

### Overview

The 2026–27 Federal Budget arrives at a pivotal moment for global development and health cooperation. Around the world, Official Development Assistance (ODA) from OECD DAC is contracting while humanitarian need, climate impacts, conflict and infectious disease threats continue to escalate.

According to OECD preliminary data, official development assistance from DAC donors fell 6.1% in 2024 and a further 23.1% in 2025 — a cumulative decline of close to 30% from the 2023. Health and humanitarian programs have borne a disproportionate share: WHO estimated in 2025 that health aid would fall by almost 40% compared with two years earlier, while DAC humanitarian ODA dropped 35.8% and core contributions to the UN system fell 27%, the largest such drop on record.

Against this backdrop, Australia’s decision to maintain aid levels and sustain its Indo-Pacific focus sends an important signal of regional commitment and stability. However, Australian aid remains historically low relative to national income and total federal expenditure. ODA as a proportion of the Federal Budget has now fallen to approximately 0.63%, the lowest level on record, while ODA/GNI is projected to decline from 0.18% in 2025–26 to 0.16% by 2029–30. Although the Budget includes a nominal increase in aid funding to \$5.209 billion, this represents a decline in real terms.

The Australian Global Health Alliance welcomes continued investments in regional partnerships, health security, climate resilience, gender equality and domestic health and medical research. The Budget maintains strong support for the Pacific and Southeast Asia, continued investment in regional health security and ongoing commitments to humanitarian response and climate resilience initiatives.

At the same time, the Alliance is concerned that the Budget does not substantially expand global health financing during a period of rising global instability and aid contraction. Health investments remain increasingly framed through a security and resilience lens, while some multilateral global health mechanisms face reductions or cessation of support. There is also limited transformational investment in broader global health leadership, civil society partnerships and next-generation capability building.

## OFFICIAL DEVELOPMENT ASSISTANCE BUDGET – THE DETAIL

### 1. DFAT Budget Documents

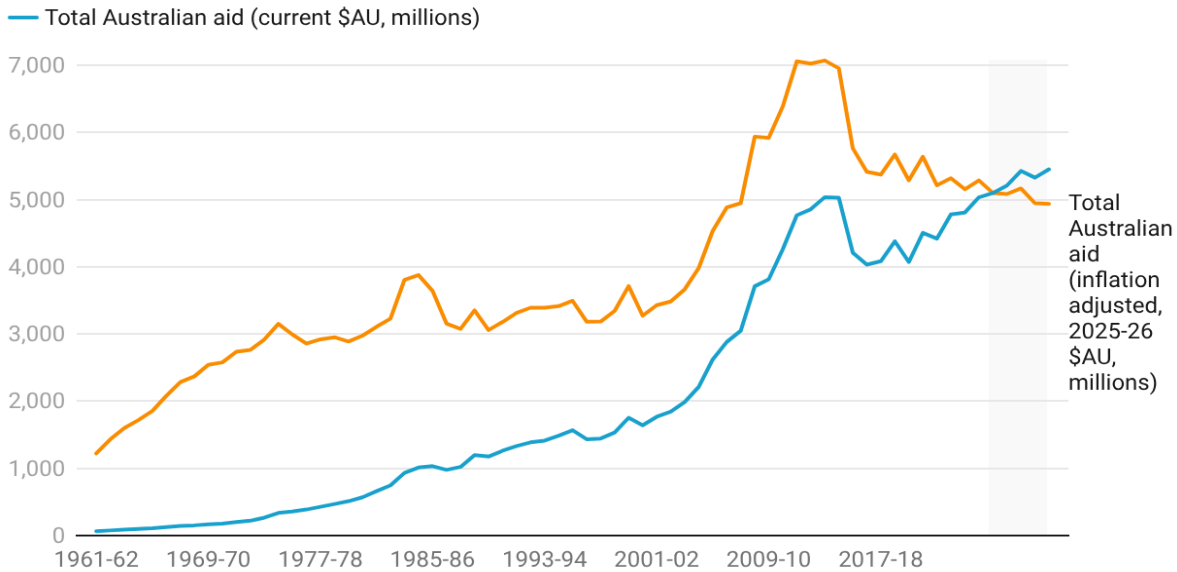
- [Official Development Assistance Budget Summary](#)
- [Department of Foreign Affairs and Trade Portfolio Budget Statements 2026-2027](#)

## 2. Total Australian ODA 2026-27: \$5.209 billion

Australia's total ODA allocation for 2026–27 is \$5.209 billion, representing an increase of approx. \$112 million from 2025–26 through indexation.

### Australian aid over time (\$AU, millions)

Australian official development assistance (ODA) between 1961-62 and 2036-37. 2025-26 to 2029-30 are budget estimates based on the 2026-27 budget.



Source: DFAT statistical summaries and budget documents • Created with Datawrapper

Graph source: Development Policy Centre, ANU, *Australian Aid Tracker* (2026), <https://aidtracker.devpolicy.org/trends/>

The Government states this investment supports:

- a peaceful, secure and prosperous Indo-Pacific
- regional resilience
- climate adaptation
- energy transition
- economic stability
- health security and health systems strengthening

## 3. Aid as a portion of the total budget

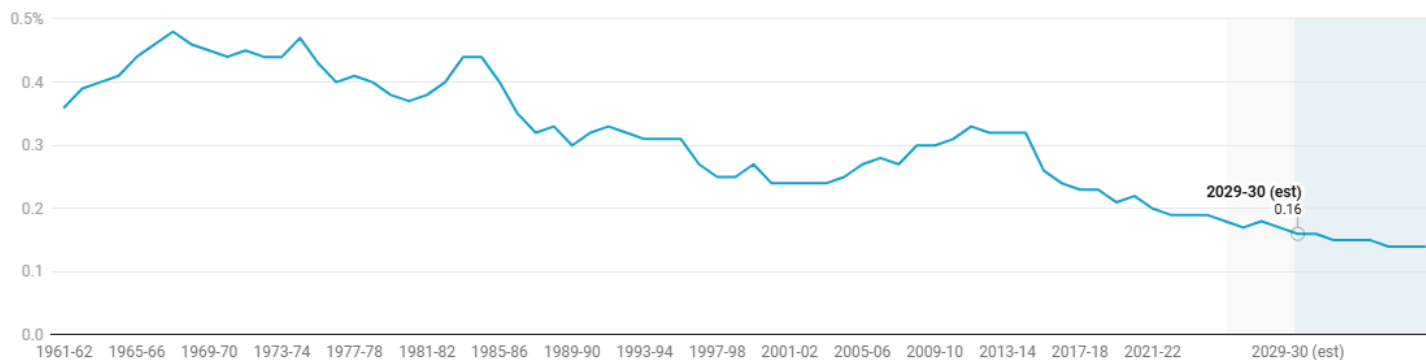
ODA now represents approximately 0.63% of total Federal Budget expenditure — the lowest proportion recorded — and is expected to drop further to 0.58% by 2029-30, according to [estimates](#) by the Development Policy Centre's Australian Aid Tracker.

## 4. ODA / GNI Ratio

Development analysts note that Australian aid continues to decline in real terms and as a share of GNI. ODA/GNI is projected to decline from 0.18% in 2025–26 to 0.16% in 2029–30.

### Generosity: Australian aid as a percentage of GNI

Official development assistance (ODA) in current \$AU as a percentage of gross national income (GNI), projections based on an annual 2.5% increase in total ODA.



Source: ODA from DFAT statistical summaries and budget documents, actual GNI from ABS, and forward estimates of GNI based on nominal GDP growth forecasts from Treasury budget documents • [Get the data](#) • Created with [Datawrapper](#)

Graph source: Development Policy Centre, ANU, *Australian Aid Tracker* (2026), <https://aidtracker.devpolicy.org/trends/>.

## 5. ODA Regional flows

Sector	2025-26 (\$m) ODA budget estimate	2026-27 (\$m) ODA budget estimate
Pacific	2,156.7	2,220.1
Southeast Asia	1,280.0	1,353.7
South and Central Asia	356.8	359.1
The Middle East and Africa	153.3	144.6
Latin America and the Caribbean	1.2	1.9

The Pacific remains Australia’s highest regional priority with continued emphasis on:

- climate resilience
- workforce development
- health systems strengthening
- infrastructure and connectivity
- disaster preparedness
- clean energy transition

Southeast Asia allocations continue to support:

- ASEAN partnerships
- economic resilience
- health cooperation
- education and vocational training
- climate adaptation
- gender equality and social inclusion

## 6. ODA Sector Flows

Health as a share of total ODA is 12% in 2026-27.

Sector	2025-26 (\$m) ODA budget estimate	2026-27 (\$m) ODA budget estimate
Governance	1,210.2	1,227.9
Economic Infrastructure and Services	821.1	825.3
Multisector and General Development Support	704.5	791.6
Humanitarian	709.0	741.7
Health	646.6	647.6
Education	572.4	571.1
Agriculture, Trade and other Production Sectors	433.5	404.2

## Global Health and Health Security

The Budget maintains significant investment in regional health cooperation and health security through DFAT and partner agencies.

**Total funding (estimated) towards health ODA budget in 2026-27 is 647.6m**, up from \$646.6m in 2025-26. This is a nominal 0.15% increase, but in real terms a 4.85% decrease<sup>1</sup>. Health as a share of total ODA is 12% in 2026-27.

<sup>1</sup> 4.85% figure calculated as 0.15% nominal increase, minus inflation at 5.0%. To be updated when CPI actuals are published later in 2026. Source: Australian Council for International Development. (2026, May 14). *2026–27 Federal Budget Analysis*. ACFID. <https://acfid.asn.au/wp-content/uploads/2026/04/Final-Budget-Analysis-14.05.2026.pdf>.

Regional Health Security funding focuses on:

- pandemic preparedness
- disease surveillance
- laboratory systems
- outbreak response
- workforce capability
- Indo-Pacific resilience

Contributions to Global Health Programs continue through partnerships with WHO, Gavi and the Global Fund. **However, the Budget also includes reductions and re-prioritisations affecting some multilateral mechanisms:** UNDP core funding resumes at \$10m following a one-year pause in 2025-26, down from \$13m previously; core funding for UNAIDS and the Pandemic Fund will cease from the end of 2026/27. Within this picture, the Contributions to Global Health Programs line rises from \$156.0 million in 2025-26 to \$181.5 million in 2026-27, a partial recovery following the reduction in 2025-26. As noted in the Alliance’s 2025-26 analysis, the 2025-26 reduction deferred funding already committed to the Global Fund, meaning a catch-up allocation was required to honour Australia’s pledge. The \$25.5 million increase in 2026-27 may or may not include that catch-up: this line aggregates Australia’s support to the Global Fund, Gavi, the UN health agencies and related multilateral mechanisms, the Budget does not disaggregate them, and no separate figure for the Global Fund has been published.

#### Breakdown of Health spending (Est.)

Budget year	2022-23	2023-24	2024-25	2025-26	2026-27
<b>Contributions to Global Health programs</b>	\$217.2m	\$230.2m	\$194.2m	\$156m	\$181.5m
<b>Regional Health Security</b>	\$216.2m	\$118.5m	\$118.4m	\$156.6m	\$130m

Continued Indo-Pacific health resilience investments support:

- maternal and child health
- sexual and reproductive health
- immunization
- primary care strengthening
- gender-responsive health systems

## Climate Change and Health

**Funding for climate change and environmental initiatives rises 20% to approximately \$174 million in 2026–27**, including support for the Pacific Resilience Facility and Green Climate Fund.

The Alliance welcomes recognition that climate change and health equity are increasingly interconnected priorities. However, stronger integration is needed between climate initiatives and broader global health programs including pandemic preparedness, non-communicable diseases, mental health and child and adolescent health.

## Gender Equality, Disability and Social Inclusion

**The Budget maintains support for GEDSI initiatives including:**

- \$104 million direct GEDSI allocation
- increase of the Indo-Pacific Gender Equality Fund to \$71 million
- \$16 million in core disability funding

The Government continues to emphasise locally-led development, gender-responsive programming and disability inclusion.

## Humanitarian and Emergency Assistance

Health-related humanitarian funding is embedded within:

- Humanitarian Emergency Fund: \$150 million
- Humanitarian, Emergencies and Refugees programs: \$512.8 million

These allocations support emergency medical response, communicable disease control, nutrition and crisis response.

## GLOBAL HEALTH ACROSS OTHER BUDGET PORTFOLIOS

### Department of Health, Disability and Ageing

**The Medical Research Future Fund (MRFF) is now valued at approximately \$25.4 billion.**

While not formally part of ODA, the budget continues broader health and medical research investments through the Medical Research Future Fund and related domestic research infrastructure.

These investments are relevant for:

- regional clinical research
- pandemic preparedness
- vaccine capability
- Asia-Pacific collaboration
- implementation science

There is continuing policy interest in linking Australian research capability more directly to regional health diplomacy and development objectives.

**The Federal Government has committed additional funds to increase MRFF disbursements each year from 2026-27 with the stated aim of reaching \$1 billion annually by 2030-31**

- annual MRFF disbursements increasing toward \$1 billion annually by 2030–31
- continued support for clinical trials and translational research
- investments in genomics and digital health
- expanded Aboriginal and Torres Strait Islander health research support
- strengthening innovation commercialisation pathways

Highlighted initiatives include:

- \$152 million for commercialisation and consumer participation
- \$74 million for genomic health research
- \$28.5 million for Aboriginal and Torres Strait Islander health research leadership
- \$23 million for Long COVID research
- \$15.8 million for the National One Stop Shop for clinical trial approvals
- \$40.1 million for the Neale Daniher MND Clinical Network

The Alliance welcomes growing recognition that domestic research capability contributes directly to pandemic preparedness, implementation science and Indo-Pacific health diplomacy. This reflects [years of advocacy by medical research groups](#) including members of the Alliance. Parliamentary champions, including Dr Monique Ryan MP, have been prominent advocates for unlocking the MRFF's full disbursement capability, complementing the Alliance's July 2025 report on public investment in global health research.

*Although global health is not delineated in overall funding from MRFF disbursements the Alliance will continue to advocate for specific support from this fund to global public goods, research and services that will benefit the global community and health equity.*

Moreover, the research sector still faces sustainability challenges even despite the welcome MRFF boost. This is because it does not fund core costs such as people and infrastructure to support research projects and in the current climate of reduced funding there is more to do to fully fund a strong research and innovation sector. Some analyses note declining real-term research investment across parts of the higher education sector and ongoing workforce insecurity for researchers.

## SUMMARY FOR THE AUSTRALIAN GLOBAL HEALTH COMMUNITY

The 2026–27 Budget is best characterised as:

- stable but not transformative
- increasingly framed through security and resilience

- regionally concentrated
- maintaining core health investments while reprioritising some multilateral commitments

Positive elements:

- Maintained ODA during global aid contraction
- Strong Indo-Pacific focus
- Continued health security investment
- Increased climate funding
- Steps toward needed MRFF expansion

Ongoing concerns:

- ODA remains historically low relative to national wealth
- Defence growth continues to outpace development investment
- Humanitarian need continues to escalate globally
- Civil society funding remains constrained
- Limited transformational investment in broader global health leadership

## AUSTRALIAN GLOBAL HEALTH ALLIANCE POSITION

The Australian Global Health Alliance welcomes continued investment in regional partnerships, health security, climate resilience and health and medical research in the 2026–27 Federal Budget.

However, at a time of escalating geopolitical instability, climate threats, humanitarian crises and infectious disease risks, Australia’s development and global health investments remain below what is required for genuine regional resilience and shared security. Civil society funding remains constrained in many jurisdictions and advocacy networks are unfunded. Uncertainty persists for core research and innovation capacity, there are limited transformational investment in global health leadership and next generation.

The Alliance supports:

- a long-term pathway to restore Australian aid funding
- stronger locally led partnerships
- sustained health and medical research capability
- greater workforce security across the research ecosystem
- stronger alignment between domestic innovation and regional health priorities
- intentional investment in Indo-Pacific health research partnerships

## FURTHER RESOURCES

- Development Policy Centre's Aid Budget Breakfast
  - [Recording](#)
  - [Presentation](#)
- [ACFID Budget Analysis](#)
- [Croakey Health Media Budget Night recap](#)
- [AAMRI Budget Recap](#)

## WHAT OTHERS ARE SAYING

### **DevPolicy | A different crisis; a different response**

On 11 March 2020, the WHO declared a global pandemic. COVID-19 swept around the world exacting a terrible human toll, disrupting trade, and provoking fear of a global recession. In response to the pandemic, Australia, then governed by a centre-right coalition — which had until that point been hell-bent on cutting the foreign aid budget — increased foreign aid in 2020-21 by \$450 million: an 11% increase in nominal terms or 7% after inflation.

On 28 February 2026, Donald Trump's America went to war with Iran. The impacts of the subsequent conflict and flow-on blockades have since swept around the world, exacting another terrible human toll, disrupting trade, and provoking fear of a global recession. Australia, now governed by a centre-left party — which had boasted that it was rebuilding the aid program — has just increased its aid budget by \$112 million, a 2% increase in nominal terms and no increase at all after inflation.

It is a striking contrast. Last night's foreign aid budget was business as usual. It is almost exactly the sort of budget one would have expected before the Iran War.

[Read full post](#)

### **ACFID | Federal Budget holds for aid, but stronger investment needed in an increasingly unstable world**

“Australia's development program reflects the values of our nation – and the strong links to our global neighbours. Australians back aid, recent polling shows 74 per cent of the nation support aid being maintained or increased. Aid is a cost-effective investment in regional stability and our own security.

Recent years have shown how quickly global crises, from conflict to pandemics, can cross borders. Investing in peace, prosperity and health is not just the right thing to do, it is the best investment to ensure a safer world for our region and for all of us,” said ACFID CEO Matthew Maury.

Beyond the region, the Budget fails to keep pace as crises intensify globally, including in Sudan and Gaza, where millions face acute shortages of food, healthcare and protection.

“Two billion people, around a quarter of the global population, live in conflict-affected areas. This was a moment for Australia to show real humanitarian leadership as need surges around the world,” said Mr Maury.

[Read ACFID full statement](#)

### **AAMRI | Government takes step forward on MRFF funding – but sustainability pressures remain for medical research institutes**

The Association of Australian Medical Research Institutes (AAMRI) has welcomed tonight’s commitment to increase Medical Research Future Fund (MRFF) disbursements, while warning that Australia’s medical research sector remains under significant financial pressure.

The additional funding follows sustained advocacy from the sector, including AAMRI’s Half the Funding, Half the Future campaign and ongoing calls from institutes, researchers, clinicians and parliamentarians for the Government to release the full annual disbursement of the MRFF.

The Federal Government has committed additional funds to increase MRFF disbursements each year from 2026-27, with the stated aim of reaching \$1 billion annually by 2030-31.

“Any additional investment in medical research is important and welcome,” said AAMRI President Professor Jason Kovacic.

While the commitment to grow MRFF disbursements is welcome, the Budget papers show funding reaching around \$745 million by 2029-30 – meaning a substantial increase would still be required in the following year to meet the Government’s stated \$1 billion target.

“This is meaningful progress and reflects years of advocacy from across the sector. But medical research institutes are dealing with sustainability pressures today, not five years from now.”

“For some institutes facing immediate sustainability pressures, support delayed may simply come too late,” said Professor Kovacic.

[Read AAMRI full statement](#)

### **Health Equity Matters | Staying the course: Budget extends commitment to HIV response**

“People with HIV on effective treatment cannot pass on the virus. Yet until recently, Medicare-ineligible people could not access life-saving HIV medicines that cost other Australians a few dollars on the PBS. This Budget ensures those medicines are affordable for all that need them, which will minimise HIV transmission and take us closer to virtual elimination of HIV transmission in Australia.”

“Peak body funding is the engine room of Australia’s HIV response,” Adjunct Associate Professor Orr said. “Peak bodies coordinate programming that allows the community sector to do the partnership work with government, researchers and clinicians that has made Australia a world leader on HIV for four decades. The Albanese Government’s sustained investment in community-led HIV programming backs that model to keep going.”

“With tonight’s Budget, the 2030 goal of virtual elimination of HIV transmission in Australia is genuinely within reach,” Orr said.