



Australian Government

AusAID

P256

Mr Gerry Antioch
Secretary
The Board of Taxation
Langton Crescent
PARKES ACT 2600

Dear Mr Antioch

I refer to your letter of 26 September in which you sought AusAID's response to several issues in relation to advocacy, NGOs and the Government's aid program, as part of The Board of Taxation's public consultations on the definition of a charity.

I have chosen to address these issues within the context of the Government's overall relationship with overseas development NGOs, as this will provide a more comprehensive response.

NGOs play a valuable role in the delivery of the Australian aid program. Their strengths in garnering public support for the aid program, developing links with communities in developing countries, and flexibility in working in difficult environments, are of great benefit to making Australian aid more responsive and effective.

AusAID only funds Australian NGOs that have undergone a rigorous accreditation process. Accreditation is the cornerstone of AusAID's relationship with Australian NGOs and is considered internationally as best practice. Accreditation aims to ensure the Government is funding professional, well managed, community based organisations that are capable of delivering quality development outcomes. A team of expert financial assessors is contracted during the accreditation process to check the NGOs management practices, financial systems and risk management strategies. To gain accreditation NGOs must be signatories to the ACFOA code of conduct, which is a key tool for maintaining NGO standards. In Stakeholders: Government-NGO partnerships for international development (eds Smille and Helmich, OECD 1999), the Australian NGO Code of Conduct is cited as a model for best practice.

Once accredited NGOs are eligible to receive funding through the AusAID-NGO Cooperation Program (ANCP), as well as specific Cooperation Agreements for Country Programs. NGOs can also access aid program project funding through competitive tender. All funding received must be substantiated by reporting and financial acquittals, including submitting annual plans or proposals for prior approval. It is also a State legislative requirement that all NGOs must be audited annually.

Funding is provided for development and emergency relief activities that contribute to the overall goal of alleviating poverty. AusAID does not require peak bodies or individual NGOs to advocate for policy change on behalf of their members, however in some capacity building programs, a component of these activities can include advocacy as this can strengthen the development impact and long term sustainability of a particular intervention. These activities

are developed and designed by the NGO and approved by AusAID. Importantly, this advocacy is subject to prior approval by AusAID and advances the Commonwealth's development policies and objectives.

Funding is not given to activities which:

- are determined reasonably to be contrary to the interests of the Commonwealth of Australia;
- do not comply with existing Government policy;
- subsidise evangelism or missionary outreach;
- involve welfare activities;
- support independence movements;
- provide direct assistance to unions to organise industrial action and give direct material assistance to striking workers;

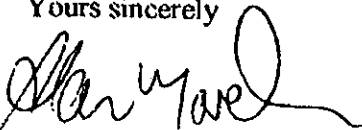
NGOs bring different perspectives to policy dialogue, which can enhance aid policy resulting in improved development outcomes. Where their expertise and experience is relevant and they make a contribution to Government policy, the Government values their input. Forums for Government-NGO policy dialogue operate at a range of levels. A key mechanism for dialogue is the Committee for Development Cooperation. The Committee is a joint consultative body, which draws representatives from NGOs, AusAID and ACFOA, the peak body for NGOs working in overseas aid.

In addition to regular forums, the Government consults NGOs with specialist expertise in specific countries or sectors. This is generally coordinated through ACFOA and is specified in ACFOA's contract. When developing strategies for the aid program in individual countries, the Government may seek the views of NGOs which have well-established links in that country. Similarly, the Government engages in policy discussions with NGOs with specialist knowledge on sectoral issues such as strengthening civil society, education and human rights.

Representatives from the NGO community are represented on the Minister for Foreign Affairs' Aid Advisory Council. The Council discusses key aid policy issues. And, lastly, AusAID holds an annual strategic dialogue with the 10-12 largest (in AusAID funding terms) NGOs where the NGO CEOs and representatives from AusAID's Executive discuss aid program issues and challenges.

I hope the above information addresses the issues you have raised. Please don't hesitate to contact me if you wish to discuss this further.

Yours sincerely



Alan March
Assistant Director General
Humanitarian, Multilateral and Community Branch