

# 2022-23 Federal Budget | Facts & Figures

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## Overall Direction: ACFID's View

"We welcome the new assistance to the Pacific to battle the COVID-19 downturn. Australia's support remains vital and this front-loaded investment in the Pacific's economic recovery is what's needed.

But the development reversals created by COVID-19 will last over a decade. Our Pacific relationships are not temporary – and our funding model needs to reflect this. Temporary measures and 'base' assistance are confusing our long-term intentions and relationships in the region. This outdated framing needs to be dropped."

– Marc Purcell, CEO, ACFID

### Immediate Aid Boost for Pacific Recovery Welcomed

ACFID has welcomed the Australian government's decision to increase the Australian aid budget in 2022-23 to \$4.549 billion from an originally estimated \$4.335 billion in 2021-22, and the announcement of \$324.4 million for the Pacific and Timor-Leste to help COVID-19 recovery.

However, ACFID is calling on the Australian government to end the temporary nature of some aid measures and make aid growth permanent to reflect growing human need, instability and the changing regional geostrategic environment.

Marc Purcell, CEO of ACFID said:

"We welcome the new assistance to the Pacific to battle the COVID downturn. Australia's support remains vital and this front-loaded investment in the Pacific's economic recovery is what's needed.

"But the development reversals created by COVID-19 will last over a decade. Our Pacific relationships are not temporary – and our funding model needs to reflect this. Temporary measures and 'base' assistance are confusing our long-term intentions and relationships in the region. This outdated framing needs to be dropped.

“We need to continue to increase our investments in long-term, quality development programming to lift the livelihoods of people across the region. Building human security based on Pacific priorities is the pathway to closer cooperation, people-to-people links and greater stability.

“The new allocation for COVAX to tackle global vaccine inequity and the recently announced new humanitarian funding for the Ukraine are very welcome steps.”

From this year (2022-23), the Government will add 2.5% to the what it defines as the ‘base’ aid program. While this increase is termed ‘indexation’, it is important to note that this figure falls short of the most recent CPI figures of 4.25 per cent in 2021-22 and 3 per cent for 2022-23.

“The Government is rightly buffering the aid program against inflationary pressures. It is good news that this commitment has been kept.

[Click here to read the full release](#)

### **ODA Total**

Financial Year 2021-22: \$4.335b

Financial Year 2022-23: \$4.549Bb

### **Breakdown Of Total Oda 2022-23**

Total ODA is made up of what the Government defines as a ‘base’ component and temporary, targeted and supplementary (TTS) measures.

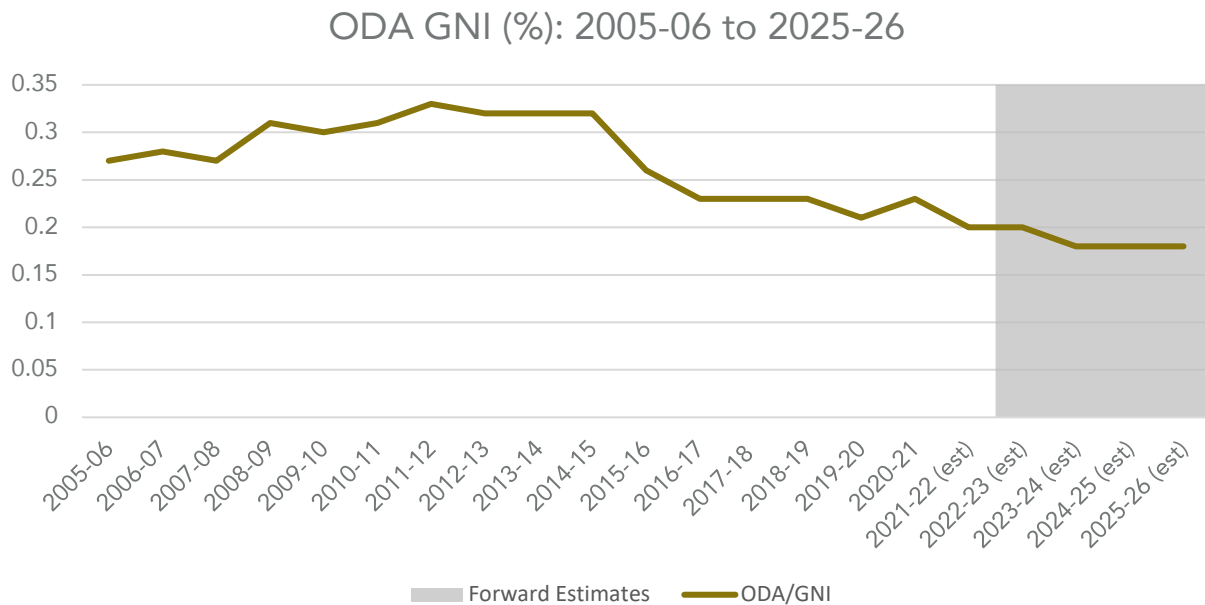
The 2022-23 ‘base’ is \$4.089bn. This has increased from 4.0bn in 2021-2022 due to the return of indexation on ODA calculated at a rate of 2.5 per cent Consumer Price Index (CPI). (Note, this is below the most recent CPI figures of 4.25 per cent in 2021-22 and 3 per cent for 2022-23.)

The TTS measures for 2020-23 are \$460m.

Indexation will not be applied to TTS measures.

## ODA / GNI Ratio

- Australia's public spending on Official Development Assistance (ODA) as a proportion of our Gross National Income in 2022-23 will stay at 0.2%, remaining on par with the estimated ratio for 2021-22.
- The OECD Development Assistance Committee (DAC) average for ODA/GNI in 2020 was 0.32%.
- According to the Development Policy Centre, Australia was the 14th most generous DAC member in 2015, contributing 0.29% of GNI as development assistance. In 2020, its ranking has dropped to 21st. Australia was the tenth richest country in the OECD in 2020.



## Temporary, Targeted & Supplementary Measures

“There are welcome new TTS announcements, with total levels returning almost to the immediate aid response to COVID-19 seen in the 2020-21 budget. Setting-up these measures was originally intended for tackling the pandemic. Humanitarian responses like Ukraine and a 9 year-program on supporting the ASEAN CSP are creeping into this category. The problems and challenges that these measures are trying to meet are anything but temporary – they are ongoing, and the programs should be as well. We call for them to be maintained and incorporated in the base.”

- Jessica Mackenzie, Director of Policy & Advocacy

### Headline Announcements: Regional Recovery

- A **NEW** two-year investment of \$324.4m to provide economic and social support to aid COVID-19 recovery in the Pacific and Timor-Leste.
  - o We understand \$318.4m of this is ODA, made up of \$281m in 2022-23 and \$32.8m in 2023-24
  - o It is unclear exactly how and where this will be spent, but the Treasury papers specify it will include essential services, COVID-19 testing and vaccine delivery and food insecurity.
- Other MEASURES for 2022-23 (these were announced prior to the budget):
  - o \$61.5m to continue supporting economic recovery in Southeast Asia
  - o \$13.6m for Pacific Labour Mobility
  - o \$5.7 m for the ASEAN Comprehensive Strategic Partnership (part of a nine-year package worth \$117.5m)
- **NEW** AIFFP loan capacity
  - o The lending headroom of the AIFFP will double from \$1.5bn to \$3bn.
  - o The 2022-23 budget offers no new grant money on top of the original \$500m. Given it is grants which make these loans concessional it is unclear how these loans will be made attractive or sustainable to borrowers.

- o In an environment of growing debt-distress, the Government must be very sensitive to debt-sustainability and ensure that projects are high-quality, sustainable and deliver on the priorities of Pacific peoples.

### Headline Announcements: Health Security

- The Government has committed to spend a further \$375m five-year strategic investment in the region’s health security. This investment is still under design by DFAT.

The 2022-23 budget has also identified:

- \$98.3m spent over 2022-23 to continue the Regional Vaccine Access and Health Security initiatives in both Pacific and Timor-Leste (\$51.4m) and Southeast Asia (\$46.9m).
- A \$77m increase to Global Health Programs (GAVI, Global Fund, COVAX) to \$190.5m in 2022-23.
- \$85m for the COVAX Advance Market Commitment, made up of \$77.5m in 2021-22, and \$7.5m in 2022-23.
- \$100m over 5 years to the Coalition for Epidemic Preparedness Innovations.

### What’s Happened to TTS?

THEMATIC AREA	Allocations in 2021-22 Budget	Allocations in 2022-23 Budget
Vaccine Access and Health Security Initiative	\$162.6m	\$98.3m
COVID-19 Response Package for Pacific and Timor-Leste	\$100m	\$281m
Economic, Development and Security measures for Southeast Asia recovery	\$56m	\$61.5m
Pacific Labour Mobility	\$9.9m	\$13.6m
ASEAN Comprehensive Strategic Partnership	\$0	\$5.7m
Australian Support for India	\$0.7m	\$0
Australian Support for Ukraine (announced in March 2022)	\$50m	\$0

Global Health Security (Contribution to COVAX Advance Market Commitment provided by Department of Health)	\$77.5m	\$0
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## Humanitarian Assistance

“Humanitarian need has risen dramatically in 2021. We warmly welcome the Australian Government’s significant announcement of an additional \$30m for protracted crisis which will help to address underlying root causes of humanitarian crises. It must be delivered as multi-year funding and focused on prevention as well as response.

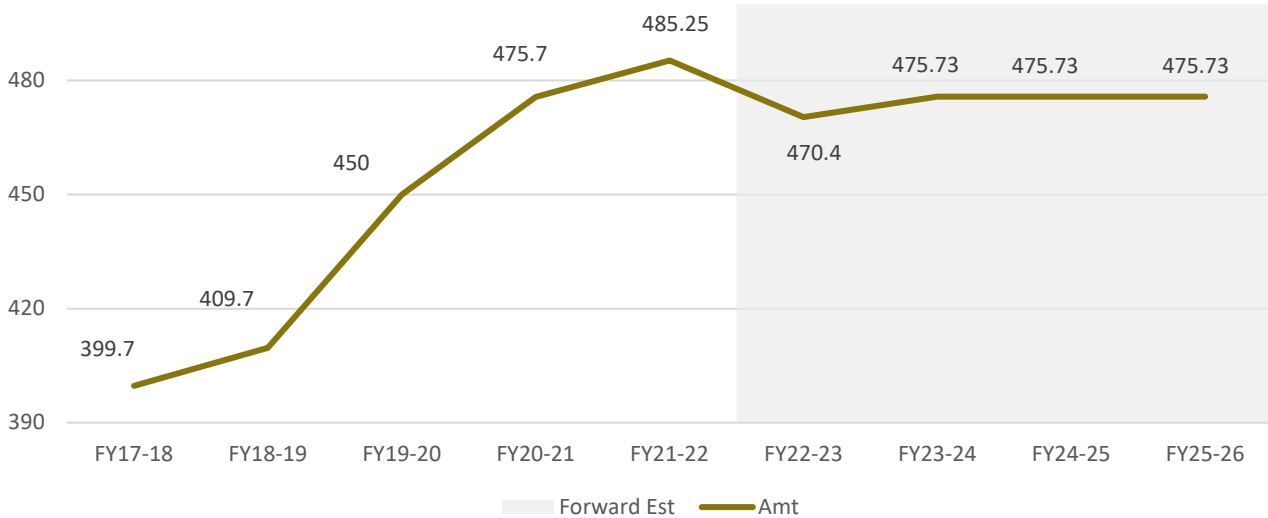
We welcome the Government’s achievement of its \$500m annual commitment of humanitarian funding. However, Australia’s fair share of humanitarian funding in 2022 is now at least \$1bn. The Government will need to evolve its strategic and funding approaches to meet these global humanitarian challenges.”

- Natasha Chhabra, Humanitarian Policy & Advocacy Adviser

### What’s happened with the Humanitarian Budget?

- Last year the humanitarian budget saw an increase partly due to the inclusion of COVID-19 Response Fund. This has now been moved from humanitarian expenditure to global and regional health programs which means the humanitarian budget estimate has decreased from \$485.3m in 2021-22 to \$470.4m in 2022-23.
- Readjusting for the movement of the Response Fund, the humanitarian budget has increased by \$35.1m this year, made up of:
  - o \$30.6m for protracted crisis and strengthening humanitarian action
  - o \$2.5m for ICRC
  - o \$2m for WFP
- The Government met the humanitarian spending commitment of \$500m set out in the 2017 Foreign Policy White Paper. It did this in both 2020-21 (\$541m) and 2019-20 (\$516m).
- The \$500m commitment was not budgeted for as part of estimated expenditure but achieved reactively. Australia’s global fair share contribution to humanitarian needs now exceeds \$1.05bn.

## Humanitarian Budget Estimates & Forward Estimates



\*Whilst ACFID measures estimate to estimate, the DFAT statistical summaries show that in 2020-21 Australia reached \$541m total humanitarian funding and surpassed its 2017 Foreign Policy White Paper aspiration.

## Year-on-Year Funding

THEMATIC AREA	A. FY19-20 Budget Estimate	B. FY20-21 Budget Estimate	C. FY21-22 Budget Estimate	D. FY22-23 Budget Estimate	F. %YOY (Comparison of C and D)
Disaster risk reduction, preparedness and response	\$51m	\$52m	\$52m	\$52m	0
Protracted crises and strengthening humanitarian action	\$115.5m	\$117.7m	\$114.3m	\$144.9m	27
Humanitarian & COVID-19 Response Fund	\$150.0m	\$200m	\$200m	\$150m	-25
Global Humanitarian Partnerships	\$133.5m	\$106m	\$119m	\$123.5m	4
- ICRC	\$27.5m	\$20m	\$25m	\$27.5m	10
- CERF	\$11m	\$11m	\$11m	\$11m	0
- UNHCR	\$25m	\$25m	\$25m	\$25m	0

- UNOCHA	\$10m	\$10m	\$10m	\$10m	0
- UNRWA	\$20m	\$10m	\$10m	\$10m	0
- WFP	\$40m	\$30m	\$38m	\$40m	5
HUMANITARIAN, REFUGEES AND COVID-19 RESPONSE TOTAL	\$450.0m	\$475.7m	\$485.3m	\$470.4m	-3

**A Global Humanitarian System Under Strain**

- The COVID-19 pandemic has heavily impacted an already under-resourced global humanitarian sector and simultaneously intensified humanitarian needs globally, making emergencies even more complex.
- It is more important than ever for Australia to take a leading role in anticipatory action and risk reduction. We need to address the root causes of protracted crises and displacement as well as deliver assistance to reduce humanitarian suffering.
- ACFID welcomes the increase to the DFAT partnership with WFP of \$2m, however this is a far cry from the investment required to substantially respond to rising food insecurity across the globe.

Addressing pressing humanitarian crises

- ACFID welcomes the \$50m additional funding allocation for Ukraine in 2021-22. This is part of a total \$65m contribution to the crisis in Ukraine.
- A call by ACFID and members to raise funding for Afghanistan from \$65m to \$100m in 2021-22 and in forward estimates has not been included. However, we have seen a generous addition of 16,500 very needed humanitarian resettlement places, for Afghan nationals.

## NGO Programs & Civil Society Funding

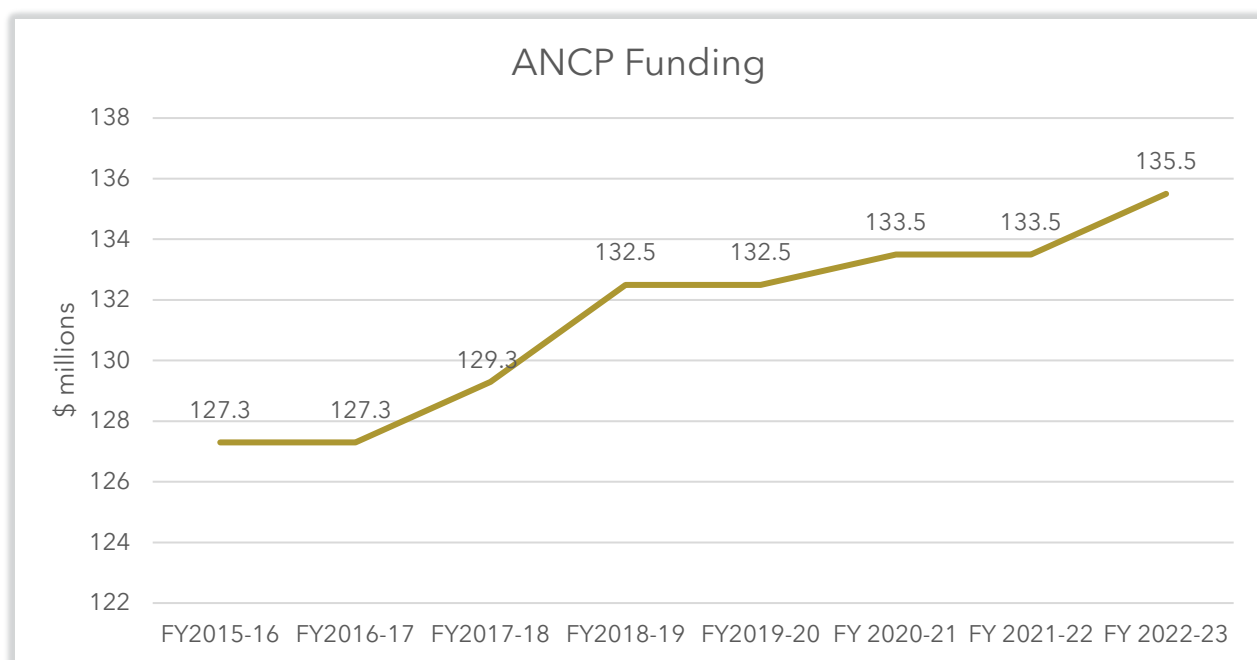
“The increase in ANCP is a welcome recognition of the strength of the NGO program and its partnerships during COVID-19. Local civil society have been a cornerstone in responding to COVID-19 and rebuilding their communities.

To build on this strength and in line with localisation approaches, the Government needs a broader and more strategic commitment to civil society strengthening and support.”

– Sarah Burrows, Head of Policy & Partnerships

### ANCP Funding

- The Australian NGO Cooperation Program (ANCP) funding has seen a 1.5% increase in 2022-23.



Source: FY2015-16 budget outcomes; FY2016-17 budget outcomes; FY2017-18 revised budget estimates; FY2018-19 budget estimates; FY2019-20 budget estimates; FY2020-21 budget estimates,

### Volunteer & Community Programs

- A significant reduction in Australian Volunteer Programs continues - it is unclear whether this will be ramped up again after COVID-19 travel impacts have gone.

THEMATIC AREA	A. FY18-19 Budget Estimate	B. FY19-20 Budget Estimate	C. FY20-21 Budget Estimate	D. FY21-22 Budget Estimate	E. FY22-23 Budget Estimate	F. %YOY (Comparison of D and E)
Global NGO Programs	135.6	138.6	138.6	139.1	141.1	1.44
Australian Volunteer Programs	42.6	40	26	26	21	-19.23
Community Engagement & International Research	8.4	13.4	10.5	10.8	10.8	0
NGO VOLUNTEER & COMMUNITY PROGRAMS TOTAL	186.6	191.9	175.1	175.8	172.8	-1.71

## Climate Change

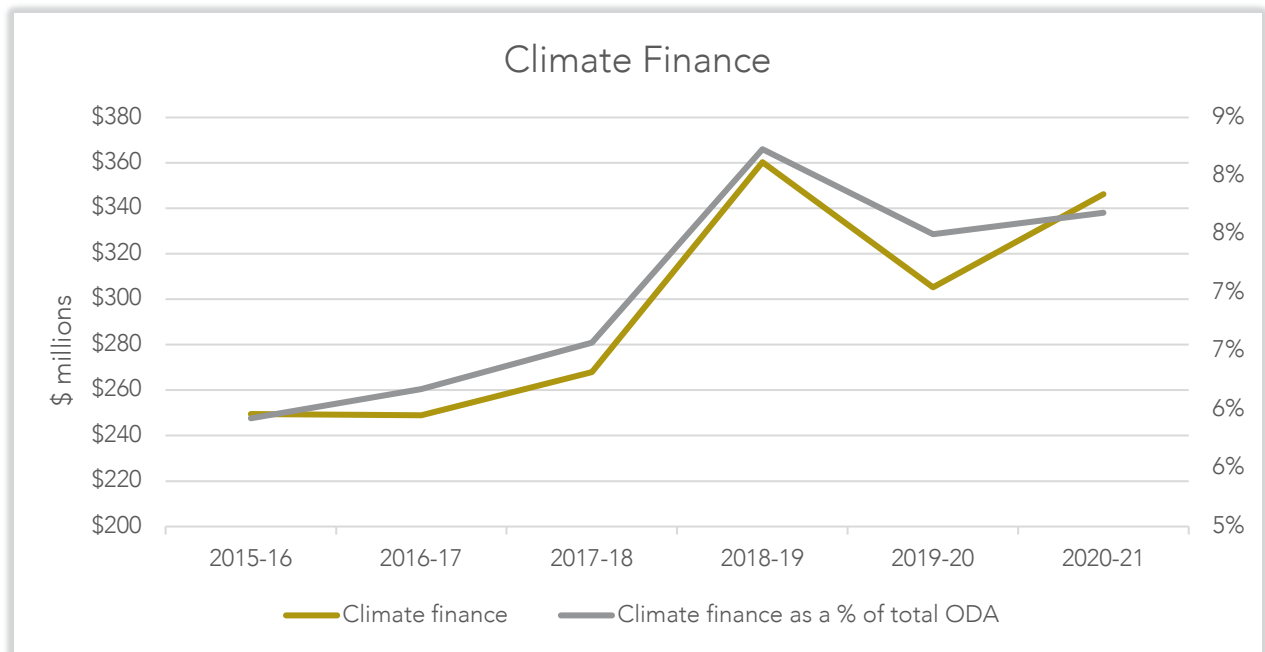
“While Australia’s support for climate finance has increased over time, it still falls short of the capacity and resources needed to mainstream climate and environmental response and falls well short of Australia’s fair share of \$12bn by 2030.

While the Government has committed to \$2bn over 5 years, the only clarity we have on climate financing in this budget is a \$5m increase in Climate Partnerships. Greater clarity is needed on expected expenditure for this critical work.”

- Sarah Burrows, Head of Policy & Partnerships

## Climate Finance

- Climate Partnerships has increased from \$40m in 2021-22 to \$45 in 2022-23.
- At COP26 the Australian Government announced \$2bn in climate finance between 2020 and 2025.
- Climate finance should be new and additional.
- How exactly ODA climate finance figures are calculated (and spent) remains unclear.



Source: DFAT, Statistical Summaries - Australia's International Development Cooperation for the financial years in question (dedicated table on climate finance)

## Gender Equality, Disability & Social Inclusion

“We urge the Government to restore central disability inclusion funding. This would preserve the economic and social gains Australian aid has achieved for disability inclusion in our region.

The pandemic, climate change and rising poverty all disproportionately impact women and girls, and people with disabilities. We welcome increased funding for gender equality, especially the announcement of the \$300m flagship program in Southeast Asia “Women Together.”

- Brigid O’Farrell, Policy & Advocacy Advisor

### Gender & Disability Funding

#### Disability

- For a third year the Central Disability Fund remains at \$9.6m in 2022-23 – following the 25% cut in 2020-21.
- Disability spending through country and regional programs has seen an ongoing decrease from \$125.8m in 2013-14 to \$97.7m in 2020-21 – a mere 2.14% of total ODA.
- The Government has also delayed the development of a third Development for All strategy.

#### Gender

- The 2022-2023 Budget estimates that \$1.5bn across the overall development program (including over \$500m in the Pacific) will support gender equality. This represents 33% of total ODA and is an increase from last year’s estimate of \$1.3bn.
- We welcome the announcement of a package, Women Together, which provides \$300m over five years to support gender equality initiatives in Southeast Asia. The package will advance the Women Peace and Security agenda, support responses to sexual and gender-based violence and promote women’s rights and leadership.
- However, this funding is based on a reallocation of existing regional and bilateral programs and is not new funding.

We welcome the continuation of temporary and targeted measures for economic and social costs of COVID-19 in the Pacific and Timor-Leste (\$281m) and Southeast Asia (\$61.5m) and encourage the Government to ensure this package has a strong focus on social inclusion and protection.



# Geographic Shifts

## Increases & Decreases

### The Pacific

\$1.442bn in 2021-22 to \$1.501bn in 2022-23 an increase of 4.1%.

- DFAT reports \$346m in temporary measures for the Pacific in 2022-23.
- Funding for most countries in the region increased with a 12.9% increase for Tonga to \$40.2m and 8.9% increase to Pacific Regional to \$405m.
- Funding to the North Pacific reducing by 36% to \$7.1m – due to Palau's graduation from ODA eligibility.

### Southeast & East Asia

2% increase from \$1.012bn in 2021-22 to \$1.032bn in 2022-23.

- DFAT reports \$114m in temporary measures for Southeast Asia in 2022-23.
- \$5.7m in 2022-23 will be allocated to support the Comprehensive Strategic Partnership with ASEAN as part of a \$117.5m ODA package over nine years.

### South & West Asia

11.7% increase from \$273m in 2021-22 to \$305m in 2022-23.

- 30.2% increase to Afghanistan to \$66.4m following the fall of Kabul and pivot to humanitarian spending.
- Increase of funding to Bangladesh of 10.4% to \$147.7m.

### Sub-Saharan Africa/Middle East & North Africa

Small shifts with Sub-Saharan Africa reducing by 1% and Middle East and North Africa increasing 1.9%.

## Transparency & Performance

“DFAT has been required to implement a new three-tier performance system in short shrift with ‘Partnerships for Recovery’. That turnaround and a new Development Budget Strategy Section is welcome.

There remains gaps on transparency and performance which need to be filled like publishing forward estimates for ODA and uniting whole-of-program aid performance in one place. It is also essential that the next Australian government reboots independent scrutiny which has declined substantially in recent years. ”

- Jessica Mackenzie, Director of Policy & Advocacy

### Yet to be Announced

- Sector Data
  - o Sectoral breakdowns of the aid budget will be published by DFAT in the coming weeks. They are health, education, humanitarian, governance, economic infrastructure and services, agriculture trade and other production services, and multisector and general support.
- Additional Reporting
  - o Climate, gender and disability are not modelled in the same way as sectoral data. They are counted retrospectively at the end of the financial year and reported in the Green Book (or DFAT statistical summary) and to the OECD Development Assistance Committee.
- Afghanistan UN Pledging Conference | COVAX Leader-Level Meeting
  - o On 31 March, the UK Government will host a UN pledging conference for Afghanistan and on 8 April the Government of Germany will host a leader-level meeting aimed at raising urgent financial support for COVAX. Despite some detail emerging in budget papers, more clarity should emerge in the coming days on Australia’s contributions.

### Things to Watch

- Performance of Australian aid reboot?
  - o DFAT has provided updates on the individual country/regional ‘Partnership for Recovery’ COVID-19 development response plans and recorded higher-level performance in its annual report. But fragmented reporting, means it is harder to make overall performance assessments.

- Life after 'PFR'?
  - o The response to COVID-19 triggered the 'Partnerships for Recovery' policy. This is due to end in 2022. ACFID supports looking beyond PFR to create a new international development policy 'beyond COVID'.
- Forward estimates
  - o For the first time, DFAT has brought together the 'base' and temporary, targeted and supplementary measures to create a total ODA figure. This is a welcome change. Despite sharing them with the sector, DFAT continues not to publish forward estimates for total ODA spending.
- ODE & IEC
  - o The loss of the Office of Development Effectiveness and Independent Evaluation Committee means levels of independent scrutiny have dropped in recent years. This downturn should be reversed.

## Further Reading

### Budget documents

- ODA Budget Summary 2022-23  
Available [here](#)
- Foreign Affairs and Trade Portfolio Budget Statements 2022-23  
Available [here](#)
- ACFID 2022-23 Pre-Budget Submission  
Available [here](#)

### Aid trackers

- COVID-19 pacific aid tracker  
Available [here](#)
- Australian Aid Tracker  
Available [here](#)