IWDA ANALYSIS OF THE AUSTRALIAN FEDERAL BUDGET 2022-23

4 APRIL 2022
1. INTRODUCTION

This year’s Federal Budget comes at a time of significant uncertainty in the global geopolitical realm. Russia’s invasion of Ukraine; increased tensions around the role of China in the Pacific; conflict and instability in Myanmar, and; the ongoing impacts of the COVID-19 pandemic combine to create an environment of extreme uncertainty. All of these factors make it increasingly important for Australia to be thinking critically and strategically in the long-term about our place in the world, and our role in shaping a peaceful and flourishing region.

The dominant realism of Australia’s foreign policy is fast losing coherence in today’s multipolar geopolitics. By leaning into realist power, Australia is only serving to reinforce the smallness of middle power status. This budget reinforces that paradigm. But we are not bereft of options that would enable us to creatively lean-in to our middle power status and re-think how Australia’s power and influence are deployed to support of a peaceful and flourishing region, and how our power and influence can be built by working in concert with others.

Feminist foreign policy provides such a framework and would better enable Australia to navigate its place in the world. This approach, adopted by 8 countries including Mexico, Libya, Chile, Sweden, France, Canada, Luxembourg and Spain, “places gender equality as the central goal of foreign policy, in recognition that gender equality is a predictor of peaceful and flourishing societies.”¹ The aim of Australia’s foreign policy and international development program is to create a more stable and peaceful region. To do this, we need to place human security and gender equality at the centre of our efforts, recognising the evidence linking security at the individual level with a reduction in the drivers of conflict at the national and international level.² As recommended by the Asia Pacific Development, Diplomacy & Defence Dialogue in its report on Australia’s in Southeast Asia, Australia should explore this approach in partnership with the region, and “[w]ork with Southeast Asia to co-create a feminist foreign policy agenda that identifies common goals and priorities that are relevant to the region.”³

On this measure, the Federal Budget 2022-23 misses the mark. While the international development budget has benefitted from partial indexation for the first time in a decade, diplomacy spending is set to decline, and we now invest 12 x as much in Defence as we do in development. In terms of personnel, the increase to the Defence workforce announced in this budget is itself three times the total staff for development and diplomacy.⁴

Within the international development budget, the continued use of temporary measures to address COVID-19 risks undermining our partnerships in the region as well as the longer term impact of COVID response, recovery and reset efforts. Less than 2% of these COVID-response measures reported to date have a focus on gender equality as a principal or significant objective, indicating an enormous gap in understanding the gendered impacts of the pandemic. Some welcome measures have been announced including Women Together, a Southeast Asia gender equality program to complement Pacific Women Lead. But efforts on climate change, the highest priority for partners in the Pacific, though improved continue to fall short of Australia’s fair share contribution.

A feminist approach to international development within a broader feminist foreign policy framework would be a critical step in re-establishing Australia’s leadership on gender equality and women’s rights globally. It would reinforce the links between gender equality and human security, and support us to redirect our investments towards the drivers of peace.

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2. RESOURCING INTERNATIONAL DEVELOPMENT

Total Official Development Assistance

Australia’s total international budget for 2022-23 is $4.549 billion.\(^5\) This figure includes $460 million for “temporary, targeted and supplementary measures to respond to COVID-19” – a category introduced last financial year in a political manoeuvre to enable the Government to maintain its commitment of limiting aid spending at $4bn, while temporarily raising aid spending to address the very real and urgent development challenges exacerbated by COVID-19. The budget is consistent with forward estimates which predicted a slight increase on last year’s figure as the government finally implements a 2014 commitment to increase the aid budget each year in line with inflation/CPI. This indexation excludes the TTS measures and is based on last year’s “baseline” figure of $4bn plus 2.5% CPI. The increase from indexation appears to have been applied more or less evenly across countries and regions.

Despite the slight increase in total aid spending, Australia’s international development budget as a percentage of the overall budget decreased further: from 0.72% last year to 0.70% (or from 72 to 70 cents in every $100). By contrast, Defence spending has increased significantly, and is now twelve times greater than aid, up from 10 times greater last year.

**ODA/GNI Ratio**

Australia’s international development budget also continues to flounder against the global target for developed nations to allocate 0.7% of Gross National Income (GNI) to Official Development Assistance (ODA). On this measure, Australia is stagnating at just 0.2%, dropping to 0.18% over the forward estimates.\(^6\)

**Use of temporary, targeted and supplementary measures**

International development is critical to achieving human security, which is vital for peace and flourishing because the security of states will always be reliant on the extent to which the citizens of those states also experience security. In line with a feminist foreign policy approach, Australia must reinvest in international development and rebalance this spending vis-a-vis Defence. The continued use of temporary, targeted and supplementary measures shows a clear recognition of the need for increased development cooperation funds. However the unpredictable nature of this funding undermines the long term impact of our international development program.\(^7\) The problems caused by COVID-19 are anything but temporary and funding to address the economic, social and health impacts caused by COVID-19 needs to be reliable and sustained.

**Budget and performance transparency**

Transparency around the international development budget was significantly reduced in recent years, with the documentation provided by DFAT going from a 120-page publication to a 4-page summary in 2020. Disappointingly, robust transparency was not restored this year. Reporting on performance and aid effectiveness has also been diminished under the Department’s *Partnerships for Recovery* policy, with reporting now limited to DFAT’s Annual Report and many performance targets (including on gender...
equality) abandoned. In 2021, the Office for Development Effectiveness was disbanded and its functions absorbed elsewhere in the Department, diminishing its status as an independent unit able to promote accountability and learning across DFAT.

Gaps in transparency and accountability need to be addressed, including publishing forward estimates for ODA and re-establishing the Office for Development Effectiveness. With Partnerships for Recovery due to conclude in 2022, DFAT has the opportunity to create a new international development policy that aligns with a feminist foreign policy approach, placing gender equality as a central goal of international development and prioritising long-term, sustainable funding and partnerships in our region.

3. GENDER EQUALITY AND INCLUSION MEASURES

3.1 GENDER EQUALITY

New gender packages

There are some welcome initiatives for women’s rights and gender equality in the budget. The government has announced a new program for gender equality in Southeast Asia: Women Together, worth $300 million over five years from 2022-2027. The program will focus on “building women’s economic empowerment, increasing women’s leadership in regional peace and stability and realising women’s and girls’ rights focused on violence prevention.” However, the $300m is understood to be comprised of existing funding, bringing together ongoing regional and bilateral programs. DFAT have described Women Together as a complement to Pacific Women Lead ($170m over 5 years, 2021-26) and have confirmed that the design process for Women Together will learn from the experience of the Pacific and include active consultation with partner governments, women’s rights organisations and private sector groups in the region and in Australia. IWDA welcomes the commitment to a participatory design process including robust engagement with diverse women’s rights organisations and civil society from Southeast Asia actively participating in the process.

Spending on gender across the aid program

In addition to this new package, the budget papers capture spending on gender equality and women’s rights in two ways – the main figure reported in the budget tables is a $65m contribution to “gender equality initiatives” managed by DFAT’s Gender Equality Branch, which remains static from last year. The second component (representing the vast majority of spending on gender equality) is spread across country and sectoral priorities, and reported in review. This is the basis for the budget papers indicating an increase in funding for targeted and mainstreamed gender equality initiatives from $1.3 to $1.5 billion (equivalent to 44.8% of sector allocable aid). The figure is based on the proportion of Australia’s ODA which is classified as having a principle or significant focus on gender equality against the OECD DAC Gender Marker– and applies to FY 2020-21.

Australia’s global ranking on gender equality spending

Whilst this increase is positive, global OECD data has been delayed so it is too early to know if this increase will improve our international ranking. Last year’s contribution of $1.3 billion for gender equality - 41% of the overall development budget – put Australia in the bottom third of donors, ranking 22 out of 29. By contrast, Canada leads this measure, at 92 per cent, coming close to meeting their target of 95 per cent. Additionally, 26.6% of Canada’s ODA funding was coded as “principal” against the OECD DAC Gender Equality Marker in 2019, while the most recent available figures for Australia put our spend at 6.9% of ODA.
IWDA has called for the establishment of targets for spending on gender equality within the aid program. These targets should be implemented in a way that safeguards the robustness of the Gender Equality Marker. This requires ongoing commitment at the highest levels to improved performance, in order to avoid the impression of setting and meeting targets for their own sake. In that context, we welcome the improvement in Australia’s performance on the measure from last year, but continue to call for political will at all levels, and for the application of a feminist approach in order to drive the change required for Australia to regain its place amongst the global leaders on gender equality in development.

Concerningly, when it comes to the temporary, targeted and supplementary measures funding, data for 2020-21 indicates that just $8 million or 1.61% of this funding addressed gender equality as a principle or significant measure.11 This is extremely worrying – the gendered nature of COVID impacts is well documented, from the impact on women’s unpaid care work to loss of income.12 In addition to the direct health impacts of COVID, broader health outcomes are set to decline with UNFPA estimating a 43% increase in maternal mortality and a 40% increase in the unmet need for family planning as a result of disruptions caused by the pandemic.13 It is critical that the proportion of gender equality focused TTS measures is significantly increased in the current and coming financial years if Australia is to adequately respond to the gendered impacts of the pandemic.

Source: OECD, 2021. NB: new data is expected to be released in April 2022

**Gender in the temporary, targeted supplementary measures**

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Performance and effectiveness in addressing gender equality

The other way that DFAT measure progress on gender equality is by the proportion of programs effectively addressing gender issues in their implementation (the former “80% target”, now downgraded in *Partnerships for Recovery* to a reporting indicator with no target attached). In 2020-21, DFAT reports that 78% of programs were assessed positively on this measure, a marginal increase from 77% the previous year, but still below the elusive 80% benchmark.\textsuperscript{14}

### 3.2 DISABILITY INCLUSION

Women with disabilities face multiple and compounding disadvantage driven by discriminations that are still rife based on gender and disability status. These are systemic barriers to their full and equal social inclusion. The pandemic, climate change, and rising poverty levels all disproportionately impact women and girls with disabilities who are also 2-3 times more likely to experience violence than women without disabilities, including in countries in the Asia Pacific.

Core funding for disability inclusion

Disappointingly, core funding for disability has not benefited from the indexation applied across the program – remaining at $9.6m in 2022-23 for a third year in a row, effectively a drop in real terms – and the 25% cut to the Central Disability Fund from the 2020-21 budget has not been restored. As with funding for gender equality initiatives, this represents only a proportion of total support for disability inclusion.

Disability inclusion across the aid program

DFAT’s internal guidance calls for programs to allocate 3-5% of their budget towards disability inclusion.\textsuperscript{15} Previous years’ data for spending across the whole aid program on disability inclusion indicates just 2.17% was spent.\textsuperscript{16} Given that this figure also includes targeted disability programming (indicating the amount allocated by other programs to be, on average, even lower than 2.17%) \textsuperscript{16} there is clearly a need for greater investment in disability inclusion mainstreaming across the development program if Australia is to re-claim their once-held global leadership position on disability inclusive development.

Performance and effectiveness in addressing disability inclusion

DFAT’s performance reporting indicates that 54% of programs assessed were deemed to be effectively addressing disability inclusion.\textsuperscript{17} With nearly half of programs not meeting the effectiveness standard, it is clear that greater funding priority must be allocated to disability inclusion, as well as support for technical expertise to enable effective disability inclusion mainstreaming.

The government has committed to develop a third *Development for All* strategy to guide disability inclusion across the international development program. Whilst we welcome this commitment, without sustained increases in funding to support disability inclusion it will be difficult to implement an effective and intersectional disability inclusion strategy and ensure that the needs of diverse women and girls with disabilities are met. Restoring the central disability inclusion funding, and increasing spending on disability inclusion across the program, would help preserve the social and economic gains that the Australia aid program has achieved for women and girls with disabilities in our region. Additionally, the international development program must be properly resourced to address all forms of social inclusion in an intersectional approach, as well as going beyond inclusion by prioritising programs which aim to transform the structures of power which drive marginalisation and inequality.\textsuperscript{18}
4. GENDER RESPONSIVE CLIMATE JUSTICE

The impacts of climate change are gendered. Scarcity of natural resources increases the labour demands of gendered activities, such as subsistence farming and collecting food, fuel and water. Financial stress and lack of access to the necessities of life can exacerbate intimate partner violence, while exposing women to greater risk of sexual assault as they have to travel greater distances to source food and fuel. Women, girls, trans, non binary and gender diverse people face greater danger in climate induced disasters due to discriminatory norms and practices. At the same time, they are excluded from participating in decision making at all levels, meaning that many climate response activities fail to be gender responsive.

This year the 66th Commission on the Status of Women (CSW66) – the UN forum responsible for progress on gender equality and women’s rights – focused on gender equality in the context of climate change. The Agreed Conclusions negotiated by governments from around the world, including Australia, reaffirmed the gendered nature of climate impacts, as well as the urgent need to scale up climate finance globally to meet commitments made through the UNFCCC process. CSW also affirmed the importance of climate finance in addressing the irrevocable loss and damage already caused by climate change.

Allocation to climate finance

DFAT’s Budget Summary document reiterates Australia’s commitment announced at COP26 to “double[e] its climate finance commitment by providing $2 billion over 2020-25 to developing countries in the Indo-Pacific region.” This claim of “doubling” is based on the $1bn allocated by Australia during the previous global commitment period of 2015-20. Additionally the papers highlight a $5m increase to climate partnerships – which represents a subset of the total spend on climate finance – from $40m to $45m in 2022-23. Based on previous years’ spending, Australia will need to significantly scale up climate with a particularly focus on gender responsive programming, and particularly gender responsive across all parts of the international development program – including locally led adaptation programming, disaster risk reduction, and support for women’s leadership and participation in climate decision making forums.

IWDA’s budget submission echoes the 2021 Fairer Futures report which calls on the Government to double its existing climate finance commitments at the time—from $1.5bn to $3bn by 2025. Meeting this target would be an important first step towards our fair share of the global commitment first agreed at COP15 in 2009 – affirmed in the Glasgow Pact at COP27 and again most recently at CSW66 – to leverage at least USD $100 billion in climate finance per year. Australia played an important role in securing the COP15 agreement and we have the opportunity to re-establish ourselves as a global leader on climate action.

Feminist foreign policy emphasises the notion of common but differentiated responsibilities in addressing climate change. As a developed, industrialised nation which has benefited financially from industries which contribute to climate change – and as a middle power that seeks to demonstrate leadership and influence – Australia has a responsibility to contribute its fair share of climate finance. In this context we welcome the increase to $2bn, but continue to call for at least $3 billion to be allocated by 2025, with the view to urgently scaling up towards our annual fair share commitment of $12 billion per year by 2030.

Coherence with domestic climate mitigation efforts

Feminist foreign policy also emphasises the need for coherence between domestic and international policy. This is abundantly clear when it comes to climate change. To be a credible global player on climate change Australia must urgently bring forward its emissions reduction targets. Net zero is not enough – we need to decarbonise our economy, move away from fossil fuels and invest in just transitions. On this measure, the budget fails to meet the scale of the problem with just 0.3% of all Federal Budget expenditure dedicated to climate change initiatives, many of which do not align with international best practice for emissions reductions.
5. EFFECTIVE AND TRANSFORMATIVE AID DELIVERY MECHANISMS

Achieving aid effectiveness requires funding the most effective delivery partners, and providing DFAT with adequate resourcing and technical expertise. Women’s rights organisations have been consistently found to be the most effective agents in delivering change on gender equality issues, but are held back by a lack of core, flexible and sustained funding. In line with a feminist foreign policy approach, IWDA’s budget submission called for a new $300 investment in women’s rights and gender equality to be delivered via feminist consortia, which has not materialised in this budget. We also made recommendations on the Australian NGO Cooperation Program, and DFAT’s own financial and technical resourcing on gender equality.

Funding for ANCP

Funding for ANCP has increased very slightly compared to last year, although less than the rate of indexation. It now stands at $135.5m, up 1.5% from $133.5m in 2021-22. IWDA’s continues to call for an increase of approx. 10% to ANCP to bring the program up to $150m per year, in recognition of the significant and ongoing impacts of COVID19 in the region.

Additionally, IWDA calls for an increase in the administration costs that NGOs are able to claim from the program. The limit was raised to 20% in the 2019-20 and 2020-21 budgets in the context of COVID-19, an acknowledgement that the base rate of 10% is insufficient to enable agencies to operate in complex and changing scenarios, which are not unique to the pandemic. Making this change permanent would enable ANCP partners to adequately cover their core costs. While the limit does not officially apply to local partners, raising it would send a strong message that the Australian government recognises the costs associated with program delivery and in meeting compliance requirements, empowering local partners to more accurately budget for their core costs.

DFAT resourcing on development, gender and social inclusion expertise

No information was provided in the budget about DFAT’s staffing budget for development, gender and social inclusion expertise. Recent Senate Estimates responses indicate that information on the budget allocated to technical staffing capacity on gender and social inclusion is not tracked. Reviews of technical expertise across the Department have tracked a decline since the integration with AusAID in 2013, and a corresponding outsourcing of many program management and technical advisory functions. DFAT’s own reporting identifies limitations in its capacity to meet the demand for gender technical advice. IWDA continues to call for an increase in DFAT’s core staffing budget to enable investment in long term roles with technical expertise across aid and foreign policy, and for tracking of development, gender and social inclusion roles. This should include reestablishment of principle sector specialist roles, including for gender equality.
4. REFERENCES


17 DFAT, “Annual Report 2020-21.”


Australia’s total climate finance was approx. $346m in 2020-21. DFAT, “Australia’s Official Development Assistance: Statistical Summary, 2020-21.” pp 28


Senate Standing Committees on Foreign Affairs, Defence and Trade, “2021-2022 Additional Estimates: DFAT: Portfolio Question Number 82.”


