

## AusAID no more? Abbott announces aid agency to be integrated into DFAT

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AusAID will be ['integrated' into the Department of Foreign Affairs and Trade \(DFAT\)](#) as part of dramatic changes to the public service announced by the newly sworn in Prime Minister Tony Abbott.

The Director General of AusAID, Peter Baxter, is reported to have resigned. Deputy Director General Ewen McDonald has been appointed to act in his place.

Abbott said in a [statement](#) that he 'intends to recommend' to the Governor-General that AusAID be integrated into DFAT so as to enable 'the aid and diplomatic arms of Australia's international policy agenda to be more closely aligned'.

AusAID staff were reportedly not given any notice of the announcement. It is unclear what it will mean for agency staffing levels and for the strategic priorities of Australia's aid program. No such move was foreshadowed by the Coalition before or during the 2013 election campaign.

We cannot be sure at this stage what 'integrated' means or exactly what the Coalition wishes to achieve by means of the change. We therefore don't know yet whether the decision mirrors [those taken by the Canadian government earlier this year and the New Zealand government in 2009](#), which saw the abolition of those countries' free-standing international development agencies.

A minimalist and probably wrong interpretation of Mr Abbott's statement is that AusAID might simply lose its Executive Agency status, acquired in 2010, and once again become a semi-autonomous body within DFAT as it has been for most of its life.

A maximalist interpretation is that it might be converted into a number of new divisions within DFAT, or even be blended into DFAT's existing divisional structure. Some [argue](#) that such arrangements can be beneficial, in that they promote 'policy coherence'. Others counter that the coherence is one-way: aid ends up serving diplomatic and possibly trade ends.

Whatever the pros and cons of the move from an aid and foreign policy perspective, anything approaching the maximalist scenario would be extremely disruptive, to say the least. The change comes at a time when what-was-AusAID must manage a cut of \$656 million to programs within the current financial year and ratchet down planned expenditure by a further \$3.8 billion over the next three years.

If the cloud has any silver lining, it's that Australia's diplomats might now have stronger incentives to help manage the fall-out from Australia's aid about-face.

As more facts become available, we'll have more to say.

*Read more of our analysis on the new government and aid [here](#).*