

## Steady amid global turmoil, but much greater ambition and leadership needed: AIDN responds to Australia's 2026/27 ODA Budget.

May 2026

### 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 "more" and "better" 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

Australia's 2026/27 Federal Budget has been delivered amid one of the largest contractions in global Official Development Assistance (ODA) in history. Against this backdrop, Australia has maintained relative stability in its development program, allocating approximately \$5.2 billion to ODA in 2026/27, equivalent to 0.18% of GNI (DFAT, [2026](#)). AIDN welcomes the Australian Government's continued commitment to development cooperation during a period of global turmoil, particularly its focus on the Indo-Pacific region, climate action, humanitarian assistance, and ANCP partnerships.

However, while the 2026/27 Federal Budget represents Australia's highest-ever ODA budget in nominal terms, it continues a long-term decline in real terms, falling from 0.65% in 2025/26 to 0.63% of the Federal Budget in 2026/27. Australia also continues to fall woefully short of the global target for high-income economies to direct 0.7% of GNI to ODA. This means that, even despite widespread cuts to ODA by our peer countries, Australia still ranks 25th out of 32 DAC donor countries on aid generosity (Oxfam, [2026](#)).

Maintaining Australia's existing ODA levels amid global aid cuts is welcome, but AIDN believes that ODA can and should play a key role in addressing poverty, inequity and conflict in the Majority World. AIDN further believes that greater investment into ODA will be necessary to achieve 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 \(2025\)](#).

Consequently, in this policy response, we reiterate our support for increasing Australia's aid budget to 1% of the Federal Budget, consistent with the "Safer World Campaign".

## Policy Response

### The global ODA landscape.

Official Development Assistance (ODA) is government aid directed towards the economic development and welfare of low-income countries. In 1970, the United Nations set the international benchmark for the percentage of Gross National Income (GNI) for high-income economies to direct towards low-income economies as 0.7% (UK Government, [2015](#)).

However, in 2025, the world witnessed one of the largest contractions of ODA in our history. The four largest donors - the US, UK, Germany and France - cut ODA simultaneously, with global ODA falling by tens of billions in 2024-25, and with further falls projected in 2025-26 (OECD, [2025](#)). The Trump Administration froze foreign assistance for 90 days on the 20th of January 2025 (White House, [2025](#)), and then on the 10th of March 2025, Secretary Marco Rubio announced 83% of USAID programs would be cancelled. The Netherlands announced a 30% cut in February 2025 (OECD, [2025](#)), Belgium cut ODA by 25% (Devex, [2025](#)), and France reduced ODA by 37% in 2025 (Focus2030, [2025](#)). The United Kingdom will also cut ODA from 0.5% to 0.3% by 2027/28 to fund a defence increase (UK House of Commons Library, [2025](#)).

### Australia's ODA.

On one hand, Australia has demonstrated a relative steadiness in ODA allocation compared to our peers in this period of global aid cuts.

In the 2025/26 Federal Budget, Australia allocated ~\$5.10 billion to ODA. This represented the highest ever aid budget in nominal terms, and in AIDN's [2025/2026 response](#), we welcomed the Australian Government's ongoing commitment to previous levels of ODA at a time when aid budgets had been slashed globally.

On the other hand, in real terms (after adjusting for inflation and economic growth), the 2025/26 ODA allocation actually marked a decrease from 0.68% of the Federal Budget in 2024/25 to 0.65% in 2025/26. It also represented 0.18% of GNI - which clearly misses the Australian Labor Party's own continued support of an ODA/GNI target of 0.5% (ACFID, [2023](#)).

As Table 1 demonstrates, this pattern is not new and underscores a slow decline in Australia's ODA budget since 2016.

## Australia's ODA in the 2026/27 Federal Budget.

In the most recent Federal Budget released on 13 May 2026, ~\$5.20 billion is allocated to Australia's ODA (DFAT, [2026](#)). The 2026/27 Federal Budget prioritises our regional neighbours. Of this \$5.20 billion, more than 75 cents in every development dollar will benefit the Indo-Pacific (\$2.2 billion to the Pacific and \$1.4 billion to Southeast Asia). A further \$359 million will be allocated to South and Central Asia, \$144.6 million to the Middle East and Africa, and \$1.9 million to Latin America and the Caribbean. The remaining \$1 billion is allocated to multilateral organisations and other ODA not attributable to particular countries or regions (Table 2, Page 19, DFAT, [2026](#)).

By sector flows, the 2026/27 ODA budget focuses on:

- Governance (\$1.2 billion)
- Economic infrastructure and services (\$825 million)
- Multisector and general development support (\$791 million)
- Humanitarian (\$741 million)
- Health (\$647 million)
- Education (\$571 million)
- Agriculture, trade and other production sectors (\$404 million) (Table 4, Page 19, DFAT, [2026](#))

Thematically, AIDN welcomes the Federal Budget's focus on climate action, humanitarian action, Australian Non-Government Organisation Cooperation Program (ANCP) and partnerships, gender equality, disability equity and rights, First Nations engagement, health and education.

Australian ODA 2016-17 to 2026-27			
Financial year	ODA (nominal)	ODA / GNI	Share of Federal Budget
2016-17	\$4.03 b	0.22%	0.83%
2017-18	\$4.08 b	0.22%	0.80%
2018-19	\$4.38 b	0.22%	0.81%
2019-20	\$4.07 b	0.21%	0.80%
2020-21	\$4.50 b	0.21%	0.74%
2021-22	\$4.42 b	0.20%	0.74%
2022-23	\$4.78 b	0.19%	0.71%
2023-24	\$4.81 b	0.19%	0.68%
2024-25	\$5.03 b	0.19%	0.68%
2025-26	\$5.10 b	0.18%	0.65%
<b>2026-2027</b>	<b>\$5.209 b</b>	<b>0.18%</b>	<b>0.63%</b>

Table 1: Australian ODA 2016-17 to 2025-26 - nominal \$b with ODA/GNI and Share of Federal Budget (%). Source: [Australian Aid Tracker](#) (Development Policy Centre) for nominal \$ AU values; [ACFID 2025-26 Federal Budget Analysis](#) and [DFAT ODA Development Budget Summary, 2016-27 to 2026-27](#) for ODA/GNI and Share of Federal Budget ratios. Nominal figures in \$b. Ratios rounded.

## Australia's ODA in the 2026/27 Federal Budget.

However, once again, while the 2026/27 Budget's \$5.20 billion represents the highest ever aid budget in nominal terms, it marks a decrease in real terms. As a percentage of the Federal Budget, it represents 0.63% - down from 0.65% in 2025/26 and continues the declining ODA pattern outlined in Table 1.

While we welcome this relative steadiness amid global turmoil, at 0.18% of ODA/GNI, Australia continues to fall woefully short of the global target for high-income economies to direct 0.7% of GNI to ODA. This means that, even despite the massive cuts to ODA by our peer countries in 2025, Australia still ranks 25th out of 32 DAC donor countries on aid generosity (Oxfam, [2026](#)).

AIDN's ultimate goal is that communities in the Majority World live with dignity and opportunity, free from the worst impacts of poverty, inequity and conflict (AIDN, [2025](#)). AIDN believes that ODA can and should play a key role in addressing these issues. We also believe that strong ODA budgets are 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 \(2025\)](#).

We will continue to advocate for an increase in Australia's aid budget to 1% of the Federal Budget. This position is in line with ACFID's [2026/27 response](#), and our ongoing commitment to the "[Safer World Campaign](#)".

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