



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT



ACFID 2026-27 Pre-Budget Submission

Implementation and Ambition:
A new chapter for Australian Aid



Labor's commitment to Australian aid

Labor will rebuild Australia's international development program and increase Official Development Assistance to internationally accepted levels in a timely manner. We will work with the international community to achieve the longstanding funding targets for the international development program of at least 0.5 per cent of Gross National Income.

Labor will increase aid as a percentage of Gross National Income every year that we are in office starting with our first budget.

ALP National Policy Platform 2023



Australia has a proud history of supporting those in need during conflict and crises, but a changing world requires a new approach.

Senator the Hon Penny Wong
Minister for Foreign Affairs
20 August 2024



At a time of global instability and uncertainty, Australia is a steadfast and reliable partner.

While some other donors are reducing their development budgets, we have made the decision to increase ours.

The Hon Dr Anne Aly MP
Minister for International Development
11th November 2025

Implementation and ambition: a new chapter for Australian aid

Overview

Australia's next Federal Budget arrives at a pivotal moment — one where disciplined fiscal management should be matched by clear, confident international leadership. Even in a constrained budget environment, the government has a powerful opportunity to shape Australia's role in a rapidly changing world and demonstrate that strategic investments in development are investments in Australia's global influence and image, and regional stability.

In FY2025-26, Australia's development budget continued to decrease as a percentage of the Federal Budget, to 0.65%. However, the introduction of 2.5% indexation from 2026–27 provides long-overdue predictability and a foundation to build on. With indexation adding more than \$8.6 billion over a decade, the government now has a mechanism to stabilise the development program and enable longer-term planning.

Increasing the development budget is in line with *Recommendation 1 of the OECD's recent [Peer Review of Australia Report](#)*; that Australia “accelerate efforts to increase ODA from its current low base” to resource Australia's foreign and international development policy. **It is in Australia's interest to increase development spending to 1% of the Federal Budget, and take the lead, together with development partners, in building peace and prosperity for our region.**

Implementation and ambition: a new chapter for Australian aid



The opportunity for Australian aid 2026-27

This coming budget also sits within a broader foreign-policy window where Australia can meaningfully elevate its global standing as a strategic middle power and reinforce the rules-based order. Australia has shown recent leadership driving the Declaration for the Protection of Humanitarian Personnel, and the campaign for a UN Security Council seat for 2029–30 can also provide a platform to demonstrate Australia’s commitment to peacebuilding, humanitarian action, and a rules-based order.

These ambitions are strengthened, not hindered, by a well-resourced development program. Strategic investments in climate action, humanitarian response, and regional partnerships showcase the kind of leadership that UNSC members are expected to uphold.

In this context, Australia has a unique opportunity to use the next budget not only to meet immediate fiscal pressures, but to send a strong message highlighting Australia's global responsibility, regional leadership, and long-term strategic engagement. Investing in development is one of the most cost-effective ways to advance all three.

ACFID's Budget Proposals 2026-27



Proposed Investments	2026-27 Additional ODA Budget Ask	Page
Expand High-Performing NGO Programs	\$57m	10
Reassert Australia's leadership on international Humanitarian Action	\$418.3m	12
Ramping up Australia's investment in Climate Action	\$90m	15
Re-invest in the 'building blocks' of development (Health and Education)	\$180m	18
Advance Australia's global leadership on GEDSI	\$139m	21

*A detailed overview of Topline Program Investments can be found within each section



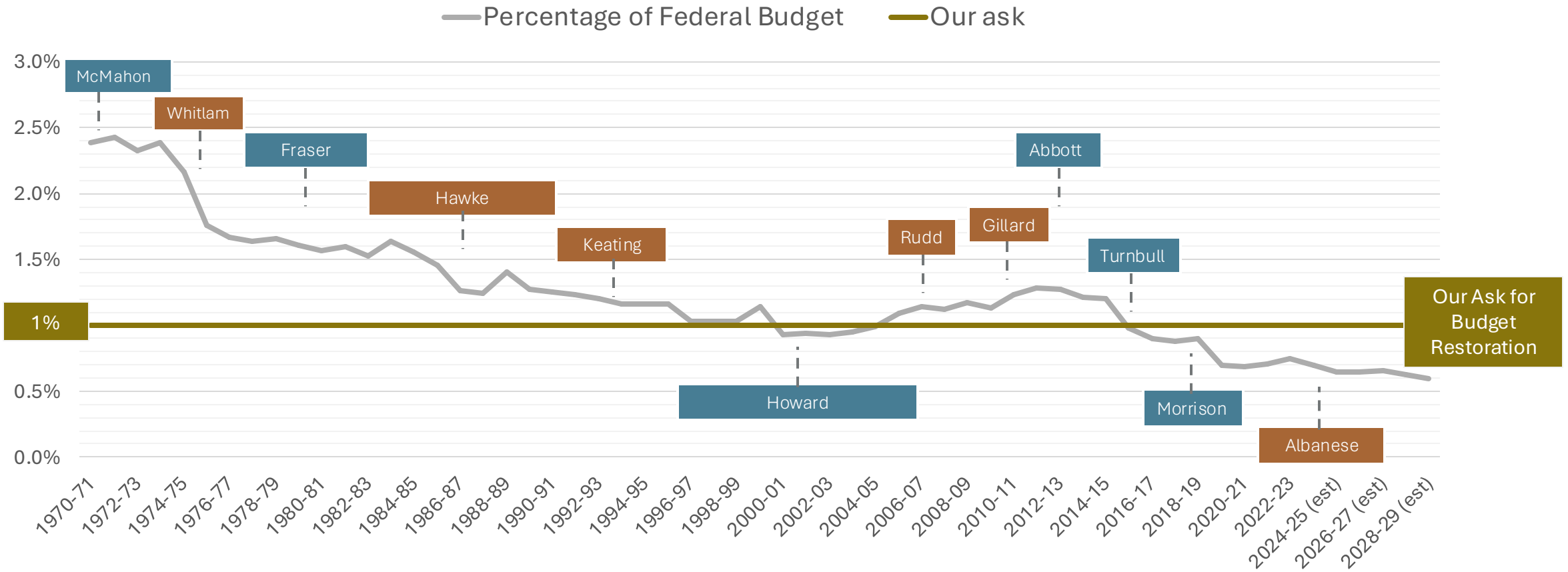
Increasing Australian aid to 1% of the Federal Budget
Why is this important?

Reaching 1%: a natural next step

In 2026-27, the Australian development and humanitarian sector are calling for 1% of Australia's Federal Budget to be invested in foreign aid.

- This proposed investment in aid is not uncharted territory for Australia. Prior to 2000, and during the decade between 2005 and 2015, Australia's aid budget sat comfortably above 1% - under both Coalition and Labor Governments.
- 1% of the Federal Budget is well within Australia's capabilities, and our interests. As the 13th largest economy in the world, spending 1% of the Federal Budget on aid is an appropriate and tested measure to meet current economic challenges, uncertainty and a shifting geopolitical landscape.
- Currently, Australia's aid program is just 0.65% of the Federal Budget, which is a historically low level at a time when the region is looking to Australia for leadership. This is projected to fall to 0.60% by 2029, if current trends continue.
- When looking at global comparisons of aid spending across wealthy countries, Australia falls well below the average – even accounting for recent downward donor trends. Australia's aid-to-GNI* ratio of 0.18 is well below the OECD DAC average of 0.33 and Labor's aspiration of 0.5. It is far below the UN target of 0.7.

Australian aid as a % of the Federal Budget over time



Source: Development Policy Centre, Australian Aid Tracker.

Reaching 1%: a natural next step

Increasing Australia's aid budget to 1% will equip Australia's development and humanitarian programs to:

Address	<p>Address new areas of regional instability, insecurity and risk</p> <p>The Indo-Pacific region faces numerous challenges to regional security and prosperity; from an escalating HIV/AIDS crisis in the Pacific, to the compounding effects of climate change, communities across the region are facing growing disruption and instability.</p>
Protect	<p>Protect the development gains within the region that have already been made</p> <p>The past three decades has seen a rapid decrease in poverty as a share of the population across the Asia-Pacific – from 25% to 5%. As productivity and investment continues to slow down in many regional economies, inequality widens, and global aid cuts impact the region, increased funding is needed to protect and advance the critical development gains that have been made.</p>
Respond	<p>Respond to increasing humanitarian need</p> <p>Over 300 million people around are in need of humanitarian assistance around the world – over double pre-pandemic figures. At the same time, total global humanitarian funding has decreased by over a quarter in the past 12 months. Australia has a moral responsibility to support those impacted by humanitarian crises.</p>
Project	<p>Project strong, values-based leadership in our region and globally</p> <p>The withdrawal of US and European donor funding in the Asia-Pacific and globally has opened the door for principled Australian leadership to drive targeted and effective development progress where it is most needed while building trusted partnerships and coalitions of change.</p>

Opportunity 1

Expand High-Performing NGO Programs

Australian NGOs offer a vast global network of trusted local partnerships, specialist expertise and nuanced understanding of local contexts. Despite their unique value-add, Australia's development program has not maximised the use of NGOs as delivery partners, including through the incredibly successful ANCP program.

To maximise the value of its aid expenditure, leverage local partnerships and ensure community driven results ACFID recommends the Government utilise NGO-led funding windows as a priority delivery mechanism. In the 2026-27 budget, ACFID strongly recommends the Government to:

Increase the Australian NGO Cooperation Program (ANCP) to \$200m p.a. (up from \$143m p.a.)

Australian NGO Cooperation Program in 2023-24



4.1 million people reached



382 projects



51 countries worldwide



50+ NGOs working with **2000+** local partners

DFAT ANCP Fact Sheet.

Scale up high-performing NGO programs

Increase the Australian NGO Cooperation Program (ANCP) to \$200m p.a. (up from \$143m p.a.)

The ANCP is a unique partnership between accredited Australian NGOs and the Federal Government that amplifies community support to enable the delivery of development programs that reach millions of people around the world each year. This would leverage the existing partnerships and programs already in place, reducing costs typically associated with new programs, and instead accelerating impact.



Value for money

Alongside its longevity, the ANCP has proven to a high value-for-money partnership, delivering outsized impact for every dollar spent.



Delivers on priorities

Australian NGOs hold technical expertise across the core priorities of Australia's development program – including climate change, gender equality and disability equity.



Partnerships of impact

Australian NGOs work with over 2,200 partner organisations in over 50 countries around the world spanning all levels of government, civil society and the private sector.



Amplifies public support for aid

In 2023-24, every \$1 in funding from the Australian Government grew to \$1.29 through private fundraising and donations from the Australian public.



Trusted and accountable

To receive funding through the ANCP, ANGOs must undergo rigorous, independent accreditation by DFAT - assessing governance, financial management, development effectiveness, and safeguarding.

Opportunity 2

Reassert Australia's leadership on international humanitarian action

Across Sudan, Gaza, Lebanon, Myanmar, Ukraine, and the Pacific, escalating conflict, climate shocks, and widespread violations of international humanitarian law are driving unprecedented surges in humanitarian need.

The global humanitarian system is under immense strain: as of late 2025, United Nations Global Humanitarian Appeals remain critically underfunded, with less than 40 per cent of requirements met. This funding gap leaves millions without lifesaving assistance. To respond to these increasing needs, ACFID strongly recommends the following budgetary asks:

Double the Humanitarian Emergency Fund, to \$300m p.a. (up from \$150m p.a.).

Increase the current Protracted Crises Fund to \$400m p.a. to allow funding for protracted crises across a range of contexts (up from \$167.7m p.a.). *

Increase Disaster Risk Reduction, Preparedness and Response Funding to \$100m p.a. (up from \$64m p.a.).

Humanitarian action that meets global need

Double the Humanitarian Emergency Fund, to \$300m p.a. (up from \$150m p.a.).

Against this backdrop of growing global need, Australia's humanitarian funding has remained largely stagnant.

The **Humanitarian Emergency Fund (HEF)** has not been increased since its establishment in 2018, despite the sharp rise in crises requiring scaled-up and sustained responses.

Current allocations are insufficient to meet the demands of protracted conflicts, climate-related disasters, and complex emergencies.

*“Right now, there is more conflict than any time since the Second World War and the worsening impacts of climate change mean **Australia’s humanitarian action must be fit for our times and the future.**”*



Senator the Hon. Penny Wong
Minister for Foreign Affairs
16th October 2024

Humanitarian action that meets global need

Increase the current Protracted Crises Fund to \$400m p.a. to allow funding for protracted crises across a range of contexts (up from \$167.7m p.a.). *

Climate change, breaches of international humanitarian law and geopolitics are increasing humanitarian crises. As the number of internally displaced persons (IDPs) and those displaced across borders grows within the region and globally, and an ever-growing number of countries become affected by protracted crises, the need for later-scale and longer-term responses is placing unsustainable pressure on humanitarian organisations.

*DFAT's Development Budget Summary 2025-26 provides "Protracted Crises and Strengthening Humanitarian Action" line item at \$167.7m for 2025-26. The individual breakdown of funding for the Protracted Crises Fund is not publicly available but is assumed to be the majority of the \$167.7m figure.

Increase Disaster Risk Reduction, Preparedness and Response Funding to \$100m p.a. (up from \$64m p.a.).

Australia faces increasing exposure to climate-related disasters and complex emergencies across the Pacific and beyond. Investing in disaster risk reduction (DRR), preparedness, and anticipatory action is critical to saving lives, reducing economic losses, and ensuring rapid, effective responses when crises occur. Current funding levels are insufficient to meet escalating risks. ACFID urges the Government to significantly increase DRR and preparedness allocations within the aid program, enabling communities to build resilience, reduce vulnerability, and avoid the far higher costs of late response and recovery.

Opportunity 3

Ramping up Australia's investment in climate action

Climate change remains the biggest shared challenge facing Australia's nearest neighbours and development partners. As a responsible party to the United Nations Framework Convention on Climate Change, Australia has an obligation to contribute towards global climate targets and goals. To meet Australia's international obligations and support regional efforts to address, adapt to and mitigate the effects of climate change, ACFID strongly recommends the Government to:

Develop a Locally-led Climate Adaptation Window for the Pacific (\$400m over 4 years)

Establish a gender-responsive climate adaptation and resilience funding window (\$300m over 4 years)

Fund a COP31 Civil Society Engagement Package (\$10m)



Tuvalu Minister gives COP26 address.
Source: CNBC.

Climate action: Australia as a climate leader and committed partner

As a responsible party to the United Nations Framework Convention on Climate Change, Australia has an obligation to contribute towards global climate targets and goals. This includes the global climate finance goal – the New Collective Quantified Goal (NCQG) – of \$300bn USD annually by 2035. As such, Australia will need to triple its climate finance contributions to \$11bn AUD over 2025-2030. Australia is currently expected to deliver \$3bn AUD in climate finance contributions towards global efforts over 2025-30, significantly below the required climate finance target based on the NCQG, factoring in historic emissions and economic capacity to pay.

Australia's climate finance must grow in quantity and quality, including the proportion that reaches the most vulnerable countries and communities, and that includes ANGOs and local CSOs in design, implementation and delivery. These efforts need to be complemented domestically by introducing a climate pollution levy on coal, oil, and gas corporations, ending fossil fuel subsidies, and mobilising additional funds for international climate finance from Australian institutions and philanthropic foundations.

Develop a Locally-led Climate Adaptation Window for the Pacific (\$400m over 4 years)

Allocate \$400m over initial four years (starting with \$40 million AUD in 2026-27 and staged increases thereafter). As the largest bilateral provider of grant-based climate finance to the Pacific, the Australian Government has the unique opportunity to demonstrate its leadership by delivering climate finance with high quality outcomes for the region. ACFID recommends that DFAT design and establish a new financial mechanism that addresses the community adaptation funding gap and climate risks faced by local communities in the Pacific. This initial investment of AUD\$400 million over four years offers a flexible, scalable mechanism to provide accessible and targeted funding to support local and regional civil society organisation's adaptation programming and capacity building.

Climate action (cont.)

Establish a gender-responsive climate adaptation and resilience funding window (\$300m over 4 years)

Women and girls currently experience widespread exclusion from climate change decision-making. This results in climate responses across all sectors that overlook their needs and creates barriers to accessing climate funding. ACFID recommends the Government design and deliver a \$300 million gender-responsive climate adaptation and resilience fund over four years to ensure Australia's climate finance is accessible to NGOs and local CSOs working at the intersection of gender equality and climate justice. The fund would drive gender and climate principal programming that enables diverse women and girl leaders to engage in climate decision-making and drive gender-transformative climate change programming and advocacy at all levels.

Fund a COP31 Civil Society Engagement Package (\$10m in 2026-27) - *Non-ODA Investment for DCCEEW*

Although Australia-Pacific's COP31 co-host bid was unsuccessful, Australia's Presidency of Negotiations is a key chance to boost climate ambition and strengthen ties with Pacific Island countries. Leveraging civil society and Pacific communities' knowledge and networks will shape the pre-COP meeting and ensure Pacific voices influence the COP31 agenda.

ACFID recommends the setting up of a civil society-led secretariat to coordinate events, knowledge exchange, research and consultations to enable the full participation of a broad cohort comprising the Australian Government (DCCEEW and DFAT), Pacific governments and civil society, First Nations communities, Australian NGOs, policy tanks, environmental groups, and the private sector. This Fund can support capacity building for the roles where Australia will be nominating, for example, the Presidency's Youth Climate Champion — creating opportunities for meaningful youth engagement. It can also bolster cross-cutting expertise by strengthening the role of the Disability Constituency through official recognition and development of an advocacy roadmap, ensuring disability inclusion is embedded in the lead up to and at COP31. The Fund should be co-designed with government and civil society to align activities with decision-making milestones. The secretariat would synthesise and communicate diverse perspectives throughout Australia's COP31 Presidency.

Opportunity 4

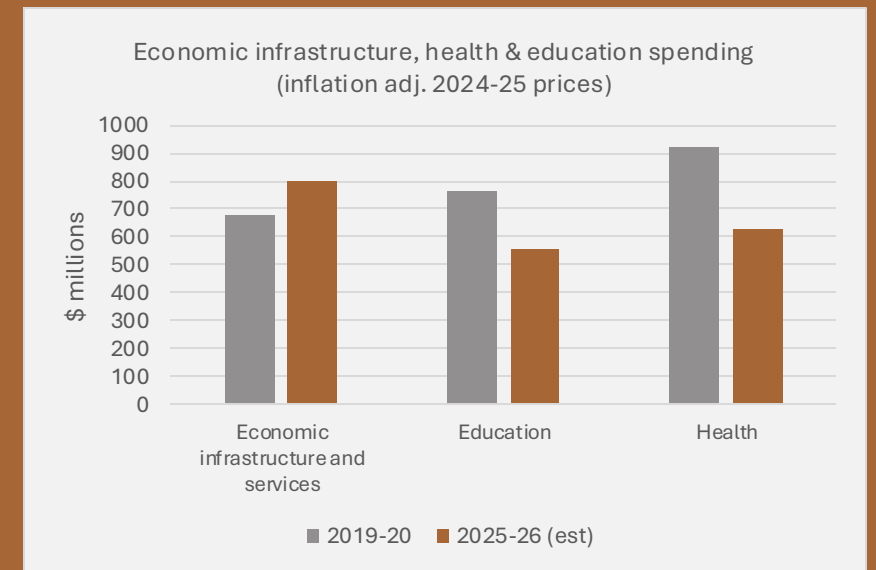
Re-invest in the ‘building blocks’ of development

While strides have been made in eliminating extreme poverty in the Asia-Pacific region, critical development areas like food security, equal access to education and universal health coverage are far from being realised. To rebalance* Australia’s aid program towards programs that underpin human development and health, and to fill critical gaps left by other retreating donors, ACFID recommends the Government to:

Increase Australia’s contribution to the Global Education Partnership by \$81m to \$250m over 5 years.

Continue to invest in health by allocating an additional \$650 million over the next 5 years (doubling current ODA).

*Australia’s funding on global health has decreased from 18% to 13% since 2019-20, education has dropped from 15% to 11% while there has been a corresponding increase in economic infrastructure and services.



Source: Australian Aid Tracker, Development Policy Centre.

Education: filling the global funding gap

Increase Australia's contribution to the Global Education Partnership by \$81m to \$250m over 5 years.

Equitable, inclusive and accessible education for all is foundational to development progress. Yet, in 2026, global ODA funding for education is projected to drop by almost a quarter from 2023 levels due to successive cuts from donor governments around the world. The impacts of these cuts could result into an additional 6 million children being out of school worldwide, particularly in emergency settings (UNICEF 2025).

The upcoming 5th 2026-2030 replenishment round for the Global Education Partnership (GPE) presents a convenient opportunity for Australia to reinforce its strong commitment to multilateralism and global education. Increasing Australia's contributions by \$16.2m annually will help to fill the gap left by withdrawing donors, enabling the ongoing work of the GPE to strengthen education systems in lower-income countries around the world.

Within this replenishment, Australia could support:

- Education in Emergencies (EiE)
- Climate resilience within education systems
- Girls' education
- Early childhood education

“Every single child, every single person, every single girl should have the right to education.

And investments in education and skills don't just benefit individuals.

They have a catalytic impact for entire societies and indeed for countries.”



**The Hon Dr Anne Aly
MP**
Minister for
International
Development
11th November 2025

Health: investing in a development multiplier

Continue to invest in health by allocating an additional \$650 million over the next 5 years (doubling current ODA).

Investing in health is a powerful multiplier for development. It delivers better outcomes for women and girls, boosts education, drives economic growth, and strengthens resilience. Health-focused ODA is an investment that pays dividends across every sector. However, Australia's Total Health Sector ODA Flows have consistently fallen since the pandemic. These decreases match global trends, with total development health assistance falling to less than half its peak in 2021, from \$80.3bn to \$39.1bn (Think Global Health 2025).

Ensuring long-term regional prosperity, regional health security, and the health and wellbeing of people across the Indo-Pacific can only be achieved by investing in health systems. Across the Indo-Pacific, health systems are straining to respond to HIV epidemics, drug-resistant tuberculosis, malaria resurgence, declining vaccine coverage, and risks of measles outbreaks.



Global health funding is projected to have dropped by between **30% and 40%** in 2025 compared to 2023 levels.

Source: World Health Organisation, 2025

“These facts underline a challenge I have spoken about a lot lately: that at a time when development challenges and humanitarian crises are burgeoning, traditional development partners are dramatically reducing ODA levels...”

How the world addresses HIV/AIDS. This has always been a collective effort and a collective responsibility.”



Senator the Hon. Penny Wong
Minister for Foreign Affairs
27th November 2025

Opportunity 5

Advance Australia's global leadership on GEDSI

With rights and equality under attack globally, the upcoming Federal Budget is another opportunity to advance social inclusion on the global stage and in Australia's development program. This requires adequate funding to fully implement and realise the ambition in the Government's world-leading strategies on gender equality, disability equity, LGBTQIA+ rights (yet to be released). ACFID recommends the Government to:

Double the Gender Equality Fund to \$130m (up from \$65m p.a.)

Increase LGBTQIA+ funding, by increasing the Inclusion and Equality Fund by \$11.5m p.a. from \$3.5m.

Sustain long-term investment in Pacific Women Lead (\$250m over 5 years)

Commit targeted funding for Adolescent Girls (\$50m over 4 years).



Source: Department of Foreign Affairs and Trade.

Advance Australia's Global Leadership on Gender Equality, Disability and Social Inclusion

Double the Gender Equality Fund to \$130m (up from \$65m p.a.)

The Gender Equality Fund supports flagship initiatives promoting gender equality across the Pacific and Southeast Asia. This Fund plays a crucial role in shaping Australia's development efforts to ensure strong gender equality outcomes, building on programmatic outcomes and lessons learned from previous years. Increasing Australia's Gender Equality Fund by \$65 million per year would be an important step to increasing the pool of funding available for principally focused gender programming.

Increase LGBTQIA+ funding, by increasing the Inclusion and Equality Fund by \$11.5m p.a. (up from \$3.5m p.a.)

Local LGBTQIA+ civil society has a critical role in protecting LGBTQIA+ rights, dignity, and broader civil and political freedoms. By increasing Australia's LGBTQIA+ funding by \$11.5m annually, including by increasing the Inclusion and Equality Fund to a total of \$15m p.a., this will support diverse local LGBTQIA+ civil society and human rights defenders in all key Australian development partner countries.

Advance Australia's Global Leadership on Gender Equality, Disability and Social Inclusion

Sustain long-term investment in Pacific Women Lead (\$250m over 5 years)

Sustain long-term investment in Pacific Women Lead by allocating \$250 million over five years from 2026-27 and setting a target for bilateral spending allocation on gender equality. This is to ensure gains over the past 15 years can be maintained, and Australia's flagship gender program in the Pacific can continue.

Commit targeted funding for Adolescent Girls (\$50m over 4 years)

Across the Asia-Pacific, adolescent girls face disproportionate impacts from poverty, climate change, and systemic marginalisation. The climate crisis worsens inequalities: girls often eat last when food is scarce, are pulled from school, denied health care, exposed to violence, and excluded from work opportunities. Yet girls are powerful agents of change. When their rights and leadership are supported, they help build fairer, safer, and more sustainable communities—benefiting families, economies, and societies.

Investing in adolescent girls, including those with intersecting marginalisations, is both a moral and strategic imperative. Targeted funding aligned with Australia's International Gender Equality Strategy would strengthen resilience and advance development priorities.



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