

Australian Federal Budget 2025

IWDA analysis

Overall development budget

- Overall ODA will see a nominal* increase of 2.7% to a total of \$5.1 billion in FY25-26
- But this is below the rate of inflation, representing a cut in real** terms
- It's also down as a percentage of Australia's overall budget spend, and as a percentage of Gross National Income – on this measure, aid is now at its lowest level ever.

* The nominal value is the stated value not accounting for inflation.

**The real value is the stated value, adjusted for inflation.



At a time when anti-gender, authoritarianism and far-right misogynist politics are taking hold and working hard to unwind hard fought progress for gender equality, this budget represents a drop in the ocean compared to the need and is shockingly insufficient.



Nayomi Kannangara
CEO

IWDA's budget night response

“We were heartened by the release of Australia’s International Gender Equality Strategy last month which lays a strong foundation for Australia to stand up for gender equality and women’s rights. We were looking to this budget to match the ambition with resources, and position Australia to respond to the increasing backlash and attacks on women’s and LGBTQIA+ people’s rights.

This budget fails to meet the moment.

While there are some welcome reallocations, the overall international development cooperation budget is just 0.18% of GNI, representing a decrease on the previous year and Australia’s lowest aid commitment ever as a share of GNI.”



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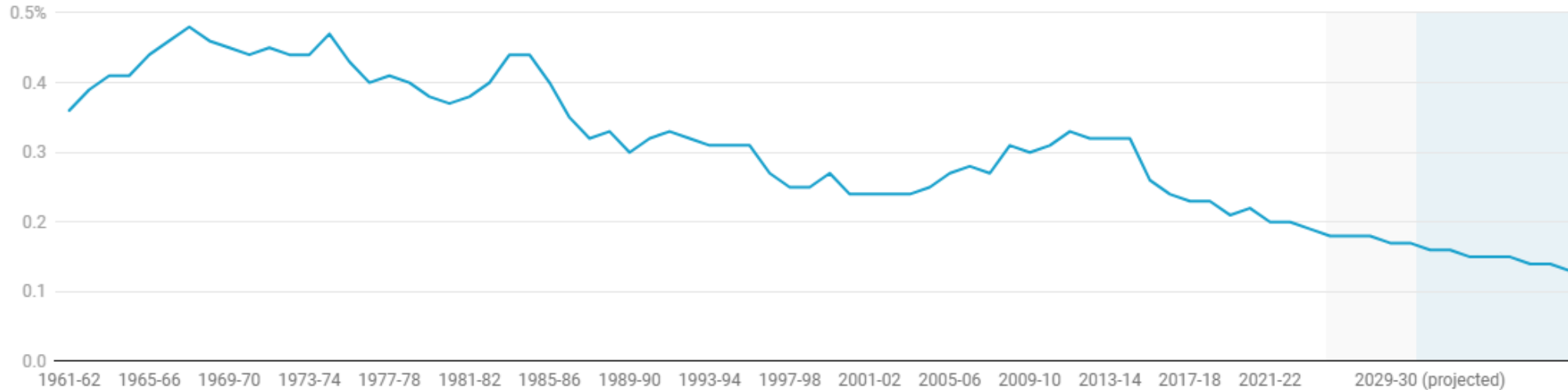
Nayomi Kannangara
CEO

ODA in context - Australia

Generosity: Australian aid as a percentage of GNI

Official development assistance (ODA) in current \$AU as a percentage of gross national income (GNI)

Source: [DevPol 2025](#)



Source: ODA from DFAT statistical summaries and budget documents, actual GNI from ABS, and forward estimates of GNI based on nominal GDP growth forecasts from Treasury budget documents • [Get the data](#) • Created with [Datavrapper](#)

In the context of the federal budget, ODA is:

- 0.18% of Gross National Income (GNI) – the lowest ever (global target is 0.7%)
- 0.65% of Government expenditure (for every \$100 of spending, just 65c goes to ODA)
- Australia will now spend 12 times more on Defence than ODA

ODA in context - Global

The past two months have seen an acceleration of an existing trend towards ODA cuts from major donors.

The US has caused chaos with:

- Stop work order leading to cutting 80% of USAID programs. This includes cutting 100% of funding to many countries in Asia and the Pacific.
- Executive Orders targeting trans and gender-diverse people, and DEI policies and programs
- Ordering publication of all USAID funding recipients - potentially life-threatening for WHRDs and LGBTQIA+ organisations.

Impact of USAID cuts in Asia and the Pacific

Country	Cut as % of USAID funding	Cut in \$USDm
PNG	100%	23
Solomon Islands	100%	0.8
Fiji	100%	1.1
Vanuatu	100%	1.8
Palau	100%	1.5
Timor Leste	100%	18
Nepal	100%	128
Thailand	100%	14
Indonesia	98%	108
Cambodia	98%	59
Philippines	95%	104
Laos	72%	64
Vietnam	65%	64
Myanmar	34%	52
Bangladesh	56%	229
Pakistan	85%	83
Sri Lanka	100%	53
Afghanistan	36%	223

ODA in context - Global

This is part of a larger trend, where major European donors have made significant cuts to ODA.

- Far right political parties holding power in previously progressive donor govts: Sweden, the Netherlands, Germany. Sweden and the Netherlands abandoned commitments to feminist foreign policy among their first actions
- Anti-immigration, racism and protectionism are driving significant cuts to ODA.
- Redirection of ODA to Ukraine and migrant source countries in Africa, at the expense of Asia and the Pacific (eg: Sweden pulling out of Cambodia in 2024)
- Russian invasion of Ukraine driving countries to scale up investment in Defence, now accelerated by Trump
- Labour Govt in the UK announced plans to cut ODA from 0.5 to 0.3% of GNI (from a high of 0.7% - one of the few countries to meet this obligation) in order to increase Defence spending

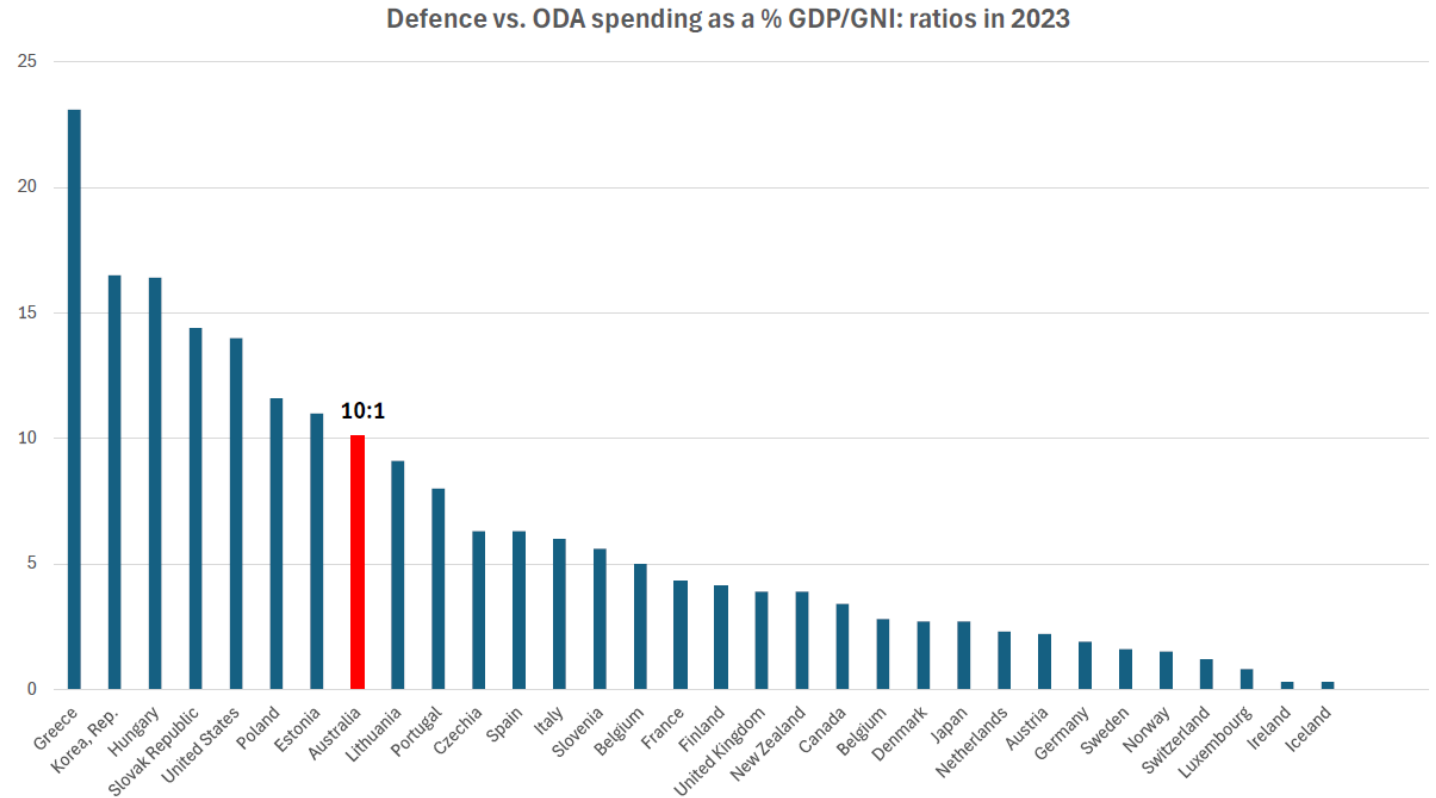
Key figures (all in USD):

- **Netherlands:**
5.1b in 2023, down to 1.5b in 2027
- **Sweden:**
6.25b in 2022, down to 5.1b in 2027
- **UK:** 8.7b in 2023, down to ~5.3b in 2025
(based on reduction from 0.5 to 0.3% of GNI)

ODA in context - Global

- Many analysts have focused on the ODA to Defence ratio this year, as UK and EU donors cut ODA to increase Defence.
- However, even with those cuts, the UK will still spend nearly twice as much on ODA as a percentage of its GNI than Australia does.
- Australia already had one of the worst ratios in the OECD – and because our ODA is so low, this is unlikely to change, even with other countries making cuts.

Aid and defence: comparison



Sources: SIPRI, *Yearbook: Armaments, Disarmament and International Security, 2023*; OECD Development Assistance Committee, *Official development assistance (ODA) 2023 final figures*.

Countries where IWDA partners work

- Most countries where IWDA partners work will stay the same or see small increases, with funds ‘reprioritised’ from global programs into the region.
- There is a \$370m humanitarian package for Myanmar (and boarder camps in Bangladesh) – this incorporates funding from previous commitments. It is unclear at this stage how this funding will be allocated but will include a mix of NGOs, UN and Bangladesh govt.
- There is also \$25m for “Pacific Strong” a new program combining funding to Pacific GBV crisis support centres

Country	2024-25 Budget Estimate (\$m)	2025-26 Budget Estimate (\$m)	Is it real growth?
PNG	637.4	707.0	Y
Solomon Islands	171.2	170.9	N
Fiji	123.1	123.1	N
Vanuatu	83.2	85.6	-
Tonga	44.9	69.7	Y
Timor Leste	123.3	135.9	Y
Myanmar	121.4	124.8	N*
Cambodia	83.7	87.8	Y
<i>Pacific regional</i>	<i>738.3</i>	<i>790.4</i>	-
<i>SE & East Asia</i>	<i>330.4</i>	<i>334.0</i>	Y

Source: Table 2, [Development Budget Summary 2025-26](#).

Table 2 shows the end country for money which is channelled through global programs, UN/multilateral donors etc.

Civil society – summary of key funds

- The Australian NGO Cooperation Program – DFAT’s most flexible and reliable source of funding for NGOs – remains \$143m per year. Budget papers detail how DFAT is supporting NGOs to respond to funding cuts through ‘increased flexibility’ of ANCP, but do not provide new funds, requiring NGO to reprioritise funds
- Humanitarian agencies also miss out, with the Humanitarian Emergency Fund remaining flat at \$150m per year, despite escalating need
- Last year the Civil Society Partnerships Fund was announced at \$35m over four years; next year it will start small at just \$4m. There is a continuing lack of detail available as to how this Fund will operate. It is referenced in the Gender Strategy as a way to support locally-led approaches to women's leadership

Program	2024-25 Budget Estimate (\$m)	2025-26 Budget Estimate (\$m)
ANCP	143	143
Humanitarian Emergencies Fund	150	150
Civil Society Partnerships Fund (new)	0	4

Source: Table 1, [Development Budget Summary 2025-26](#).
Table 1 shows bilateral and program allocations.

Central funds for gender, disability and LGBTQIA+

There are three central funds for gender, disability and LGBTQIA+ rights:

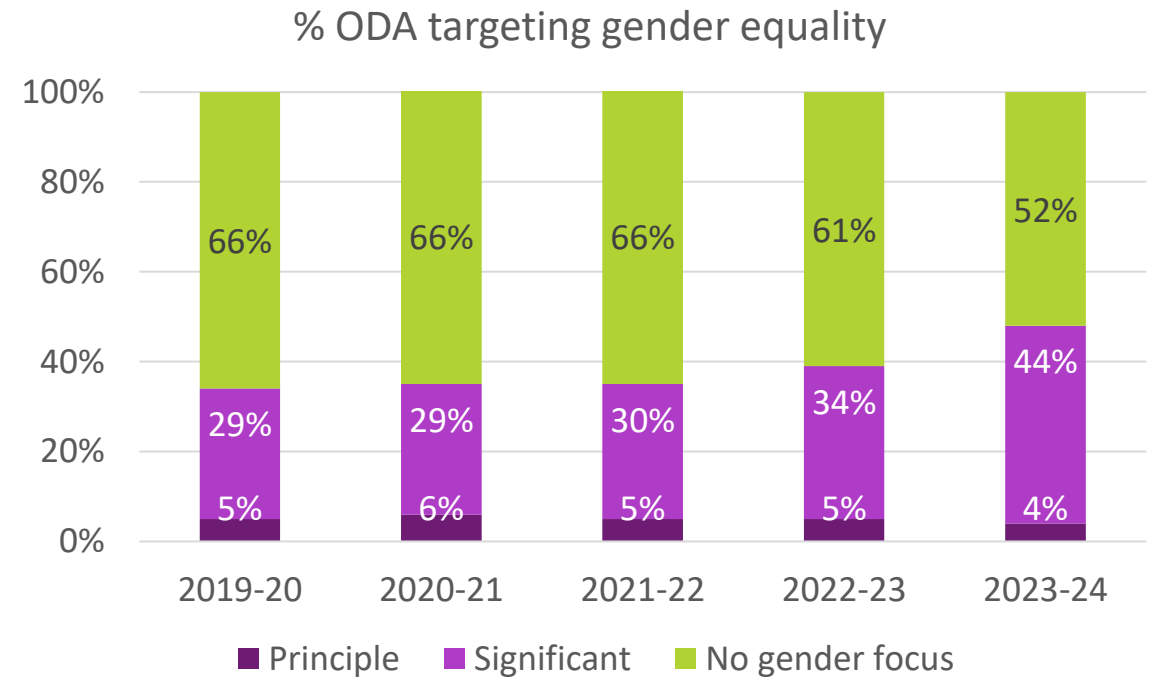
- The **Gender Equality Fund** has an increase of \$1m bringing it to \$66m next FY. The allocation of the increase has not yet been confirmed. It falls short of [sector advocacy](#) for an increase of \$35m p.a.
- The LGBTQIA+ **Inclusion and Equality Fund** remains flat at \$3.5m/year. This has now been designed and will be implemented by Women’s Fund Asia and the Pacific Feminist Fund
- The **Disability Inclusive Development fund** also got a small increase of \$1m, bringing it to a total of \$15m. This will support assistive technology initiatives in the Pacific

Program	2024-25 Budget Estimate (\$m)	2025-26 Budget Estimate (\$m)
Gender Equality Fund	65	66
Disability Inclusive Development Fund	14	15
Inclusion and Equality Fund	3.5	3.5

Source: Table 1, [Development Budget Summary 2025-26](#).
Table 1 shows bilateral and program allocations.

Spending on Gender Equality across the aid program

- The Gender Equality Fund is only a small part of gender spending - most funding comes from the bilateral and regional programs.
- Overall, DFAT spends about \$2.3 billion per year on programs which have gender as a principal or significant focus.
- This is up from 1.4 billion a few years ago 2021-22, with the significant category driving that increase.
- This is due to a recent commitment that all programs over \$3m must have a GE objective – and DFAT met that target this year.
- But it means that funding to programs with gender as the principal objective is languishing at around 5% of ODA.



Principal - gender equality is the main objective of the program and is fundamental to its design and expected results. The program would not have been undertaken without this objective.

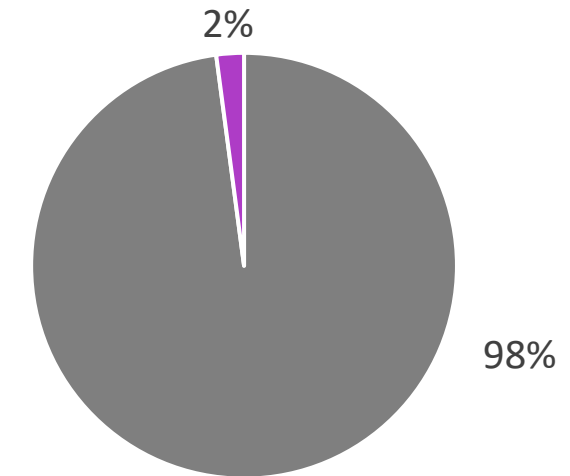
Significant - gender equality is an important and deliberate objective, but not the principal reason for undertaking the program, often explained as gender equality being mainstreamed in the program.

Source: Calculated from [DFAT annual performance reporting](#) and [OECD Database](#)

Spending on Gender Equality across the aid program

- **Funding to Women's Rights Organisations** is an even smaller piece of the pie.
- In 2023–24 Australia provided \$49.5 million in ODA funding to women's rights organisations, partner governments, international organisations and the private sector.
- That's only 2% of all gender equality funding, and not even all of it goes to WROs!!
- IWDA has called for targets of:
 - 20% of programs with gender equality as the principal objective
 - 5% of ODA to be delivered through WROs

Gender equality funding to WROs

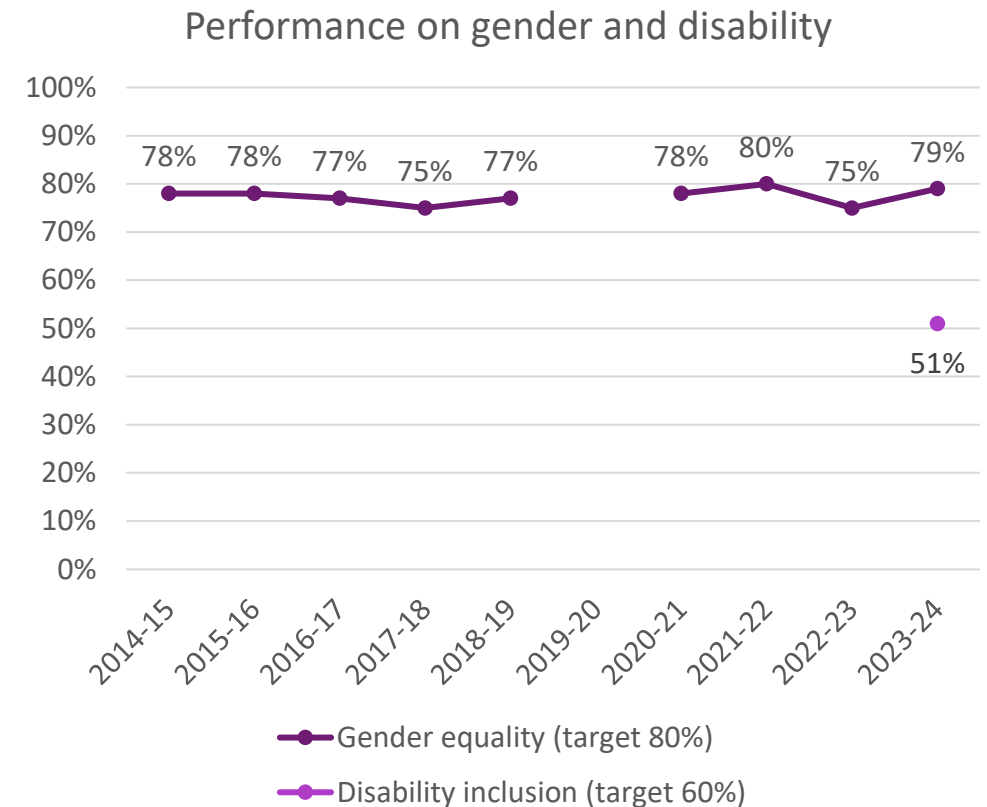


- Other implementing partners
- WROs, partner governments, international organisations and the private sector

Source: Calculated from [DFAT annual performance reporting and Statistical Summaries](#)

Performance on gender and disability (2023-24 data)

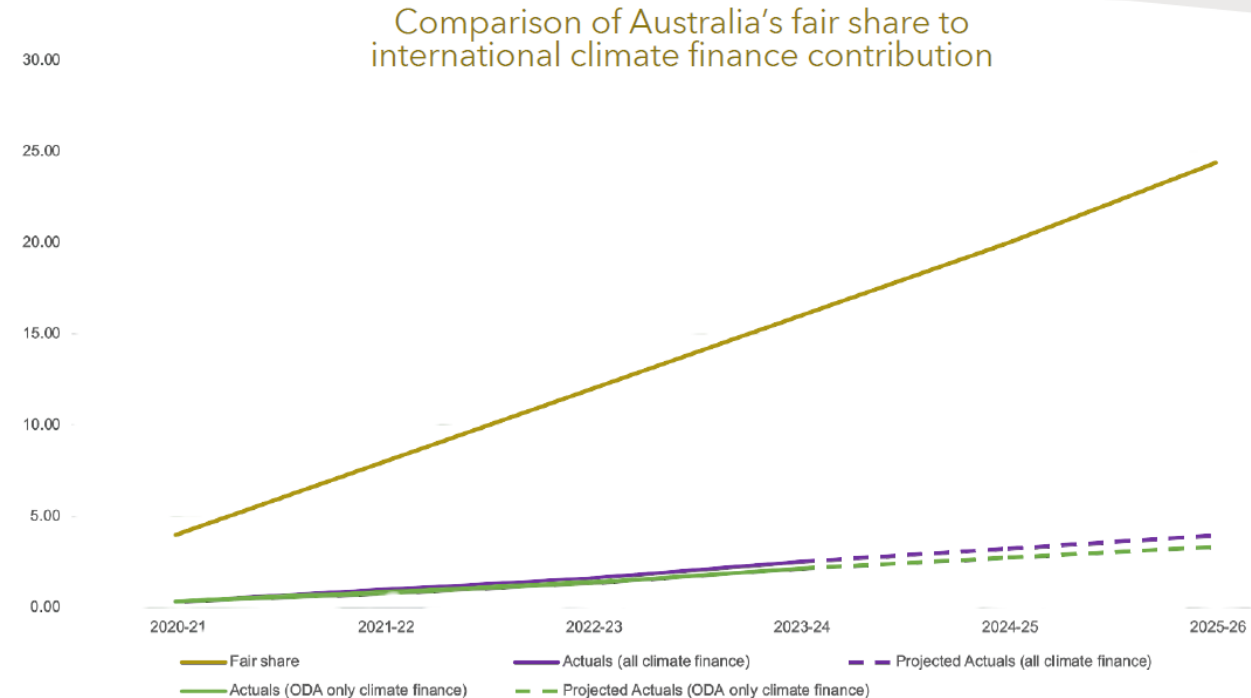
- In addition to spending targets, DFAT also has performance targets for programs around gender, disability and social inclusion.
- For **gender**, the 80% target measures the effectiveness of programs at addressing gender issues
- In 2023-24 it reached 79%, up from 75% the previous year
- For **disability inclusion**, DFAT have committed to a new target of 60% from next FY
- In 2023-24, 51% of investments addressed DI effectively.



Source: DFAT from [DFAT annual performance reporting](#).
The 80% target was briefly dropped, and no data exists for FY 2019-20

Spending on Climate Change across the aid program

- In 2023–24, Australia’s ODA climate finance reached \$782.6 million, which is a 37 per cent increase from \$571.1 million in 2022–23.
- Australia has promised to deliver \$3bn of climate finance between 2020-25, and they say they are on track to meet this commitment.
- However it falls far short of Australia’s fair share.
- DFAT’s target – which commenced this year – is that at least half of all new bilateral and regional investments over \$3 million will have a climate change objective, with a goal of this rising to 80 per cent in 2028–29
 - Reporting doesn’t include this figure yet, but the narrative indicates they have work to do to reach the target.



Source: [ACFID Budget Analysis 2025](#)