

Where now for Australian aid?

by Terence Wood

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Minister for Foreign Affairs Penny Wong in Samoa, June 2022

Photo Credit: *Sarah Friend/DFAT*

Late last month, in the middle of the night, in an old wooden house huddled against one of Wellington’s many storm swept hills, a man stood, half awake, muttering at a softly glowing phone. “They won? They actually won. What on earth does this mean for Australian aid?”

That was me of course – struggling with time differences and trying to get my head around the turning tides of Australian political fortune. It has been almost a decade since the tides last turned, and since then Australian aid has been cut, contorted, zapped, and transformed – all largely for **the worse**.

But now a new government has been elected: one which is home to a group of pro-aid politicians. Foremost among these is Penny Wong: she’s Foreign Minister, powerful within the Labor party and cares about aid. Pat Conroy, the Minister for International Development and the Pacific, is also set to be crucial. And when **he spoke at ANU** prior to the election, he promised an Australian aid program with a broad, considered focus, working in areas such as climate change, gender, poverty reduction, health and education.

This must bode well for Australian aid, right?

I’m not sure.

While Conroy’s pre-election promises were great, as my colleagues **Cameron Hill and Huiyuan Liu have shown**, adjusting for inflation, Labor isn’t planning to actually increase Australian aid. And the tough truth is that a stagnant budget will make it difficult to broaden aid’s focus. Under-performing projects can be replaced. But that’s harder than it sounds, especially in a hurry: few aid projects are abject failures, most exist in the uncertain realm of “might be helping”. If Labor really wants to do more, it needs to spend more, otherwise it will be forced to close potentially useful projects. The only other alternative is dubiously recategorising aid projects so that they seem to be something they aren’t. (This is, **as I’ve shown**, a real issue in

climate finance, in particular.)

Then there's China. China's aid to the Pacific is, if anything, **waning**. But its presence in the region has twisted the grammar of international commentary such that it is now almost impossible to use the word "Pacific" in a sentence without also saying "China security threat!". This is a problem because the Pacific faces many other challenges that are being crowded out by Chinamania (climate change, poor development progress, COVID-induced economic woes, troubled elections in PNG, aspiring rulers for life in Solomon Islands and Fiji ...). It's also a problem because geostrategic wrestling with China is harming aid. The more Australian aid is focused on countering China and shoring up allegiances with political elites in Pacific countries, the less likely it is to actually help people in need.

In his **ANU speech** Conroy framed this challenge in the best possible terms. He suggested he believes that better development outcomes will themselves diminish China's influence. That's great. I share his belief. But it doesn't necessarily tell us how the government will behave the next time someone gasps, "China's promised a gaudy, largely useless, piece of infrastructure to Country X, unless we deliver something twice as big, Country X will become part of China's sphere of influence!". Labor's sentiments are a good start. But it will take real, practical determination in coming years to prevent aid effectiveness from being undermined by competition with China.

Finally, there's the question of DFAT's capacity to effectively deliver aid. Expertise was an **early casualty** of AusAID's demise. There are still bona fide development experts in DFAT, but they're often isolated or spread too thin. If Labor wants to improve Australian aid, it needs to provide DFAT with enough development practitioners to undertake the time-consuming task of effective aid delivery. Development expertise also needs to be recognised and rewarded within DFAT. Ultimately, this will need structural change. It's all possible, but won't be easy.

And that is where we are at present. The tides of Australia's politics have turned. For the first time in nearly a decade, a pro-aid government is in power. It's home to talented politicians who want aid given well. That's a necessary condition for improving aid. But it is not sufficient. To really rebuild Australian aid, all of us – politicians, DFAT, the entire aid community – will have to work hard. The tide alone won't take us where we want to be.

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