economy' including biofuels, carbon credit markets and organic plastic substitutes; and investors seeing farmland and soft commodities as lower-risk asset classes during a period of financial volatility.[42]

Large-scale land acquisitions amount to land grabs when the action violates human rights; flouts the principle of free, prior and informed consent; takes place without or disregards a thorough assessment of social, economic and environmental impacts; avoids transparent contracts with clear and binding commitments on employment and benefit-sharing; eschews democratic planning, independent oversight and meaningful participation.

Marginalised people are at greatest risk of forced evictions and other land-related human rights abuses. Women and girls, rural small-scale farmers and indigenous peoples are at particular risk. These groups also disproportionately bear the burden of improper land acquisitions. Emerging evidence suggests that in some communities household gender-violence can increase up to one hundred percent following forced evictions.

The United Nations Declaration on the Rights of Indigenous Peoples outlines the requirement of free, prior and informed consent (FPIC).[43] FPIC is established as a right under international law, which reflects the standing of Indigenous peoples' as distinct, self-determining people with their own distinct decision-making processes, laws, practices and institutions, and collective territorial self-governance, and

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[41] See The Land Matrix Global Observatory which analyses data on transnational deals involving more than 200 hectares, where land has shifted from smallholder production, local community use, or ecosystem service provision to commercial use. See The Land Matrix, *The Online Public Database on Land Deals* (16 February 2017) < http://landmatrix.org/en/>.

[42] For more analysis see Oxfam Australia, 'Banking on Shaky Ground: Australia's Big Four Banks and Land Grabs' (Report, Oxfam, 2014).

[43] United Nations General Assembly, *United Nations Declaration on the Rights of Indigenous Peoples: resolution adopted by the General Assembly,* 61st session, UN Doc A/RES/61/295 (2 October 2007).

cultural rights. However, FPIC is emerging more broadly as a principle of best practice for sustainable development, used to reduce social conflicts as well as increase the legitimacy of projects (for example mining, logging and palm oil developments) in the eyes of all stakeholders and rights holders. Companies with strong commitments to obtaining the FPIC of communities where they operate are less likely to face allegations of corruption in fragile states, better able to weather legislative and governmental changes, and less exposed to reputational risk.

To obtain the FPIC of local communities, companies will adequately inform communities, and particularly women, about projects in a timely manner, free of coercion or manipulation, and provide communities with the opportunity to approve, or reject, projects before operations begin. This includes community participation in setting the terms and conditions that address economic, social and environmental impacts of the project.

Involuntary resettlement of communities to make way for projects is often an outcome where FPIC is not respected. This is contrary to human rights standards in the short term and can impact on communities' rights over the longer term. For example, the relocation can cause severe food and water insecurity. It can also lead to conflict in the operating environment as affected communities seek remedies arising from the negative impacts of the project.

It is Oxfam Australia's experience that constructive engagement with companies has facilitated implementation of FPIC in business operations. More work, with and leadership from the Government, is needed if there is to be widespread adoption of FPIC by Australia companies.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

19. Promote the adoption of Free, Prior and Informed Consent by Australian companies, particularly those undertaking large-scale projects in the extractive and agricultural industries.
20. Include a focus in the aid program on supporting local communities impacted by mining and other large-scale projects, with a particular focus on the role of civil society and women in the communities where Australian companies operate to improve the accountability of projects, particularly in the extractives sector.

3.2.3 Decent work for all

We live in a globalised world with a globalised marketplace. As such corporations are now key actors in the global economy. Goods, services and capital are moving increasingly freely across borders. For example more than ninety percent of the clothing sold in Australia comes from factories in Asia, where the garment industry employs more than fifteen million people.[44]

The use of supply chains has increased formal employment opportunities but is also a method adopted by corporations to reduce the cost of production, often by squeezing down the cost of labour. As a result, workers in supply chains are receiving less and less of the economic pie. But it is not only the absence of decent wages; it is at the expense of minimum labour conditions and safety at work. The Rana Plaza factory collapse in 2013 was a tragedy that brought the challenge of ensuring decent work for all workers to the fore.

It is in Australia's interest to promote improved labour conditions across supply chains to achieve greater economic growth and to redress inequality, particularly gender inequality through the economic empowerment of women. And there is a clear need for action to ensure workers' safety in countries across the region.

There are models of good practice, such as the Accord on Fire and Building Safety in Bangladesh,[45] which the Australian Government can promote to improve labour conditions, ensure decent wages, and promote safety at work. This would also benefit corporations, including Australian corporations that source from developing countries, as it will create more sustainable supply chains for corporations with global operations.

Recommendation

The Foreign Policy White Paper outline Australia's commitment to:
21. Support the development of initiatives in the Asia-Pacific region that adopt an industry-wide approach and bring together governments, businesses and trade unions, and NGOs to ensure decent work in supply chains.

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[44] Oxfam Australia, 'Still in the Dark: Lifting the cloak on the global garment trade' (Report, Oxfam Australia, April 2016), 2; See also Clean Clothes Campaign, '2014 Report: Living Wage in Asia (Report, Clean Clothes Campaign, 2014).

[45] Accord on Fire and Building Safety in Bangladesh, *About the Accord* (2017) < http://bangladeshaccord.org/about/>.

3.2.4 Civil society participation for effective governance

The Accord on Fire and Building Safety in Bangladesh is but one example of the important role of civil society in tackling inequality and achieving shared and sustainable growth.[46] Active civil society participation injects the voice of workers, communities, women and marginalised groups into government decision-making on policies, government initiatives and institution design.

This work by civil society organisations seeks to hold government and decision-makers to account and by ensuring good policy outcomes. In effect civil society seeks to balance decision-making by providing an opportunity for citizens to have a say in their community, thus avoiding 'political capture' by privileged groups, and contribute to effective and sustainable social development.

A vibrant civil society with effective organisations is crucial for a democratic society. Yet, in countries across the world there is a shrinking space for civil society organisations, and a consequent reduction in the ability of communities to hold political and private sector institutions to account.

The UN Special Rapporteur on the situation of human rights defenders has documented a disturbing pattern to limit or close down the voices of human rights defenders, and the organisations they belong to, which reaches across countries, contexts and issues.[47] This is been given effect by regulation and control over those individuals and organisations that would speak out, even banning or shutting down civil society organisations and NGOs. Legislation curtailing the space for civil society is being drafted, debated or implemented in an increasing number of countries around the world.

Of significant concern are the increasing attacks on the freedom of press and human rights organisations. These organisations are critical to protecting rights, maintaining democracy and holding public and private institutions to account. The growing threat is not anecdotal. In 2016, the Freedom House Index recorded a global decrease in freedom for the eleventh consecutive year.[48]

Global Witness reports that in 2015, at least 185 people in sixteen countries were killed for speaking out about environmental and land rights.[49] This is a fifty-nine percent increase on killings documented in 2014, and many more deaths go

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[46] Australian Government, 'DFAT and NGOs: Effective Development Partners (Report, DFAT, 2015), 11.
[47] M. Forst, Special Rapporteur on the situation of human rights defenders, *Situation of Human Rights Defenders*, UNGAOR, 70th session, Agenda item 73(b), UN Doc A/70/217 (30 July 2015).
[48] Freedom House, 'Freedom in the World Report' (Report, Freedom House, 2016).
[49] Global Witness, 'On Dangerous Ground' (Report, Global Witness, June 2016), 4.

unreported.[50] First nations' people are disproportionately targeted. Approximately forty percent of these reported deaths are deaths of first nations' people. Yet first nations' people comprise about five percent of the global population (by some estimates).[51]

Further, impunity for the perpetrators of these deaths is far too common. Of almost 1,000 killings of environmental defenders in the decade ending in 2014, less than ten have resulted in convictions.[52]

During the global negotiations to adopt the UN's Sustainable Development Goals, the Australian Government championed Goal 16 Peace, Justice and Strong Institutions, which recognises that peace, stability, human rights and effective governance based on the rule of law are necessary for sustainable development.[53] A strong and vibrant civil society where people are able to speak up and actively pursue their rights, and when doing so decision-makers listen and make smart collective decisions is essential if this goal is to be achieved.

Australia's Foreign Policy White Paper should give effect to its commitment to Goal 16 by outlining a commitment to provide a strong voice for freedom, democracy, citizen participation and accountability by decision-makers abroad. This is consistent with the expectations that Australians have of the Government at home. To effectively lead on these issues abroad, the Government must model this behaviour domestically. Commitment to these values should be demonstrated in the rhetoric of government, legislation, policies and approach to decision-making.

There is also a role for Australia in modelling and promoting innovative tools that enhance transparency and accountability while actively involving civil society in implementation, such as with the Extractive Industries Transparency Initiative (EITI).[54] The EITI requires companies in the extractive industries sector to disclose their payments to government and for government to disclose its revenue in an effort to reduce corruption and mismanagement of funds.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

22. Adopt foreign policy decisions that are consistent with protecting and strengthening the independence of civil society and its contribution to

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[50] Ibid.

[51] Ibid.

[52] United Nations Office at Geneva, ''A Deadly Undertaking' – UN experts urge all governments to protect environmental rights defenders' (Media Release, 2 June 2016).

[53] J. Bishop (Minister for Foreign Affairs), 'National Statement', above n 10.

[54] Extractive Industries Transparency Initiative, *Who we are,* <https://eiti.org/about/who-we-are>.

development, and not act in a way abroad that undermines or compromises that independence.

23. Promote the United Nations Declaration on the Rights of Indigenous Peoples as the guiding principles for work with indigenous peoples around the world.

24. Create and support partnerships with civil society organisations in Australia's foreign aid program.

25. Meaningfully engage with civil society organisations on foreign policy decisions.

26. Prioritise foreign policy and foreign aid initiatives that foster civil society space, including building and strengthening civil society organisations, in order to improve accountability and give a voice to the poorest and most marginalised groups, in recognition of the importance of a robust civil society in efforts to combat rising inequality and enhanced transparency.

27. Stand in international fora with credibility on issues of democratic values, open government, free press, a strong and diverse civil society and the rule of law because the Government is applying the highest standards to its own actions on these issues at home.

28. Promote innovative tools, which involve civil society, for enhancing accountability and transparency in governance.

4. A Peaceful and Secure World Requires a Focus on Human Security

The impact of humanitarian crises on civilians, both in conflict and non-conflict scenarios, necessitates a shift away from a narrow construction of security. A focus on the safety of states from military aggression will remain important, but since the 2003 Foreign Policy White Paper it has become increasingly clear that peace and stability requires a security agenda that addresses the broad and diverse range of hazards, threats and underlying vulnerabilities facing states, individuals and communities if there is to be sustainable peace and security.

The number of people in need of humanitarian assistance due to intra-state conflict, disasters, climate change impacts and a rise in the number of extreme weather events, and the failure to move conflicts and fragile states towards sustainable peace and development has rapidly increased. Today, more than 128 million people need humanitarian assistance.[55] This is a humanitarian crisis at a level not seen since WWII.

The magnitude of the conflict in Syria and the regional refugee response is a stark example. Since March 2011, estimates are that close to half a million lives have been lost in Syria and over 13.5 million people are in need of humanitarian assistance,[56] as well as 6.5 million people internally displaced from their homes.[57] More than 4.9 million people have fled to neighbouring countries including Jordan, Lebanon and Turkey.[58] It is, however, only one of a number of conflicts – especially intra-state conflicts – that has developed since the 2003 White Paper. In the Asia-Pacific region alone, eleven countries are classified as fragile or conflict-affected states.

As the situation in Syria illustrates, many people affected by conflict are forced to leave their home due to civil, ethnic and religious conflict marked by widespread persecution; tensions generated by inequality within and between countries; and the failure of governments to protect vulnerable groups. As a result the number of forcibly displaced people is at a record high. According to the United Nations High

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[55] UN News Centre, *Global Humanitarian Appeal for 2017 Requires Record $22.2 billion in funding – UN* (Media Release, United Nations, 5 December 2016), < http://www.un.org/apps/news/story.asp?NewsID=55714#.WKZYGXdh1p8>.

[56] United Nations High Commissioner for Refugees, *United Nations and Partners Strengthen Commitment to Syrians and Neighbours Affected by Syria Crisis* (24 January 2017) < http://www.unhcr.org/en-au/news/press/2017/1/588722a84/united-nations-partners-strengthen-commitment-syrians-neighbours-affected.html>; United Nations High Commissioner for Refugees, *Summary of UNHCR Syria IDP Operations* (2017) <http://www.unhcr.org/sy/418-418.html>.

[57] United Nations High Commissioner for Refugees, *Internally Displaced People* (2017) <http://www.unhcr.org/sy/29-internally-displaced-people.html>.

[58] United Nations, *Addressing large Movements of Refugees and Migrants* (Media Release, United Nations, 20 June 2016).

Commissioner for Refugees (UNHCR), approximately 65.3 million people are refugees, asylum seekers, people in refugee-like conditions, internally displaced or stateless.[59]

For families that continue to live in the conflict, or in the communities attempting to rebuild post-conflict, the challenges are significant. In Iraq, for example, towns and villages recaptured after the conflict with ISIS are struggling to access clean water, address food shortages, and secure medicines and health care.[60]

The impacts of natural disasters are escalating due to increased exposure of people to hazards, inadequate investment in reducing disaster risk, and the impacts of climate change. Asia-Pacific continues to be the world's most disaster prone region, with 47 percent of the world's disasters in 2015 occurring in the region.[61] According to the World Risk Index, eight out of the ten most at-risk countries from disasters are located in the Pacific and South and East Asia.[62]

Such hazards often have devastating effects in terms of economic impacts, displacement of people and ability to recover. In the Pacific region, Vanuatu and Fiji continue to rebuild after being battered by two of the most intense tropical cyclones ever recorded in the South Pacific in 2015 and 2016 respectively.

Climate change is increasing the likelihood and severity of extreme weather disasters including the intensity and destructive impacts of tropical cyclones. Climate change is also driving a variety of other changes, including shifting rainfall patterns, desertification, sea-level rise, and a likely increase in the frequency of more powerful El Niño events. Approximately sixty million people across four continents, particularly those dependent on rain-fed agriculture, required assistance in response to the droughts caused or exacerbated by the 2015-16 El Niño.[63] These rising challenges require fundamental shifts in attention towards both reducing people's exposure and vulnerability to risks, and building their resilience to withstand and thrive despite shocks, stresses and uncertainty.

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[59] United Nations High Commissioner for Refugees, 'Global Trends: Forced displacement in 2015' (Report, UNHCR, June 2016), 2.
[60] Oxfam Australia, 'Iraqis living in 'smoke-filled hell' in areas recaptured from ISIS' (Media Release, 4 November 2016).
[61] United Nations Economic and Social Commission for Asia and the Pacific, 'Disadters in Asia and the Pacific: 2015 year in review' (Report, UNESCAP, 2016), 1.
[62] Bündnis Entwicklung Hilft, 'World Risk Report 2016' (Report, Bündnis Entwicklung Hilft, 2016).
[63] Oxfam, 'A Preventable Crisis' (Briefing Note, Oxfam, 18 July 2016), 2.

4.1 Human security

A human security approach incorporates a focus on traditional security threats while recognising that insecurity and instability are the manifestation of complex economic, social, and environmental issues that can be addressed by supporting political, cultural and environmental systems that promote dignity, human rights and livelihoods while safeguarding equitable growth and sustainable development.

A focus on human security should not be characterised as a diversion away from addressing traditional security threats. As the Commission on Human Security explains: 'human security and state security are mutually reinforcing and dependent on each other. Without human security, state security cannot be attained and vice versa'.[64] For example, human insecurity, at its extreme, can fuel discontent and lead to violence. This clearly poses a threat to state institutions. When state institutions are undermined or in more severe cases completely absent, human insecurity is further exacerbated because the state is not able to deliver basic services, protect civilians from persecution by non-state actors, or build resilience to future disasters.

Absent an approach that effectively addresses the root causes of conflict, situations will continue to escalate into humanitarian crises. This undermines growth, reverses development gains, increases poverty and results in instability that persists. The cost is not insignificant. The Global Peace Index estimates that total global losses from conflict in 2014 amounted to US$1.6 trillion.[65]

Thus a proactive Australian foreign policy should seek to address the root causes and drivers of humanitarian crises. These will be examined in more detail in Section 4.3. The analysis and recommendations in Section 3 are also relevant to addressing the root causes of humanitarian crises. Analysis shows that inequality adversely affects people's sense of wellbeing and happiness, can multiply social problems, increases the vulnerability of communities to economic and other shocks including natural disasters, contributes to recessions and slows down economic recoveries, increases political instability. The World Economic Forum has gone as far as identifying rising economic inequality as a major threat to social stability.[66]

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[64] Cited in the United Nations Trust Fund for Human Security, 'Human Security in Theory and Practice' (Report, United Nation's Human Security Unit, 2009), 12.
[65] The Global Peace Index 2015 estimates the total economic impact of violence at US$14.3 trillion in 2014. Of this, approximately $1.6 trillion is attributed to the costs of conflict, defined as GDP losses from conflict, losses from IDPs and refugees, deaths from internal conflict, costs relating to terrorism and UN and peacekeeping operations. See Global Peace Index, 'Global Peace Index 2015: Measuring Peace, its causes and its economic value' (Report, Institute for Economics and Peace), 66 and 69.
[66] World Economic Forum, 'The Global Risks Report 2017: 12th Edition' (Insight Report, World Economic Forum, 2017).

Even with a focus on the root causes and a human security framework, not all disasters and crises are preventable. The number and impact of these crises, however, can be reduced and minimised by early warning systems, forecasting and targeted action. To date, however, the collective response to slow onset crises has almost always been too little too late. Further work is needed on improved early warning systems and forecasting, and a greater commitment to turn early warnings into early action is needed. The severity of the 2015-16 El Niño, for example, is a reflection of the world's failure to adequately provide comprehensive and long-term strategies to anticipate, prepare and adapt. Strong leadership, willingness to act on the basis of forecasts, agreed triggers for early action, and sufficient funding is needed if the lessons from 2015-16 are to inform future practice.

4.2 Responding at crisis point

4.2.1 The focus and funding of humanitarian assistance

All people affected by disaster or conflict have a right to receive protection and assistance from humanitarian responses focused on saving lives. Given the scope of the current global humanitarian crisis, an increased commitment to humanitarian assistance by Australia is more critical than ever. The Foreign Policy White Paper should outline a commitment by the Australian Government to continue treating humanitarian assistance as strategic programming priority rather than an ad hoc response to exceptional phenomena. Efforts on the ground should be complemented by diplomacy at a bilateral, regional and global level focused on ensuring that the impact on affected populations is central to the considerations of governments and on promoting greater respect for, and compliance with, international humanitarian law.

A record US$22.2 billion in humanitarian funding is required in 2017 to meet the basic needs of people currently impacted by crises.[67] Australian funding for humanitarian assistance must also be commensurate with the global challenge. Australia should outline a commitment to double the Humanitarian Emergency Fund. This is consistent with Australia's commitments in the Principles and Good Practices of Humanitarian Donorship.[68]

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[67] United Nations Office for the Coordination of Humanitarian Affairs, *Record International Humanitarian Appeal Requires $22.2 billion for 2017* (5 December 2016) < http://www.unocha.org/top-stories/all-stories/record-international-humanitarian-appeal-requires-222-billion-2017>.

[68] Good Humanitarian Donorship, *23 Principles and Good Practice of Humanitarian Donorship* (2016) < http://www.ghdinitiative.org/ghd/gns/principles-good-practice-of-ghd/principles-good-practice-ghd.html>.

Funding should be provided through multi-year funding arrangements, continue into the stabilisation and recovery phase, be channelled through national and local agencies that are best placed to assist in country, and increasingly should be un-marked in accordance with the commitments under the Grand Bargain.[69] The allocation of humanitarian funding delivered through NGOs should be increased to at least twenty percent, in line with the global average.[70]

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

29. Use all diplomatic efforts to promote the interests of people impacted by humanitarian crises.
30. Promote greater respect for, and compliance with international humanitarian law.
31. Advocate for timely and improved international responses to humanitarian emergencies, using appropriate diplomatic means
32. Double the Humanitarian Emergency Fund to respond to the unprecedented level of need.
33. Progressively increase the percentage of humanitarian aid provided to national and local agencies and to international appeals.
34. Implement multi-year funding arrangements for protracted crises to enable more predictable and planned responses.

4.2.2 An equitable response to the challenge of forced migration and internal displacement

We are currently witnessing a global displacement crisis with the number of people forcibly displaced standing at over 65 million,[71] the highest number since records began. Ordinary men, women and children have been forced to flee their homes in a desperate search for safety and protection from persecution, violence and conflict. We are likely to see an increasing number of people forced to seek assistance due to entrenched and new humanitarian crises and the effects of climate change, particularly if mitigation efforts are unable to keep the global temperature rise below 1.5C.[72] Those who face displacement in the context of climate change must be

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[69] *The Grand Bargain – A shared commitment to better serve people in need* (23 May 2016) OECD < http://www.oecd.org/dac/governance-peace/Grand_Bargain_final_22_May_FINAL-2.pdf>.

[70] O. Buston and K. Smith, '*Global Humanitarian Assistance Report 2013*' (Report, Global Humanitarian Assistance and Development Initiatives, 2013), 65.

[71] United Nations High Commissioner for Refugees, *Figures at a Glance* (2017) < http://www.unhcr.org/en-au/figures-at-a-glance.html>.

[72] United Nations High Commissioner for Refugees, *Climate Change and Disasters* (2017) < http://www.unhcr.org/en-au/climate-change-and-disasters.html>.

able to make informed choices and those who choose or are forced to move must be able to migrate safely and with dignity.

People fleeing are increasingly left with limited alternatives to escape ongoing persecution, violence and conflict. They are stuck in situations where their health, security and human rights are placed at further risk by having to shelter in under-resourced camps and communities, or take hazardous measures to travel to a safe destination. Refugees are increasingly unable to access durable solutions with fewer than one percent being resettled[73] and decreasing numbers able to voluntarily return home due to the overall increase in protracted and renewed conflicts.[74] Women and girls fleeing conflict, crisis and natural disasters face specific threats including exploitation, harassment and assault, sexual violence and trafficking. These risks are often exacerbated by other factors such as age, race or disabilities.

At present, the responsibility of assisting refugees and displaced people is disproportionately falling on poor and middle-income countries neighbouring conflict and disaster zones. These poor and middle-income countries host 86 percent of the world's refugees.[75] People forced to flee must have their rights protected including through ensuring access to education, healthcare and livelihoods in host countries. Host communities must also be supported through targeted assistance.

To effectively assist countries hosting large populations of people who have been forcibly displaced, developed countries such as Australia should be implementing constructive and long-term strategies to both support countries neighbouring conflict zones to care for people seeking refuge and to support countries with large populations of people who have been internally displaced without resorting to short-term plans that distort aid allocations.

Within the Asia Pacific region, Australia has a particular responsibility to work constructively with other countries to protect refugees and other people on the move. Australia's role as co-chair of the Bali Process provides the government with a clear platform through which to engage other countries in enhanced regional collaboration. Recognition and protection of the human rights of people affected should be central to any measures that are implemented.

Australia's assistance to countries hosting large populations of displaced people and its engagement with the region is essential and must be done in conjunction with an

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[73] United Nations High Commissioner for Refugees, *Resettlement*, (2017) < http://www.unhcr.org/en-au/resettlement.html>.
[74] United Nations High Commissioner for Refugees, 'Global Trends: Forced displacement in 2015', above n 59, 2.
[75] Ibid.

enhanced domestic application and acceptance of Australia's responsibilities under the 1951 Refugee Convention[76] and the 1967 Protocol.[77]

In particular, treatment of people seeking asylum must be humane and compassionate. There must be an end to offshore processing and detention of people seeking asylum, the system of boat turn backs must end, and spontaneous arrivals must be provided with sufficient and humane reception conditions and processed in Australia. There is a need for increased safe and legal migration routes, including through increasing access to visas for displaced people and increasing opportunities for family reunification, which particularly benefits women and girls. The needs of women and girls must be catered to, including through the provision of services for women who have experienced gender based violence, access to sexual and reproductive healthcare, private spaces for women and girls to speak with support workers, and steps taken to ensure that women and children have access to information about protection and assistance.[78]

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

35. Provide long-term and predictable technical and financial support to countries that host large populations of displaced people and countries of transit.
36. Recommit to the 1951 Refugee Convention and to the 1967 Protocol, including in domestic law, and ensure that the rights of people forced to flee are respected.
37. Enhance access to durable solutions for refugees including through increasing Australia's humanitarian intake in response to need and enhancing access to other humanitarian pathways including through expanded visa categories.
38. Work collaboratively with governments within the Asia-Pacific region to protect the human rights of displaced people.

4.2.3 Promoting inclusive peace and recovery processes

There is growing recognition that conflict resolution, peace building and recovery efforts which include a wide section of society and range of perspectives and needs

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[76] *Convention relating to the Status of Refugees,* opened for signature 28 July 1951, 189 UNTS 137 (entered into force 22 April 1954).

[77] *Protocol Relating to the Status of Refugees,* opened for signature 31 January 1967, UNTS 606 (entered into force 4 October 1967).

[78] Oxfam International 'Closed Borders' (Report, Oxfam International, 2016); Oxfam et al., *Joint Statement on Women and Girls to the Global Refugee and Migrant Summits* (September 2016) <https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/closed_borders_eng_low.pdf>

from the outset are more effective.[79] Exclusion from such processes can lead to inadequate attention on the needs and representation of marginalised and vulnerable groups, which can undermine the chances of sustainable peace and accelerate a return to violence and instability.[80]

Women and girls are critical stakeholders in peace and security. They face particular and often disproportionate impacts in conflict; they are more often the deliberate targets of gender-based violence and abuse, and frequently have access to fewer resources to protect and sustain themselves. As such, they bring different perspectives and experiences essential to addressing violence and transforming its underlying causes.

However, women are often excluded from formal negotiations, political processes and decision-making essential for peace and security. This is despite analysis of forty peace processes finding that in cases where women's groups were able to exercise a strong influence on the negotiation process, there was a much higher chance that an agreement would be reached, compared with when women's groups exercised weak or no influence.[81]

Australia has actively supported international efforts to uphold women's rights in conflict and promote their meaningful participation in security and peace processes. This includes support for full implementation of UN Security Resolution 1325 on Women, Peace and Security in 2000 and championing the Women, Peace and Security agenda during Australia's 2013-14 UN Security Council term, most notably through promoting women's participation in peace-building, protection of women and girls and gender-sensitive policing in Afghanistan. Australia has also supported initiatives to promote women's participation in peace processes and improve access to justice in a range of countries from the Philippines, Solomon Islands, Afghanistan and Timor-Leste.[82]

In 2012, Australia launched its National Action Plan to articulate a holistic and coordinated approach to Women Peace and Security, both domestically and internationally, by 2018.[83] There have been significant efforts to implement the

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[79] See for example, Australian Government, 'Framework for Working in Fragile and Conflict-Affected States' (Guidance for Staff, AusAID, 2011), 33.

[80] T. Paffenholz, 'Inclusivity in Peace Processes' (Briefing Paper, United Nations High Level Review Panel, 2015).

[81] UN Women, 'Preventing Conflict, Transforming Justice, Securing the Peace: A global study on the implementation of United Nations Security Council Resolution 1325' (Report, UN Women, 2015), 41.

[82] Australian Government, 'Women, Peace and Security: Implementation of UN Security Council Resolution 1325' (Report, DFAT, 2015).

[83] Australian Government, 'Australian National Action Plan on Women, Peace and Security 2012-2018' (Action Plan, Department of Families, Housing, Community Services and Indigenous Affairs, 2012).

National Action Plan's commitments, including training and capacity building for defence, police and civilian staff, efforts to increase the number of women in senior peace and security roles, and supporting civil society efforts.

While these efforts have established Australia as a champion of Women, Peace and Security, there is still much work to be done. Globally, despite some signs of progress, the steps taken are still far below the momentum needed to fulfil Women, Peace and Security commitments.

Only fifty-four countries have formulated National Action Plans, and many do not have real mechanisms for accountability or budgets available for real implementation.[84] While aid to support gender equality in post-conflict fragile states has been rising, only six percent of such assistance targets gender equality as a principal aim.[85] In the peace and security sector, the proportion of aid focused on gender equality is even less, at two percent, and focused largely on the prevention of gender-based violence rather than the role of women in the prevention of conflict itself.[86]

With less than two years to go until the end of Australia's National Action Plan in December 2018, the Foreign Policy White paper presents a critical opportunity to reconfirm and step up Australia's long-term commitment to the Women, Peace and Security agenda. This should include both proactive international advocacy to increase investment and hold all stakeholders to account for their role in implementation, and commitments to further consolidate the institutionalisation of Women, Peace and Security objectives across Australian foreign policy, the foreign aid program, and defence and Australian Federal Police initiatives.

Recommendation

The Foreign Policy White Paper outline Australia's commitment to:

39. Fully implement the Women, Peace and Security agenda including the promotion of inclusive peace building efforts, with the meaningful participation of women and other vulnerable marginalised groups.

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[84] UN Women, 'Preventing Conflict, Transforming Justice, Securing the Peace: A global study on the implementation of United Nations Security Council Resolution 1325', above n 81, 15.
[85] OECD, 'Financing UN Security Council Resolution 1325' (Brief, DAC Network on Gender Equality, March 2015), 1.
[86] Ibid.

4.3 Addressing the root causes and drivers of humanitarian crises

Informed by Oxfam Australia's practical work on the ground in developing countries, we recommend that Australian foreign policy focus on the following issues that exacerbate instability:

- Food insecurity and the underinvestment in support for small-scale producers, particularly women producers;
- The impacts of climate change;
- Vulnerability to disasters; and
- Impunity in the Arms Trade.

4.3.1 Food security

One of the greatest and most pressing challenges is how to feed the world's 795 million hungry people.[87] Many of these hungry people live in our region. For example, there are almost 20 million hungry people in Indonesia alone.[88]

The vast majority of the world's hungry people are small-scale farmers, livestock keepers, fishers or forest foragers; many of whom are women. Small-scale farmers experience numerous obstacles including barriers to accessing markets, lack of access to savings and credit, and lack of access to technical assistance responsive to local contexts. The dynamics of agriculture are often highly gendered, with women farmers implicitly or explicitly excluded from efforts to support agriculture and micro-agribusiness. In addition, poverty in small-scale farming communities acts as a constraint on the development of local markets by depressing demand.

Despite the challenges they face, small and micro-farming businesses are critical to food security, with the potential to feed farmers themselves, their families and their communities. This contributes to community resilience, a topic this submission will return to, with a particular focus on disaster risk reduction, in Section 4.3.3.

Investing in women small-scale farmers has been found to be particularly effective. The FAO estimates that merely providing women farmers with the same resources (such as agricultural inputs, credits and services) currently used by men could increase their production by up to 30 percent, resulting in a 12 to 17 percent reduction in global hunger.[89] Yet, agricultural investments and markets are typically

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[87] World Food Programme, *Zero Hunger* (2017) < http://www1.wfp.org/zero-hunger>.

[88] World Food Programme, *Indonesia* (2017) <http://www1.wfp.org/countries/indonesia>.

[89] Food and Agricultural Organisation, 'The State of Food and Agriculture 2010-11' (Report, FAO, 2011), xi; See also J. Thorpe and E. Sahan, 'Power, Rights, and Inclusive Markets: Public policies that

skewed away from the interests of the most vulnerable small-scale farmers, which is mostly commonly women. Women farmers rely heavily on their labour, are least likely to sell to markets, and have limited, if any, secure access to land. Market-focused initiatives, however, typically do not address the needs of the more vulnerable farmers.

Australia's foreign policy, and particularly the foreign aid program, should incorporate a more nuanced focus on food security. To deliver the greatest social, economic and efficiency outcomes, Australian aid funded initiatives will need to recognise the differentiated nature of agriculture and focus on supporting the most vulnerable small-scale producers.

For many rural people, access to land is a fundamental determinant of inequality and disadvantage. While land dynamics can be complex and context specific, Australia would be well-placed to support activities that assist marginalised groups – such as women, rural farmers and indigenous peoples - to equally participate in land policy and legal processes. There would be benefit in exploring opportunities to the extent to which Australia can support land rights that underpin strong local agriculture in vulnerable communities – which could include monitoring the gender outcomes of land disputes, assisting rural people to participate in land policy discussions, and support to legal aid initiatives supporting rural communities on property law.

Supporting poor rural people, particularly women, to capture value in the value chain, can further enhance the efficacy of agricultural investments. In Oxfam Australia's experience, social enterprise models are particularly powerful in promoting pro-poor and equitable approaches to agriculture and agribusiness investments so that investments maximise wealth creation and better distribute this wealth to the poor.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

40. Prioritise efforts to address food insecurity by:
    a. Developing clear food security outcomes that target vulnerable rural people – particularly women – for all foreign aid programs in the agriculture, rural development and natural resources sector
    b. Supporting agricultural programs that target the most vulnerable small-scale producers – taking into account the particular experience of women farmers – including support for enterprise models, efforts to address current barriers to market and investments in the agriculture value chain.

support small-scale agriculture' (Report, Oxfam International, 2013), 4.

> 41. Support context specific solutions, which are inclusive of women, to land challenges in recognition of the centrality of secure land access for food security and improved development indicators more generally.

<u>4.3.2 Climate action</u>

Climate change poses profound risks to the food and water security, livelihoods and wellbeing of people across our region and the world. We are already seeing an increase in the intensity and frequency of weather-related disasters including more destructive tropical cyclones, flooding and prolonged drought. We are also seeing various slow onset changes such as sea level rising and desertification. Research by the Food and Agriculture Organisation suggests that the combined effect of climate change and its impacts on small-scale farmers could be an additional 122 million people living in extreme poverty by 2030.[90]

Combined with the limited capacity of developing countries to adapt to these changes, climate change poses a significant and increasing threat to human security. Keeping global temperature warming well below 2C and to pursue efforts to limit temperature increases by 1.5C, as committed to in the Paris Agreement, is essential if the impact of the emerging climate change crises is to be minimised.

This requires an immediate collective effort by countries to implement ambitious strategies at the domestic level. Australia's 2030 targets are far short of the scope of emissions reductions required to meet the goals of the Paris Agreement.[91] Furthermore, it seems highly unlikely that current domestic policies can meet even these inadequate targets. In accordance with Australia's economic capability and historical responsibility for carbon pollution, Australia must aim to achieve zero emissions well before mid-century. This requires a rapid transition to 100 percent renewable energy. Australia should commit to no new coalmines or coalmine expansions, coupled with greater support for renewable energy plans in developing countries.[92]

Without such steps, Australia will not maximise the opportunities from renewable energy potential or help provide the necessary enabling environment for Australian companies to expand and benefit from the new economic opportunities emerging throughout developing world as governments and communities invest in renewable

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[90] Food and Agriculture Organisation, 'The State of Food and Agriculture 2016: Climate Change, Agriculture and Food Security' (Report, FAO, 2016), xi.

[91] S. Bradshaw, 'Bringing Paris Home: How Australia measures up against the new global climate agreement' (Report, Oxfam Australia, 2016).

[92] Ibid, 6.

energy to improve access to electricity, reduce fuel costs and provide long-term energy security.

Australia has taken some important first steps through the foreign aid program to support climate action in developing countries. Measures include a A$300 million (over four years) package of climate change and resilience support to the Pacific, committing to align support with Pacific Island national priorities, including maintaining a strong focus on climate change adaptation, and helping to increase the ability of Pacific Island countries to access the Green Climate Fund.

Developing countries, including our Pacific Island neighbours, are working hard to address the escalating realities of climate change and showing strong leadership.[93] Australia can and must scale up its support for climate action, particularly supporting vulnerable countries in our region, in particular Pacific Island countries, with building the resilience of their communities to the impacts of climate change, as well as addressing those changes to which it may be impossible to adapt.

Assistance should focus on helping strengthen community capacity to tackle existing climate change risks by building community resilience and addressing the needs and capacities of the most vulnerable communities, including women, children and people with a disability. This requires a focus on projects that deliver mitigation, adaption or disaster preparedness as well as strengthening civil society engagement in climate action. Assistance should recognise the vulnerability of small scale-producers and support their essential role in food security.

Such action promotes human security by securing livelihoods, supporting food security, safeguarding development achievements when disasters hit with the aim of easing the number of people impacted and ultimately reducing the number of internally displaced people who are forced to move because their community can no longer survive in the face of climate change. It is also central to Australia's commitments under the Paris Agreement.

Addressing these escalating challenges and meeting our responsibilities under the Paris Agreement will require a significance increase in Australia's contribution to international climate finance. At present, Australia's contribution of approximately A$200 million per year remains small, and accounts for approximately 0.3 percent of total current contributions. Australia should be contributing around 2.4 percent to

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[93] N. Maclella and S. Meades, 'After Paris: Climate Finance in the Pacific Islands' (Research Report, Oxfam Australia, 2016).

the shared international goal of mobilising US$100 billion in public and private finance a year by 2020.[94]

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Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

42. Align Australia's domestic mitigation commitments and policy settings with the commitment under the Paris Agreement to limit the global temperature increase to well below 2C (and pursue efforts to limit to 1.5C), taking account of Australia's economic capability and historic responsibility for carbon pollution.
43. Scale up foreign aid support for climate action in developing countries, with assistance delivered through a comprehensive climate change strategy.
44. Ensure Australia provides a fair contribution to the current international goal of mobilizing US$100 billion in international climate finance per year by 2020.

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4.3.3 Disaster risk reduction and community resilience building

A world of changing and increasing risk, exacerbated by increased exposure to hazards, underlying vulnerabilities and inequalities, and the impacts of climate change necessitates an increased focus on reducing risk and building resilience to shocks, stresses and uncertainty.

In the last two decades, an average of 218 million people each year have been affected by disasters, at an annual average cost to the global economy of US$250-$300 billion.[95] Not only do such costs far outstrip current levels of humanitarian aid, disasters and other shocks can also reverse progress on poverty reduction and economic growth. These impacts often disproportionately impact poor people and poor countries, with women and other marginalised groups frequently worse affected due to discrimination, limited economic opportunities, social exclusion and disability.[96]

Understanding, managing and building resilience to risks should be seen as essential components of, and approaches to, Australia's ongoing efforts to build and safeguard sustainable development and stability. A fully integrated approach to risk will help communities, businesses and countries to prepare for, cope with and

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[94] S. Bradshaw, 'Bringing Paris Home: How Australia measures up against the new global climate agreement', above n 91, 11.

[95] United Nations Office for Disaster Risk Reduction, 'Global Assessment Report on Disaster Risk Reduction' (Report, UNISDR, 2015), 44.

[96] E. Lovell and V. le Masson, 'Equity and inclusion in disaster risk reduction: building resilience for all' (Report, Climate and Development Knowledge Institute & Overseas Development Institute, 2014)

recover from shocks; helping to protect long-term development gains, and minimise economic losses, interruptions to markets and damage to infrastructure.

Australia's future approach should include an increased commitment in disaster risk reduction (DRR) and effective implementation of the Sendai Framework for DRR at all levels,[97] building on its achievements to date. While Australia has undoubtedly shown leadership and good practice in DRR, available data suggests that its level of investment in this area over the past six years has stayed largely static at two to three percent of an overall shrinking foreign aid budget.[98] Increased support for DRR will not only help Australia to keep pace with the escalating human and economic costs of disasters, but to more effectively capitalise on the increasing momentum for DRR in Asia-Pacific, as evidenced through the development of and efforts to implement new initiatives such as Framework for Resilient Development in the Pacific.[99]

An expansion of funding and programming focussed on DRR would be consistent with the recommendations of the OECD Development Assistance Committee in its 2013 Development Cooperation Peer Review of Australia,[100] and makes good economic sense in the context of increasing humanitarian need. The United Nations estimates an annual investment of US$6 billion in disaster risk management over the next fifteen years could save up to US$360 billion in avoided losses.[101]

However, Australia's future focus and investment in resilience should go beyond simply disaster risk management and preparedness, to an overall development approach that works to identify and address the underlying vulnerabilities and inequalities that exacerbate risk, particularly for marginalised groups and those in extreme poverty. This will require a commitment to applying a risk lens across Australia's foreign aid program, and to prioritise sustainable and equitable development initiatives that explicitly respond to current risks and vulnerabilities, while not creating new ones. This should include particular focus on building resilience and capacity at the local and community levels, grounded in the perspectives, needs and capabilities of those at the frontline of disasters and other risks.

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[97] United Nations, *Sendai Framework for Disaster Risk Reduction 2015-2030* (Report, United Nations, 2015).

[98] Commonwealth, *Parliamentary Debates,* Senate, 28 November 2016, 3364 (Concetta Fierravanti-Wells, Minister for International Development and the Pacific).

[99] Pacific Community, 'Framework for Resilient Development in the Pacific' (Report, Pacific Community, 2016).

[100] OECD, 'Development Cooperation Peer Review: Australia 2013' (Report, Development Assistance Committee, 2013), 22.

[101] United Nations Office for Disaster Risk Reduction, 'Global Assessment Report on Disaster Risk Reduction' (Report, UNISDR, 2015), 252.

Recommendations

The Foreign Policy White Paper outline Australia's commitment to:

45. Reduce vulnerability and build the resilience of countries, communities and business to risks. This should include an increased investment in disaster risk reduction, improving the capacity of national and local governments, civil society, NGOs and communities to prepare for and respond to crises, as well as applying a overall risk lens to all of Australia's development and humanitarian assistance.

46. Allocate at least five percent of Australian ODA to targeted disaster risk reduction interventions.

<u>4.3.4 Strengthening regulations and ending impunity in the arms trade</u>

The widespread availability of illicit small arms, and irresponsible transfers of arms to abusive regimes and high risk contexts with impunity, have fuelled armed violence, conflict and human rights abuses around the world.

Australia ratified the Arms Trade Treaty in 2014,[102] which sets a global standard requiring governments to undertake detailed risk assessments before exporting arms and ammunition, and prohibiting transfers where there is overriding risk of serious violations of human rights and international humanitarian law.

Despite the Treaty's rapid entry into force and progress towards full universalisation, Asia-Pacific still remains largely unrepresented, with only Australia, New Zealand, Samoa, Tuvalu and Japan having ratified or acceded to the treaty. In addition, countries such as the United Kingdom and other western countries that are parties to the Arms Trade Treaty have continued to undertake irresponsible transfers of arms.

Australia was one of seven countries that co-authored the original UN resolution on the Arms Trade Treaty, and became one of the first fifty countries to ratify the treaty in 2014. Australia has also championed small arms control on the UN Security Council. Australia has supported efforts to increase Pacific government participation in the Arms Trade Treaty negotiations and implementation of the treaty in the region.

Off the back of these efforts, Australia has an important and credible role to play in supporting further implementation of the Arms Trade Treaty, and in monitoring and speaking out against violations and ending ongoing impunity in the arms trade.

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[102] *Arms trade treaty,* opened for signature June 3 2013, UNTC 52373 (entered into force 24 December 2014).

5. Conclusion

Australia's national interested is served by an ambitious foreign policy that promotes inclusive prosperity, addresses the root causes of human insecurity and supports those impacted by humanitarian crises.

The international rules-based order remains the most comprehensive and effective framework for pursuing collective prosperity and security despite attempts by some individuals and states to erode it. It has shown an ability to address new issues, but a renewed commitment and leadership from countries like Australia will be needed if the multilateral system is to remain responsive to the challenges experienced by people, communities, and states.

Global efforts must also be matched by local implementation. A well-funded and targeted foreign aid system that effectively draws in partnerships with civil society remains essential to giving effect to global goals.

Oxfam Australia is available to discuss any of the issues or recommendations in this submission if this would be of assistance to the White Paper Taskforce.