



DEPARTMENT OF
FOREIGN
AFFAIRS

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D.A.C. REVIEW OF AUSTRALIAN AID

The following is text of a communique released at the conclusion of DAC Review of Australia on 23 October 1973:-

The Development Assistance Committee (DAC) of the OECD held its annual review of the assistance efforts and policies of Australia on 23 October 1973, under the Chairmanship of Ambassador Edwin Martin.

The Australian delegation was headed by Mr Max Loveday, First Assistant Secretary, Development Division, Department of Foreign Affairs. The examining countries were Denmark and Japan.

The Committee noted with satisfaction that net official development assistance (ODA) disbursements (US Dollars 272 million in 1972) had risen as a proportion of Gross National Product from 0.53 per cent in 1971 to 0.61 per cent in 1972. Australia ranks fourth among DAC member countries in that respect. The Committee welcomed the announcement that the Australian Government would be working towards an official aid target of 0.7 per cent of GNP by the end of the decade. It expressed the hope that Australia's contributions to multilateral organisations would substantially increase in the future.

Owing to a decline in private flows, total net official and private flows to the developing countries decreased to Dollars 422 million and represented 0.95 per cent of GNP in 1972, after having reached the one per cent target for the two preceding years.

In 1972, Australia extended all of its ODA in the forms of grants and was therefore in full compliance with the DAC recommendations on financial terms. There were no changes in Australia's procurement policies or practices in 1972, but Australia, at the DAC High Level Meeting held on 18 and 19 October, agreed to extend its official financial development assistance contributions pledged henceforth to multilateral institutions on an untied basis.

The major part of Australia's ODA continued to be extended to Papua New Guinea. The Committee took note of Australia's intention to maintain a substantial volume of assistance to Papua New Guinea following its accession to full internal self-government on 1 December 1973. At the same time the Committee emphasised that it was desirable that other DAC members as well as international institutions supplement Australia's efforts in favour of Papua New Guinea with a view to speeding up its orderly economic and social development.

Interest was shown by the Committee in the decision to establish an Australian Development Assistance Agency. As from 1 December 1973, this agency, which will be responsible to the Minister of Foreign Affairs, will be entrusted with the administration of all Australia's bilateral aid and its participation in all programs of multilateral aid to developing countries.

The Committee expressed satisfaction at the growing emphasis Australia intends to place on social factors and in particular on measures designed to alleviate unemployment in the developing countries. It welcomed Australia's decision to contribute to multilateral programs dealing with population problems.