



Decolonising international aid	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would increase Official Development Assistance (ODA) funding for developing nations from 1 July 2026. ODA would be set at 1% of the federal budget expenditure (fiscal balance) in 2026-27, then would increase over the medium term to reach to reach an annual spending of 0.7% of Gross National Income (GNI) by 2036.</p> <p>The proposal would also establish an independent development oversight agency to ensure aid effectiveness.</p>	
<p>Additional information (based on further advice provided):</p> <p>ODA funding would increase on a linear trajectory from 2027-28 onwards to reach 0.7% of GNI in 2035-36.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$15.7 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not assessed whether the specified funding would be sufficient to meet the objectives of the proposal.

Table 1: Decolonising international aid – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-2,720.0	-5,200.0	-7,750.0	-15,670.0
Underlying cash balance	-	-2,720.0	-5,200.0	-7,750.0	-15,670.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The departmental expenses would be 5.8% of total ODA expenditure.
 - The inclusion of departmental expenses in reaching ODA targets is consistent with existing ODA arrangements.
 - As the total ODA expenditure is specified to equal 0.7% of GNI, the split between administered and departmental costs would not affect the total fiscal impact of this proposal.

Methodology

The annual expenditure on ODA under the proposal was set to increase to 0.7% of GNI in 2035-36. This was done in a linearly from the most recent outcome, with the exception of 2026-27, which is set at 1% of the total budget expenditure.

The financial impact of the proposal was calculated as the difference between the proposed funding profile and the current budget estimates.

- The first year of the policy includes an establishment cost to start a new agency. This is equal to 40% of departmental costs in the first year.

Departmental expenditure is estimated as per *Key assumptions* above.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

The Department of Foreign Affairs and Trade provided projections for ODA expenditure as at the 2025-26 Budget.

Treasury provided projections for GNI over the medium-term as at the 2025-26 Budget.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Decolonising international aid – Financial implications

Table A1: Decolonising international aid – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Official Development Assistance</i>	-	-2,500.0	-4,900.0	-7,300.0	-9,800.0	-12,200.0	-14,600.0	-17,000.0	-19,400.0	-21,700.0	-24,100.0	-14,700.0	-133,500.0
Departmental													
<i>Department of Foreign Affairs and Trade</i>	-	-220.0	-300.0	-450.0	-610.0	-750.0	-900.0	-1,050.0	-1,200.0	-1,350.0	-1,490.0	-970.0	-8,320.0
Total (excluding PDI)	-	-2,720.0	-5,200.0	-7,750.0	-10,410.0	-12,950.0	-15,500.0	-18,050.0	-20,600.0	-23,050.0	-25,590.0	-15,670.0	-141,820.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Decolonising international aid – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-	-60.0	-240.0	-540.0	-970.0	-1,530.0	-2,230.0	-3,090.0	-4,100.0	-5,280.0	-6,630.0	-840.0	-24,670.0
Underlying cash balance	-	-50.0	-200.0	-460.0	-860.0	-1,390.0	-2,060.0	-2,880.0	-3,850.0	-4,990.0	-6,300.0	-710.0	-23,040.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)