Australia was the 9th-largest donor country to education in 2016; funding is expected to remain stable

Australia was the ninth-largest donor country to education in 2016 (the latest year for which complete data is available), contributing US$273 million to the sector. This was a decline from a peak contribution of US$485 million in 2014. These cuts are largely driven by a decline in bilateral funding to the sector, which decreased by US$111 million between 2014 and 2015, including lower annual contributions to the Global Partnership for Education (GPE). According to data from the Organisation for Economic Co-operation and Development (OECD), Australia allocated 8% of its total official development assistance (ODA) to education in 2016, on par with the Development Assistance Committee (DAC) average.

Australia considers its funding for ‘Australia Awards’, its scholarship and fellowship program for international students studying in Australia, as part of its development assistance portfolio. According to the latest budget for fiscal year (FY) 2018/19, the Australian government committed A$305 million (US$234 million) to the Australia Awards initiative. However, Australia reports this funding as ‘other multisector’ ODA flows for ‘scholarships and student costs in donor countries’, which means it is not counted towards Australia’s education ODA.

‘Education and health’ together form one of Australia’s six development investment priorities. According to its development assistance strategy, education is an essential building block to economic growth, and Australia aims to invest in high-quality education to enable young people, particularly girls and children with a disability, to gain knowledge and skills to contribute productively to society.

According to the FY2019/20 budget, education ODA is expected to be A$619 million (US$474 million), a decrease from A$637 million (US$488 million) in FY2018/19. Looking forward, education ODA is likely to remain flat or continue to decrease due to the cap on the Australian ODA budget (see ‘Key Question 1: How much ODA does Australia provide?’ for more information on budget cuts and caps).

Australia’s bilateral education ODA focuses on primary education

Australia provides almost all its education ODA as bilateral funding: 85%, or US$233 million in 2016, equivalent to 10% of total bilateral ODA.

A large share of bilateral education ODA is for ‘general education’, which accounted for 46% in 2017. Of this, funding for education policy and administrative management made up 31% and contributions to education facilities and training 13%. ‘Basic education’ made up another 46% of Australia’s bilateral education in 2017, comprised almost entirely of primary education (45% of bilateral education ODA). Vocational training (6% of bilateral education ODA in 2017), secondary education (1%), and post-secondary education receive much smaller shares of funding.

On average between 2014 to 2016, half (51%) of all bilateral education ODA was disbursed to countries in Asia. Another 28% of bilateral education ODA over the same period went to Pacific island countries. This distribution is in line with Australia’s overall goal of focusing 90% of geography-specific ODA on the Indo Pacific region (39 countries in the Pacific, South-East and East Asia, South and West Asia, and the African East Coast), with very little funding going to other regions such as sub-Saharan Africa or South America.

Australia is the 6th-largest total donor to the GPE

Australia spent US$40 million in multilateral ODA to education in 2016, which was 15% of Australia’s overall education ODA. This was below the average share of other DAC countries (30%) that year. Most of Australia’s multilateral education ODA was channeled as part of core contributions to the World Bank’s International Development Association (IDA; 53%). Other significant shares went to the Asian Development Fund (ADF; 34%) and the

Further information: ‘basic’ and ‘general’ education

In this profile, ‘basic education’ refers to the OECD Creditor Reporting System (CRS) sector code ‘basic education’ (112), which includes primary education, basic skills for youths and adults, and early childhood education. ‘General education’ refers to the OECD CRS sector code ‘education, level unspecified’, which includes education policy and administrative management, education facilities and training, teacher training, and educational research.
Australia is a large donor to the GPE. Since it became a partner in 2008, Australia has contributed US$409 million to the GPE (as of April 2019). This makes it the sixth-largest cumulative contributor since GPE’s foundation. Australia reports support to GPE to the OECD as bilateral ODA. In February 2018, Australia pledged A$90 million (US$69 million) for the funding period 2018 to 2020. Julia Gillard, the former Prime Minister of Australia and a former minister of education, has served as GPE’s Board Chair since 2014.

Australia is also involved with and contributes financially to various education-related initiatives focused on research on education systems and quality of education. These include the ‘Research on Improving Systems for Education’ (RISE; US$8 million for the period 2016 to 2020) and previously the ‘Systems Approach for Better Education Results’ (SABER; US$5 million for 2013 to 2018).

Priorities for Australia’s education funding are detailed in the Department for Foreign Affairs and Trade’s (DFAT) ‘Strategy for Australia’s aid investments in education 2015-2020’. Australia aims to focus education ODA on a) early childhood care and development, b) quality of education at all levels, c) equity, with a focus on gender and disability inclusiveness, and d) high-quality secondary and post-secondary education.

DFAT's Development Policy Division leads on policy development within education

DFAT drives the formation and implementation of the Australia’s development assistance for education. Funds to deliver the education strategy come from DFAT’s country, regional, and global programs, and are delivered through the regular budget process. DFAT’s Development Policy Division (DPD), specifically the ‘Development Policy & Education’ branch (PEB), is the driver of education development policy, and provides operational guidance for the implementation of projects. Scholarship management is undertaken separately through the Australia Awards and Alumni Branch of DFAT.
AUSTRALIA’S ODA TO EDUCATION
US$ millions

- Multilateral education ODA
- Bilateral education ODA
- Education ODA as % of total ODA

OECD CRS, and imputed multilateral contributions to the education sector: DAC secretariat estimations. In 2017 prices.

AUSTRALIA’S BILATERAL ODA TO EDUCATION ACROSS SUB-SECTORS, 2016
Total: US$217 million

- General Education: 42.7% (US$92.8m.)
- Basic Education: 42.8% (US$92.9m.)
- Secondary Education: 1.1% (US$2.4m.)
- Post secondary education: 11.3% (US$24.6m.)
- Vocational training: 2.1% (US$4.9m.)

OECD CRS. In 2016 prices.
TOP 10 DAC DONORS TO EDUCATION, 2016
Total education ODA; US$ millions; in 2017 prices; incl. bilateral and multilateral funding

- Germany: 2,304
- United States: 1,890
- United Kingdom: 1,571
- France: 1,357
- Japan: 737
- Norway: 426
- Korea: 278
- Canada: 274
- Australia: 273
- Italy: 234

OECD CRS and imputed multilateral contributions to the education sector (DAC Secretariat estimates)

TOP 15 DAC DONORS TO EDUCATION, 2016
Education ODA as % of total ODA

- New Zealand: 15.7
- Portugal: 14.3
- Luxembourg: 14.0
- Hungary: 12.9
- Slovenia: 12.0
- Korea: 11.4
- France: 11.2
- Austria: 11.0
- Poland: 10.5
- Norway: 9.3
- United Kingdom: 9.3
- Slovak Republic: 8.9
- Germany: 8.4
- Australia: 7.8
- Ireland: 7.0

OECD CRS and imputed multilateral contributions to the education sector (DAC Secretariat estimates)