

A hot aid budget tip from 2014?

Author : Stephen Howes

Date : May 9, 2017

In October 2014, *The Australian* [reported](#) that foreign aid was "set to be cut to help pay for military operations in Iraq and stronger national security at home." What was reportedly proposed back then was "a two-year pause in future aid increases ... to cover the cost of a fight against terrorism that is aimed at saving lives."

That didn't happen. Instead, far from pausing aid increases, the government slashed aid by \$980 million in 2015-16 and another \$220 million in 2016-17.

Fast forward to yesterday, when, despite the recent [reassurances](#) of the Treasurer about aid, *The Australian* [reported](#) that the Turnbull government "will divert foreign aid funds to boost Australia's intelligence agencies as part of its escalation of the war on terror". The figures aren't exactly clear, but there is mention of \$321 million for the AFP over four years (for uses that sound domestic), \$75 million for ASIS, and a similar amount for ASIO.

Meanwhile, the aid budget is slated through the forward estimates to grow at a little under 2.5% a year, around the rate of inflation. That is about \$385 million over four years. That amount, if taken out of the aid budget, would pretty much ensure that the AFP and ASIS increases are "fully funded", as Malcolm Turnbull has [assured](#) us they are, though it wouldn't leave anything for ASIO.

Will the aid budget suffer the fate predicted for it by *The Australian* back in October 2014, and again yesterday? The odd similarity between the two articles suggests that: (a) an aid-security swap has been under consideration by the government for some time; and (b) if one does take place, it could well be by forgoing any nominal aid increases over the budget and forward estimates.

Whether *The Australian* was wrong back in 2014 or just ahead of itself will become clear soon enough.

Come to our [Aid Budget Breakfast](#), 9am on Wednesday 10 May at the ANU for all the analysis, or tune in to the [livestream](#). Thanks to Camilla Burkot for unearthing the 2014 article.