

Buried beneath the bricks: a quiet retreat from health systems strengthening



Billboard for the Naha Birthing and Urban Health Centre, funded by the Australian Government, in Honiara, Solomon Islands
Photo Credit: Richie Rummery

by Richie Rummery

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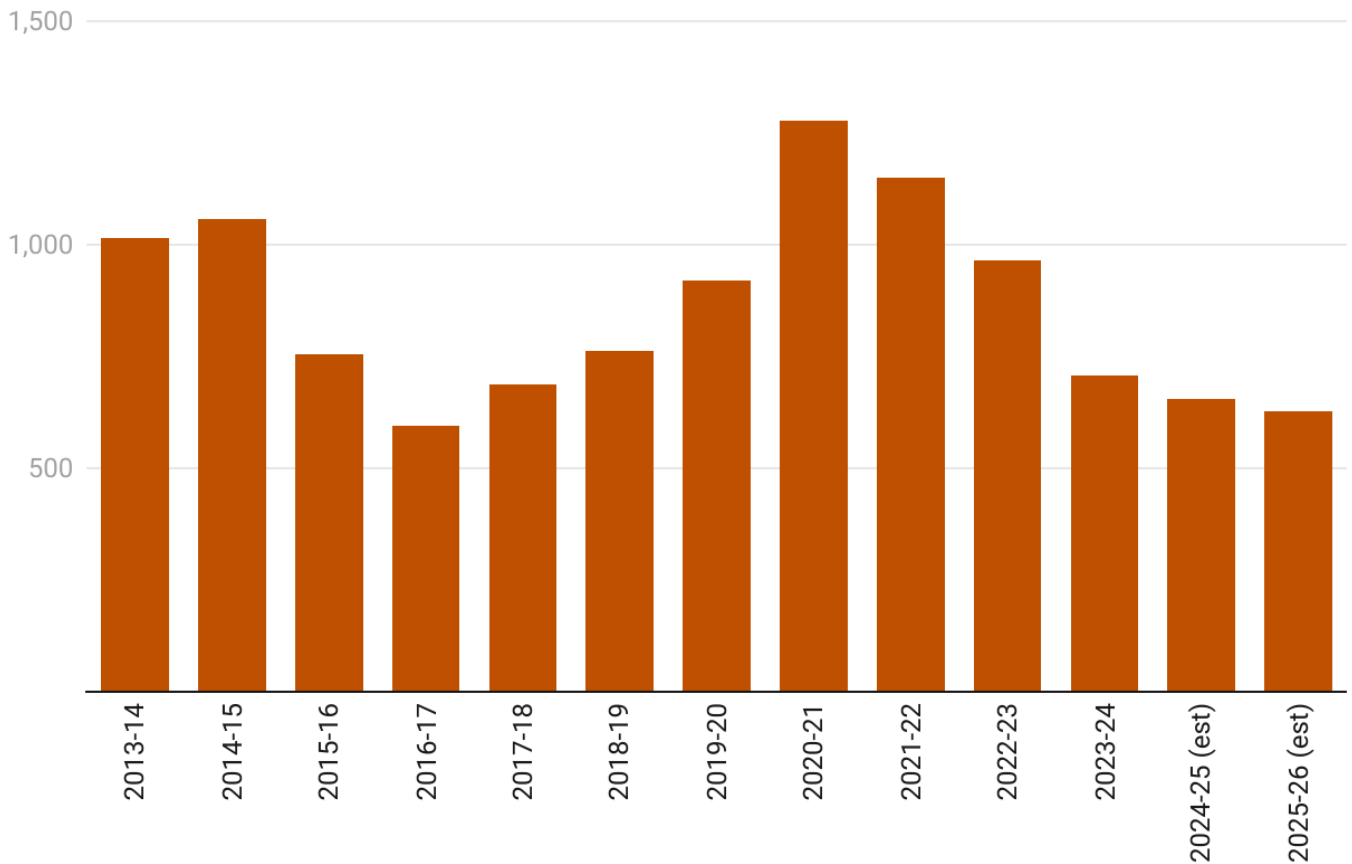
Much has been made of Australia's 2025–26 Official Development Assistance (ODA) budget. At **\$5.097 billion**, it marks a slight nominal increase from prior years yet continues to **shrink in real terms**. The aid-to-gross national income (GNI) ratio is now at a historic low of 0.18%, and even before that, in 2024, Australia sat at **28th out of 33** donor countries in the Organisation for Economic Co-operation and Development (OECD) — firmly among the least generous contributors.

While the spotlight stays fixed on these topline figures, beneath the surface lies a deeper emerging issue. Health, once a cornerstone of Australia's development program, is being quietly pushed to the margins, not just in terms of overall funding but through a steady retreat from long-term investments in health systems strengthening.

Based on currently released budget allocations, funding is set to fall to just \$628 million, effectively halving Australia's health aid in five years. While this drop can be partly rationalised by reference to the COVID-19 response that temporarily boosted health aid to record levels, the more concerning trend is the sustained decline compared to pre-pandemic investment levels. Health aid is expected to fall by 40% from its 2014–15 level, signalling that long-term support for health is slipping further down the aid agenda.

Figure 1: Australia’s Health Sector Official Development Assistance, 2014–2026 (est)

In \$A millions. Adjusted for inflation using 2024-25 prices.



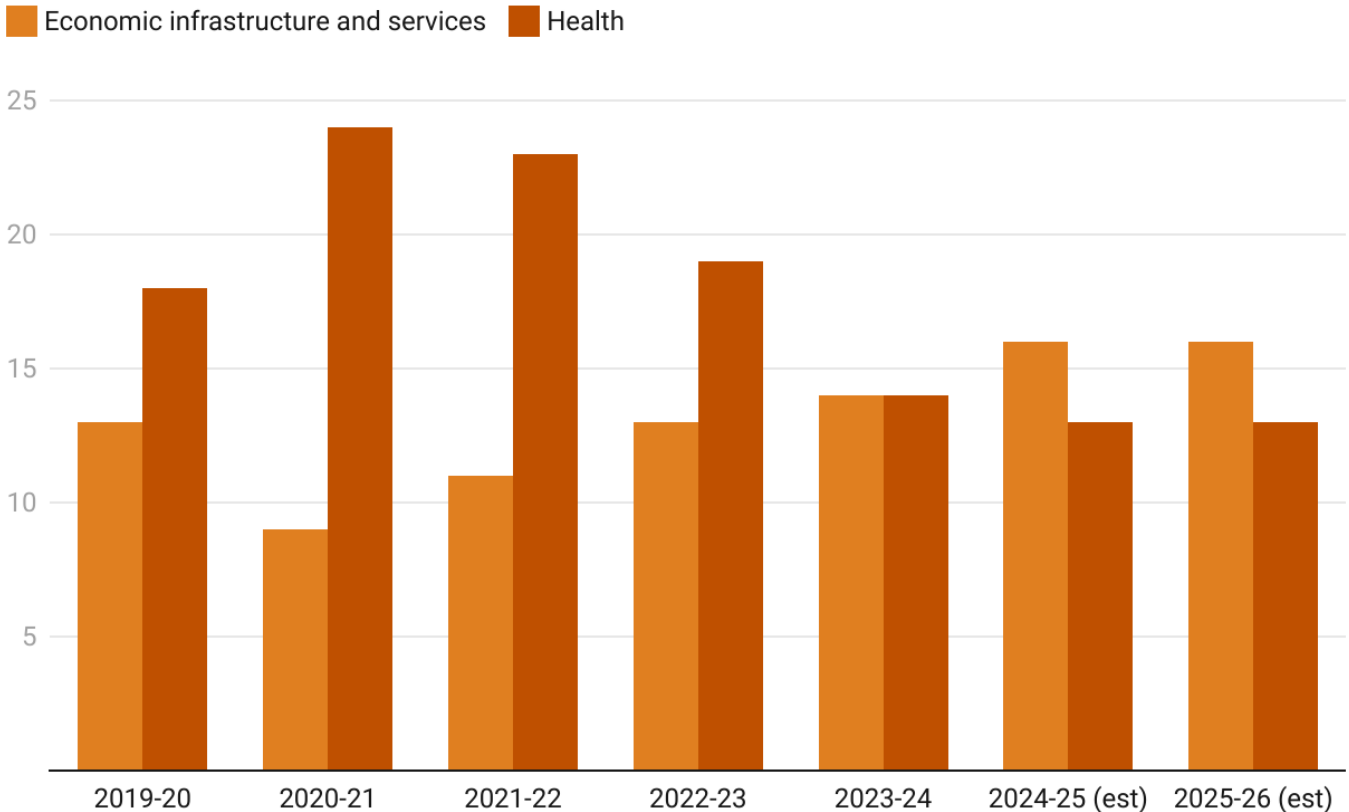
Note: Since 2019-20, DFAT has adopted a new sector reporting approach to align with other donors and the OECD.

Chart: Richie Rummery • Source: Australian Aid Tracker • Created with Datawrapper

This is not a trend unique to Australia. ODA for health from OECD countries is **projected to drop by 40% in 2025**. While health was once a central priority for sovereign donor programs, recent aid budgets suggest a shift away from health and toward areas deemed more aligned with geostrategic interests. In Australia, this trend is demonstrated by recent shifts in sectoral aid allocations. While the share of aid allocated to health has steadily declined, the proportion directed to **economic infrastructure has grown**. This reflects a broader reordering of Australia’s aid priorities toward visibility, strategic return and geopolitical advantage.

Figure 2: Aid allocation priorities: Health vs Infrastructure

Share of total Australian sectoral aid allocated to health and infrastructure each year, based on DFAT sector classifications. In \$A millions. Adjusted for inflation using 2024-25 prices.



Note: This chart shows health and infrastructure as a share of total sectoral aid, not total ODA. In 2025–26, health represents approximately 13% of sectoral allocations, whereas its share of total aid (ODA) is lower, at 7.6%, due to the inclusion of non-sectoral spending such as humanitarian assistance, multilateral contributions, and administrative costs in the broader aid budget.

Chart: Richie Rummery • Source: Australian Aid Tracker • Created with Datawrapper

This overall decline in health aid has been particularly damaging for health systems strengthening (HSS) — that is, efforts to improve the performance of health services through integrated, system-wide reforms. The [World Health Organization \(WHO\)](#) groups these systems into the core health building blocks of service delivery, workforce, information, medicine access, financing and governance — foundational elements that take years to strengthen because they require incremental institutional change, capacity development and sustained political commitment.

However, HSS is being increasingly deprioritised across the spectrum of OECD countries, often because [impact is difficult to measure](#) and investments can be slow to deliver results. This retreat reflects a broader reorientation of the purpose and politics of health-related development assistance. In Australia, there is [growing pressure to align aid](#) more closely with the national interest. This has led to increasing investments in infrastructure, disaster recovery and security cooperation — areas that offer visibility and strategic influence but often at the expense of long-

term development objectives. HSS often sits uneasily within Australia's current foreign policy-driven aid agenda as it is less likely to deliver short-term wins or the diplomatic leverage that high visibility infrastructure enables. But that does not make it any less strategic.

On the contrary, **resilient health systems are a foundation for stability**. When health systems fail, the human, economic and political costs are glaring. When they work well, they tend to operate quietly in the background, supporting populations to remain healthy, slowly lowering disease burdens, preventing outbreaks, enabling productivity in education and employment and promoting societal cohesion. Their success is measured in terms of the quiet absence of avoidable crisis. Yet, this "under the bonnet" approach leaves HSS easily forgotten behind the façade of high-impact aid. Arguably, this is short-sighted. Without resilient systems in place, the next health shock, whether local or global, will again expose the fragility that underinvestment has left, leaving development programs scrambling to plaster over what could have been built to endure.

In the Pacific, the consequences of neglecting health systems are already apparent. **Health systems remain fragile**, under-resourced and overburdened, pressured not only by the **rising double burden** of communicable and non-communicable diseases, but also by broader structural vulnerabilities that lead to service delivery crises and leave health systems ill-equipped to respond to public health emergencies. **Australia has long played a leadership role** in supporting HSS across the region and, in the wake of the recent USAID closure, arguably now has an **even greater responsibility**. The Australian government's five-year **Partnerships for a Healthy Region Initiative** (2022–23 to 2026–27) marks a welcome shift in regional health aid, moving beyond a narrow focus on infectious diseases to include broader health system resilience. However, its limited timeframe is ill-suited to the deep, sustained reforms that health systems strengthening demands.

These longer-term, systemic efforts have traditionally been driven by Australia's bilateral health programs. Yet in an increasingly complex and contested development landscape, the trajectory of bilateral health aid points in the opposite direction. A pre-COVID-19 **independent review** of Australia's bilateral health investments in the Pacific found real, incremental improvements in areas such as workforce capacity, information systems, governance and medical supply chain management. Crucially, the review concluded that without sustained investment in HSS, those gains would stall or reverse. Rather than stepping back, it recommended doubling down on HSS as the only viable path to making lasting progress toward universal health coverage targets.

Today, that warning feels more urgent than ever, as the steady gains of the past

start to unravel. In the years since that evaluation, the COVID-19 pandemic, numerous regional natural disasters and a shifting geopolitical landscape have **tested the resilience of health systems across the Pacific**. Yet, Australia's bilateral aid programs have increasingly pivoted away from long-term HSS reform. Bilateral health funding has declined in real terms, and the **balance of investment has tipped** toward infrastructure and other high-visibility initiatives. The momentum behind HSS, once a cornerstone of regional engagement, is in danger of being forgotten — buried beneath bricks and mortar, band-aid investments and political optics.

If Australia's health-for-development agenda is to retain credibility and effectiveness in the Pacific, it must restore the balance between responsiveness and reform. Infrastructure has its place among the many levers development programs can pull to support Pacific health ministries, but it must not be allowed to crowd out the policy engagement, institution-building and leadership development that underpins HSS and expanded universal health coverage. None of this requires abandoning national interest; in fact, the opposite is true. Supporting regional health systems is very much in Australia's national interest as it helps create the kind of secure, prosperous neighbourhood that meaningful diplomacy also seeks to foster.

Whether this view will regain prominence in the years ahead remains to be seen. For now, health is slipping from the radar, and with it, the quiet architecture of resilience that holds steady in the face of crisis. What's being lost is not just funding or an HSS focus but, more concerningly, the appetite for the long game.

Disclosures:

The views expressed are those of the author only.

Author/s:

Richie Rummery

Richie Rummery is a health systems strengthening specialist and works on health programs in the Pacific region funded by organisations such as the Australian Government's Department of Foreign Affairs and Trade and the World Bank.

Link:

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