

Holding down the fort but a missed opportunity for leadership: AIDN's response to the Australian Government's Federal Budget 2025-26.

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About AIDN

AIDN's primary purpose is to advocate for more and better international giving and investing from Australians. We encourage collaboration, highlight the good and urgent work being done in the sector, and foster an environment for the exploration of what "better" and "more" giving means today. We do this through coordinating, encouraging and facilitating initiatives between the private sector, corporate, government, philanthropists and investors ultimately leading to greater international engagement from Australia.



Executive Summary

When the stakes have never been higher, and yet the (ODA funding) bar so low, the opportunity for Australia to emerge as a global leader in the international development sector has never been so closely in reach.

At the end of March 2025, the Australian Government released their [latest Federal Budget](#) and [ODA Development Budget Summary 2025-26](#)¹. AIDN welcomed the Australian Government's ongoing commitment to previous levels of ODA at a time when aid budgets have been slashed globally. However, in a context where Australia's ODA remains a tiny share of federal spending (0.65%) ([ACFID](#)), AIDN believes that the Australian Government missed an important opportunity to increase ODA and emerge as a leader amidst turmoil in the international development sector.

AIDN further believes that increasing the ODA budget would have been imperative to achieving the Australian Government's own policy objectives outlined in Australia's [International Development Policy \(2023\)](#) and [Development Finance Review \(2023\)](#), Australia's [Humanitarian Policy \(2024\)](#), [Australia's International Disability Equity and Rights Strategy \(2024\)](#) and [Australia's International Gender Equality Strategy \(2025\)](#). In particular, the Australian Government missed an opportunity in the Federal Budget to both lead and demonstrate further commitment to development financing, reaffirming the humanitarian system, and gender equality and disability inclusion.

This position, developed throughout this document, reaffirms our alignment to the [Safer World Campaign](#), which advocates for an increase of Australia's aid budget to 1% of the Federal Budget.



Image: Hanoi, Vietnam. Credit: Jack Young, Unsplash.

AIDN's response to the new Humanitarian Policy

The Australian Government released their [latest Federal Budget](#) and '[ODA Development Budget Summary 2025-26](#)' at the end of March 2025.

In relation to Official Development Assistance, the [Development Intelligence Lab](#) summarised how:

- ✦ There has been a nominal increase from \$4.96b (2024-25 Budget) to \$5.10b (2025-26 Budget);
- ✦ There has been a decrease in real terms (inflation adjusted) of \$5.11b (2024-25) to \$5.10b (2025-26).

\$119m was also redirected to the Pacific following USAID cuts to the region ([The Guardian](#)).

Like many of our peers including the [Development Intelligence Lab](#) and [IDCC](#), AIDN welcomed the Australian Government's continuity and steadfastness at a time when aid budgets have been slashed by traditional partners globally. On 20th of January 2025, Donald Trump signed an [executive order](#) freezing all foreign development assistance for 90 days. In February, Sir Keir Starmer [slashed the UK aid budget](#) to raise defence spending, the Netherlands slashed [30% of its aid budget](#), Belgium cut aid by 25% and France called for a review into [ODA efficiency](#). On the other hand, the Australian Government stated its intention to be "a reliable partner in uncertain times" ([ODA Development Budget Summary 2025-26](#)).

A leader in development funding amidst global aid funding cuts.

However, Australia's international aid spending is still a tiny share of federal spending (0.65%) ([ACFID](#)) and last peaked in 2012 at 1.28 percent ([SMH 2024/RedBridge 2024](#)). New data from the OECD has also shown that in 2024, Australia gave 19 cents for every \$100 in national income, which was less generous than 84% of OECD countries ([Oxfam/OECD](#)).

In the context whereby Australia's ODA/GNI is currently 0.18%, AIDN believes that increasing the ODA budget in the 2025-26 Budget was not only imperative for putting Australia on the path to hitting Labor's commitment to 0.5% ODA/GNI, but it would have also positioned Australia as a leader in ODA funding amongst severe global aid funding cuts. This position reaffirms our alignment to the [Safer World Campaign](#) - which advocates for an increase of Australia's aid budget to 1% of the Federal Budget.

A missed opportunity to emerge as a leader and achieve Australia's own development policy objectives

Importantly, AIDN further believes that increasing the ODA budget would have not only positioned Australia as a leader in the context of 2025's global aid funding cuts. But that it was also imperative to achieving the Australian Government's own international development policy objectives - as set out in Australia's [International Development Policy \(2023\)](#) and [Development Finance Review \(2023\)](#), Australia's [Humanitarian Policy \(2024\)](#), [Australia's International Disability, Equity and Rights Strategy \(2024\)](#) and [Australia's International Gender Equality Strategy \(2025\)](#).

A missed opportunity in financing and impact investment.

First, by keeping the ODA budget consistent there was a missed opportunity to achieve Australia's own policy objectives in relation to development financing - in line with Australia's [International Development Policy \(2023\)](#) and [Development Finance Review \(2023\)](#), and Australia's [Humanitarian Policy \(2024\)](#). For example, in late 2023, the [Development Finance Review \(2023\)](#) concluded "that Australia's existing mechanisms and financing tools are likely to be sufficient ... in the short term. However, rapid evolution over the last five years, the anticipated magnitude of challenges facing the region and Australia's standing within it, and potentially a higher level of Australian Government ambition for the role of development and climate finance, mean changes will be needed to ensure Australia's development finance tools remain fit for purpose" (p.22).

Moving forward, the [Development Finance Review \(2023\)](#) recommended several policy focus areas including: the deployment of concessional development finance for climate-resilient infrastructure, the expansion of development finance, private capital mobilisation, scaling up blended finance and the Emerging Markets Impact Investment Fund (EMIIF). Australia's [Humanitarian Policy \(2024\)](#) likewise included various references to the need for private sector capital mobilisation stating: "Australia will continue to explore innovative financing approaches to uncover new sources of funding to address humanitarian needs. Harnessing the capital and expertise of the private sector, international financial institutions and multilateral development banks is key..." (p.16).

A missed opportunity for promoting peace, stability and the humanitarian system.

Second, AIDN believes that by keeping the ODA budget consistent there was a missed opportunity to demonstrate Australian leadership in peace, stability and faith in the humanitarian system - as aligned with Australia's own international policy objectives in the [International Development Policy \(2023\)](#) and [Development Finance Review \(2023\)](#), and [Humanitarian Policy \(2024\)](#).

The Australian Government's [Humanitarian Policy \(2024\)](#) was the first overarching policy document setting the future directions of Australia's humanitarian program since 2016 ([ACFID](#)). Importantly, as outlined in Minister Wong's Ministerial Forward the "Policy [was] not just about saving lives and meeting humanitarian needs. It [was] also about promoting the peace, stability and prosperity that we want for Australia, our region and the world" (p.4). The [Humanitarian Policy \(2024\)](#) further focused on Australia's role as a global development actor more broadly by seeking to "reinforce the international humanitarian system" and legal system (p.7). The policy called for a focus on the protection of humanitarian workers, as aligned with Australia's leadership on the [declaration for the Protection of Humanitarian Personnel](#).

AIDN wholeheartedly welcomed these policy objectives at a time when we were facing serious humanitarian crises across the globe and 2024 was one of the deadliest years ever for aid workers ([Guardian 2024](#)). Now in the context of 2025's global aid cuts, this objective has become even more important.

A missed opportunity for gender equality and disability inclusion.

And finally, AIDN believes that by keeping the ODA budget consistent, there was a missed opportunity to demonstrate Australian leadership in gender equality and disability inclusion - in line with Australia's [International Development Policy\(2023\)](#) and [Development Finance Review \(2023\)](#), Australia's [Humanitarian Policy \(2024\)](#), [Australia's International Disability Equity and Rights Strategy \(2024\)](#) and [Australia's International Gender Equality Strategy \(2025\)](#).

Over the past three years, a clear highlight of Australia's international development policies have been the consistent focus on diversity and inclusion. AIDN welcomed the Development Policy (2023)'s focus on poverty alleviation, incorporating First Nations leadership and agency, and policy objective to "harness the valuable connections, knowledge and expertise that reside in local communities" (p.26). Likewise, the new Humanitarian Policy centred on the fact that women, children, people with disabilities and LGBTQI+ communities experience increased risks in crises (p.22-23). This focus on diversity and inclusion was welcomed by [ACFID](#), [UNICEF](#), [CBM Australia](#) and [ADDC](#).

Released in late 2024, [Australia's International Disability Equity and Rights Strategy \(IDEARS\)](#) also underscored Australia's dedication to equity by prioritising leadership, systemic change and meaningful inclusion for people with disabilities globally. As [ADDC](#) noted: "IDEARS marks a vital shift in development priorities—from inclusion to equity. Setting performance targets for disability equity within Australia's [ODA] is a groundbreaking move".

Released in February 2025, [Australia's International Gender Equality Strategy \(2025\)](#) was a further welcome sign of Australia's intention to promote gender equality in the Asia-Pacific region, with a clear focus on sexual and gender-based violence (SGBV), and sexual and reproductive health and rights (SRHR). However, to truly show commitment to these policy objectives an increase in the ODA in the latest Federal Budget was required. As our peer, [Plan International Australia](#), noted: the latest Federal Budget was a missed opportunity "to support girls and communities in crisis".



Image: Girls in Funafuti, Tuvalu. Credit: Winston Chen, Unsplash..

Conclusion

By not increasing ODA in the 2025-26 Federal Budget, Australia not only missed an opportunity to get on track to hit its ODA commitment of 0.5% of GNI. It simultaneously missed an opportunity to demonstrate leadership and commitment to achieving its own policy objectives in relation to development financing, defending the humanitarian system, and gender equality and disability inclusion. The Australian government should closely consider these opportunities for the next Federal Budget and upcoming election.

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