



Australia's International Development Contractors Community

INITIAL IDCC REACTION TO THE OCTOBER 2022 BUDGET

IDCC WELCOMES GOVERNMENT COMMITMENT TO A HIGHER AND MORE PREDICTABLE DEVELOPMENT BUDGET

The IDCC welcomes the Government's commitments to increase the development budget by \$1,400 million, with an additional \$470 million promised for Southeast Asia and additional \$900 million for the Pacific over four years. We are pleased to see these commitments included in DFAT's ongoing budget allocation and not as temporary and targeted measures in response to the COVID-19 pandemic.

Joanne Choe, Chair of the IDCC Board said *'the IDCC's members welcome this return to a higher and more predictable budget for development assistance. We welcome the increases for Southeast Asia alongside those for the Pacific, and the increased departmental budget to ensure these commitments are programmed effectively'*.

The increased development budget commitment sends an important signal to the IDCC's members to think creatively and with ambition as we engage in the recently announced process to write a New Development Policy that responds to the threats of climate change, COVID-19 recovery and challenging economic conditions in our region and beyond.

IDCC considers that the increase to the development budget acknowledges development assistance - in pursuit of poverty reduction - as an important tool of soft-power in and of itself. We welcome the focus on supporting sustainable and inclusive development in our region as the smart and right thing to do.

IDCC commends the Government's commitment to gender quality, including the reintroduction of the 80 per cent performance target and mandating that investments over \$3 million have a gender equality objective.



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IDCC recognises that the impact of development assistance can be magnified when its planning and delivery is informed by deep contextual analysis, and careful planning and alignment with Australia's diplomatic and defence engagement.

We call upon the government to ensure the new development policy focuses not just on the 'what' of development assistance, but also the 'how', taking steps to fit departmental systems, structures, development capability and procurement approaches for the next generation of development engagement, enhancing a culture of constructive contestability, improved accountability, transparency, collaboration, and learning.

Ends

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International Development Contractors Community (IDCC) is the formal peak body representing international development consultants and contractors working with the Australian aid program. IDCC members have enduring partnerships with actors in the region borne from working together to deliver effective development assistance.