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Australia as a Compassionate International Citizen

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Thank you for the opportunity to speak briefly to you tonight, and to participate in your Panel discussions, and thank you also for the work you do in helping people whose lives and circumstances are far less fortunate than our own.

As most of you will know, in 1970 the United Nations General Assembly adopted an international aid target of 0.7% - that richer nations like Australia should devote 0.7% of their national income in aid to poorer countries.

In the forty years since then most developed nations have failed to reach the target, and Australia is well down the list at around 0.35% - only half of what we agreed to back in 1970. Australia has committed to raise this to 0.5% by 2015, but most developed nations have promised to get to the 0.7% target by then. What would it take to meet the 0.7% target? Make Poverty History and Micah Challenge produced a report in 2008 proposing a lift from \$3.8 billion in 2009-10 (0.35%) to \$9.2 billion (0.7%) by 2015-16. The rate of increase under this proposal, set in constant prices, would be around \$350 million in 2010-11 and a bit over \$1 billion in 2011-12. Now this money has to come from somewhere. Options which have merit in my view include scrapping the \$1.5 billion fringe benefit tax concession for company cars, a subsidy from taxpayers which has been criticised by the Australian Conservation Foundation as damaging to the environment, and trimming fat from the defence budget by buying off the shelf military equipment rather than engaging in incredibly expensive modifications. For example, the Air Warfare Destroyer project cost double the initial estimate of \$3.5 to \$4.5 billion, to be \$7.5 billion. So too did the Amphibious Vessel project, initially estimated at \$1.5 to \$2 billion, and finishing at \$3 billion.

The benefits from achieving this would be great indeed. Australia could hold its head up high in the international community, and encourage other developed nations to also meet the target. The extra money would help us

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meet the Millennium Development Goals, and help us promote renewable energy and protect tropical forests.

I am a strong advocate of Australia meeting the United Nations target and lifting its international aid contribution.

One of many good reasons to do this goes to the international response to climate change. The Australian Government has made clear that Australia has to be part of the international response to climate change. We ratified the Kyoto Protocol on climate change, passed legislation to dramatically lift the Renewable Energy Target to 20% by 2020, and introduced legislation to put a price on carbon and make the market work to reduce carbon emissions rather than increase them.

The next big challenge is just a few weeks away, in Copenhagen.

Copenhagen is about what we do after 2012 - the second commitment period. Now scientists are saying that our chance to halt global temperature rise at less than 2 degrees Celsius turns on halting the carbon concentration in the atmosphere during a 20 year window, and we're already half way into the 20 years, so Copenhagen is incredibly important.

In the battle to tackle climate change, every country must play its part. There cannot be any passengers. Developing countries must be part of the solution. I understand absolutely their irritation, bordering on disgust, that wealthy countries, having damaged the atmosphere by pumping carbon into it in their pursuit of affluence, now look like they want to pull up the drawbridge and leave the poorer countries locked into perpetual poverty. I understand that indignation completely. But there is no point in the developed countries cutting their emissions if the developing countries simply take up the slack by increasing their own emissions. There needs to be a path to prosperity for the developing countries which does not involve more carbon emissions and does not involve trashing the planet.

So developing countries must be part of the solution. But developed countries have a role to play in enabling this to happen. We need to provide financial support to protect tropical rainforests as carbon sinks, and promote renewable energy such as solar, wind and geothermal technologies.

This means lifting our aid budget. As you will also be aware, we also need to lift the aid budget to achieve the Millennium Development Goals. I congratulate you on your work through Micah Challenge and Make Poverty History challenging all of us public policy makers to live up to the Millennium Development Goals, and your strong focus on improving maternal health and reducing child mortality.