

Equipping Australia for development impact



Photo Credit: *DFAT*

by Heather Murphy

8 November 2023

It's rare that you get a death, marriage and birth all in the same moment. But ten years ago, in one fell swoop, the Australian Agency for International Development (AusAID) died, its people and functions were hitched to those of the Department of Foreign Affairs and Trade (DFAT), and an integrated DFAT was born. Sure, it had **the same name** and **spine** as the old DFAT, but, in theory, it was a new and improved department wherein Australia's aid and diplomatic objectives were more closely aligned.

The **Development Intelligence Lab** recently **considered how** this now decade-old institution is set up to implement the government's **new international development policy**. In doing so, we identified some constraints that may limit the department's ability to translate the new policy's commitments into real development impact.

At least one problem – DFAT's reduced development capability – is on the government's radar already. Minister for International Development and the Pacific, **Pat Conroy**, has **repeatedly** recognised the **need to rebuild** development capability within the organisation. The government allocated \$36.8 million in the **2023–24 budget** to improve the management and effectiveness of the development program – though it's yet to provide specific information about how it will do this. All we know is that the policy cites the need to “invest in the skills” required to deliver the policy through, in part, “high quality training and learning opportunities” for staff.

But more training, or even recruiting additional skilled staff, is only part of the picture. DFAT staff won't specialise in development until they believe their leaders value it. Development **staff who didn't leave** after the AusAID-DFAT merger have reported that they **don't feel valued**, have perceived a **lack of career progression** pathways, and picked up informal **signals to diversify away** from development. **Conroy himself noted** that until recently, development staff felt the need to “be in hiding” because aid was a “dirty word” in the department.

These are deep-seated cultural issues that persist ten years after integration. The new policy and plans for development capability are encouraging, though big

questions remain about what exactly will be done with the new resources and attention – and whether they're the right things to do – given there's [little detail](#) in the public domain. If the government and the department are serious about this, they must send meaningful and consistent signals about the value of development work, incentivise a high-performing development program and culture, and create consequences for leaders who fail to take these seriously.

There are a range of practical actions both the bureaucracy and ministers could take. A first step could include an internal communications campaign about development careers that spotlights the range of roles and work available to staff. A bolder move would be tying DFAT senior leaders' personal incentives to development program performance metrics. These suggestions and more are detailed in the Lab's analysis on [incentivising development capability](#).

A lack of resources – or rather, the misalignment of resources to priorities – is another risk to the successful implementation of the policy. Currently, DFAT staff working on development are so busy managing the detail that they don't always have the time or space to manage for impact. While the [department's under-funding](#) and [under-resourcing](#) have been well-documented, the answer isn't simply hiring more people – DFAT also needs to assess how it focuses its bureaucratic energy.

Departmental [staff report](#) that DFAT's culture encourages them to respond first to urgent or more visible diplomatic, political and organisational priorities, leaving limited time to focus on longer term issues of development effectiveness. It's no surprise – in an organisation where there's low tolerance for failure, and strategic uncertainty about whether development or diplomatic objectives are paramount, staff will feel more pressure to mitigate risk than to produce development outcomes.

Shifting management practices to prioritise development effectiveness would deliver multiple dividends. First it would release some of the pressure to micromanage risk and improve relationships at the working level. It would add more capacity to the organisation by freeing up staff time to think and manage strategically, while empowering and trusting those working closest to the coalface of program implementation to make decisions.

Again, there's a spectrum of possible things the department and government could do here. A small, practical step would be highlighting best-practice adaptive program management through an internal award (as it currently rewards excellence in program design). The department could take a much bigger step by piloting more innovative management approaches – whether adaptive management, problem-driven iterative adaption, or “navigation by judgement” – with the political coverage from government to take risks in the pursuit of development impact. These are

detailed in the Lab's piece on [managing for impact](#).

Foreign Minister Penny Wong has been less vocal than Conroy about DFAT's development capability and performance, but [she's acknowledged](#) that the new development policy will require “meaningful changes” to how Australia thinks, plans and engages. This can't just be empty rhetoric – something has to shift. Some would argue DFAT is already [not delivering](#) a high-performing development assistance program. And now this overburdened organisation has a new policy to implement – with a [long list of commitments](#) to deliver and ministerial directives to work and engage with partners differently – in the most [challenging strategic circumstances](#) in generations. None of this will happen by sticking to the status quo.

The “[all tools of statecraft](#)” framing situates development assistance not as a subordinate instrument of our diplomacy, or defence, or economic engagement, but as one of the many elements of national power available to Australia to shape the region we want to live and engage in.

But a tool is only as powerful as the hand that wields it. By allowing DFAT to operate under these considerable constraints, the government is weakening Australia's hand, hurting our regional relationships, and putting development impact even further out of reach. We don't have another decade to waste. Fresh thinking and serious effort are needed now if DFAT is going to elevate its performance and have a hope of becoming the [world-class development agency](#) the government says it needs to deliver this policy.

Disclosures:

This blog is based on analytical work co-funded by the Australian Department of Foreign Affairs and Trade and the Development Intelligence Lab. It is produced by Lab staff, based on analysis and interpretation of open source material, and represents the views of Lab staff only.

Author/s:

Heather Murphy

Heather Murphy is a senior analyst at the Development Intelligence Lab. She has previously worked with the Australian Government including DFAT/AusAID, and the World Bank.

Link: <https://devpolicy.org/equipping-australia-for-development-impact-20231108/>