

The McCormack no-show: is the Coalition planning to cut aid again?

by Stephen Howes

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Michael McCormack, second from right in the front row, has been shadow minister for international development since 2022

Photo Credit: [Facebook/MichaelMcCormackMP](#)

After the federal election was announced, the Development Policy Centre and its partners — ACFID, the peak body for Australian development NGOs, IDCC, the peak body for Australian development contractors, and the Safer World for All campaign — decided to organise a series of interviews with leading political spokespersons on aid and international development. We invited Pat Conroy, Labor's Minister for International Development and the Pacific; Michael McCormack, the corresponding shadow minister; Mehreen Faruqi, the Greens' spokesperson on International Aid and Global Justice; and Zali Steggall, the independent Member for Warringah who is an advocate for action on climate change.

Everyone we approached initially accepted, but last week we were told by Michael McCormack's office that he would not be taking part. The other interviews went ahead and the resulting [Devpolicy Talks podcast](#) has just been released.

McCormack's initial acceptance of our invitation followed by his subsequent refusal adds weight to a growing suspicion that the Liberal-National coalition is going to announce cuts to aid when they release their election policy costings.

While foreign aid hasn't featured prominently in the election campaign, Opposition Leader Peter Dutton was asked in [the second leaders' debate](#) last week if he would cut aid. He responded, "We haven't made any announcements in relation to foreign aid. There's a lot of good we're doing in foreign aid."

Then the next morning, [on the ABC Radio National Breakfast Show](#), Coalition finance spokesperson Jane Hume was asked the same question. She said, "we've been a generous donor of foreign aid in the past ... and that will remain". That would imply no aid cuts but is a meaningless statement since in fact Australia is, in large part because of past Coalition cuts, [one of the world's least generous donors](#).

So, will the Coalition cut aid? We know that the Coalition wants to expand defence spending and also come in with a lower deficit than Labor. With little promised in

terms of tax hikes or expenditure cuts, foreign aid must be a tempting target. So much so that at the end of March, [the Guardian ran an article](#) quoting Liberal backbenchers urging their side not to cut aid to pay for increases in defence.

There is a worrying precedent from the last time the Coalition ran for government from opposition, back in 2013. [The original expansion of Australia's foreign aid program](#) came under John Howard. Labor continued aid on its upward trajectory after it took office in 2007. But in its pre-election costings for the 2013 election, and without any prior indication that there would be cuts, the Coalition [announced \\$4.5 billion](#) in foreign aid savings.

The essence of the Coalition's 2013 announcement was that, rather than increasing foreign aid beyond the rate of inflation, as Labor had been doing, the Coalition would only increase aid in line with inflation. In fact, the Coalition cut aid savagely once in office. Foreign aid in 2012-13, in today's prices, was \$6.7 billion, compared to just over \$3 billion in 2000-01. Labor's plan was to keep increasing aid. But the Coalition cut, and its last aid budget (2021-22) was just \$4.9 billion (again in today's prices).

It is a sign of the times that, while Labor has avoided further cuts, it has not increased aid in real terms either. As we head into this year's election, foreign aid is still \$4.9 billion and, once adjusted for inflation, is projected to stay at around that level for the next decade.

To generate budget savings from foreign aid relative to the forward estimates this time round, the Coalition would, at the very least, have to commit to increase aid by less than inflation. And, once in government, they could go much further, as they did last time.

It is hard to believe that aid to the Pacific would be cut. [Aid to the Pacific might be relatively ineffective](#) and it is the most aid-dependent region in the world. Nevertheless, there is a bipartisan consensus that protects and promotes aid to the Pacific, based on the belief that aid cuts to this region could lead to greater influence for China.

But aid to the Pacific is only 42% of Australia's total aid program. That proportion is almost double what it was just over a decade ago (23% in 2013-14) but still less than half of the total aid program. It would definitely be possible to protect aid to the Pacific and cut total aid. Aid to Southeast Asia could be in the firing line, and/or support for multilateral organisations, from the World Bank to the United Nations to the various global health funds.

Aid costings are normally released just two days before the election, so we'll find out

on Thursday 1 May if the Coalition is planning to cut aid.

Of course it is possible the Coalition will want to avoid inviting any further pre-election comparisons to the Trump administration. But Dutton has made it clear that the Coalition would determine its overall spending cuts once in office. Even if it doesn't announce aid cuts before the election, there should be a concern, based on what the Coalition did last time it was in office, that it would reduce foreign aid once elected.

It is certainly a worrying sign that McCormack was not allowed to participate in our election podcast. What is the point of having a shadow minister for international development if they are not permitted to speak on Coalition foreign aid policy?

Australia is already one of the least generous aid donors in the world. We are now **ranked 28th** out of 32 OECD donors on the aid/GNI generosity index. It would add insult to injury if the Coalition were to announce and/or implement cuts that make us even stingier as a nation.

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