



## Fresh thinking on risk, strategy and governance for purpose-led organisations

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**Committee Secretary, Joint Standing Committee on  
Foreign Affairs, Defence and Trade**

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19 January 2026

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Dear Secretary

**Re: Submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry  
into the role of Australia's international development program in preventing conflict**

Koala International Development (**Koala**) welcomes the Committee's inquiry into the role of Australia's international development program in preventing conflict and is grateful for the opportunity to make a submission.

I am the founder of Koala, an Australian boutique consultancy providing risk, strategy and governance services to government, non-profits and mission-driven organisations. In line with Koala's focus on humanitarian and development contexts, this submission to the Committee is from the perspective of an aid practitioner.

The submission draws on my more than 20 years' experience working across security, justice, humanitarian and international development settings. This includes early service in the armed forces and law enforcement, followed by senior roles in the humanitarian and development sector with Oxfam, the Fred Hollows Foundation and Deloitte Australia. At the latter, I led its international development practice, delivering and supporting DFAT programs in the Pacific.

I have completed assignments in 23 countries, including in the Indo-Pacific, and supported DFAT on a range of humanitarian, development and Departmental initiatives. Most recently, I served as Design Lead for its 2026-8 Myanmar-Bangladesh Humanitarian Package and developed risk-management training for DFAT humanitarian managers. I am also the author of two books on fraud, corruption and terrorist diversion risks in humanitarian and development assistance.

This submission is offered in the spirit of a constructive, practitioner-informed contribution and I thank the Committee and Secretariat for their consideration.

Yours faithfully,

**Oli May**

Founder and Principal  
Koala International Development

Koala International Development acknowledges the traditional custodians of the lands on which we work, which in Maroubra, NSW, are the Gadigal and Muru-Ora-Dial. We pay our respects to elders past and present.

Koala is proud to be an ally to the LGBTQIA+ community and committed to a future of inclusion and equality.



## Fresh thinking on risk, strategy and governance for purpose-led organisations

# Public submission to the inquiry into the role of Australia's international development program in preventing conflict

## 1. Introduction to the submission

- 1.1 Koala International Development (**Koala**) is an Australian consultancy providing advisory services on risk, strategy and governance to the Commonwealth Government, non-profits, and mission-driven companies. This submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade (the **Committee**) provides insights for the Committee's consideration from the perspective of aid practitioners.
- 1.2 The submission articulates that Australia already uses humanitarian and international development investments (**aid**) to prevent conflict, and there are natural alignments between Australia's National Defence Strategy and International Development and Humanitarian Policies that derive from Australia's intent to positively shape and protect our region and the nature of our overarching foreign policy. There are strong arguments for continuing to use aid to prevent conflict and situate that within a more transparent, articulable and empowered Whole-of-Government (**WofG**) frame alongside defence and diplomacy, but not necessarily for an increase in dedicated conflict prevention programming at the expense of other aid commitments. Instead, other provisions may more cost-effectively force-multiply that aid. The submission concludes with ten recommendations to that effect.

## 2. Detailed submission

### **The role of Australia's international development program in building resilience in fragile states, including by strengthening community and civic participation, governance, security reform and human capital**

- 2.1 Resilience in this context might be the ability of a fragile state to resist, absorb, accommodate, adapt to, transform and recover from conflict. Intra- and inter-state conflict in the twenty-first century are interlocked with each other and with economic, digital and climate security. They do not arise suddenly or in isolation. Various factors coalesce to create the conditions for violence, and it passes from possible to probable when formal and informal infrastructure (i.e. resilience) fail to arrest these mechanics.
- 2.2 The Australian International Development Policy reflects Australia's foreign policy objective of a 'peaceful, stable and prosperous Indo-Pacific' and subsequent core areas of focus directly address the foundations of resilience. This, therefore, means that our chosen aid investments already strengthen that infrastructure in our region (see **Table 1** and **Highlight 1**) – even if this is not necessarily explicit at the investment or activity level.

**Table 1: Examples of Australian aid themes that can address conflict prevention**

Theme	Examples of how it can help reduce enablers of conflict	Potential Australian examples in action
Education, health and skills	<ul style="list-style-type: none"> <li>• Greater opportunity reduces grievance and tackles exclusion<sup>1</sup></li> <li>• Creates working or learning environments that bring social groups together and weaken outgroup boundaries<sup>2</sup></li> <li>• Fosters the legitimacy of states.<sup>3</sup></li> </ul>	<p><a href="#">Bangladesh Rohingya and Host Communities Humanitarian Package, \$190m, 2023-25</a></p> <p>Multipurpose funding in southeast Bangladesh's Rohingya camps included support for educating Rohingya children and youth. Education widely recognised as a protective factor that can reduce vulnerability to radicalisation in refugee communities.<sup>4</sup></p>
Governance and accountability	<ul style="list-style-type: none"> <li>• Strengthens inclusion in decision-making<sup>5</sup></li> <li>• Builds resilient governance against shocks<sup>6</sup></li> <li>• Improves public service delivery, reducing exclusion and grievance.</li> </ul>	<p><a href="#">Strategic Partnership on Subnational Governance Program (SPSGP), Nepal, \$20m, 2017-21</a></p> <p>SPSGP promoted strong, effective and inclusive subnational government during Nepal's complex and uncertain transition to federalism. Amongst a range of outcomes, 53 subnational governments adopting laws, policies and procedures developed with program support.</p>
Security and justice	<ul style="list-style-type: none"> <li>• Reduces grievance with improved access to justice<sup>7</sup></li> <li>• Improves civil security and safety, impeding escalation</li> <li>• Helps align community and formal mechanisms of dispute resolution, building trust in the state.<sup>8</sup></li> </ul>	<p><a href="#">Australia Solomon Islands Partnership in Justice (ASIPJ), initially \$32m, 2022-25</a></p> <p>ASIPJ is a successor of the Regional Assistance Mission to the Solomon Islands (RAMSI) and explicitly aimed to improve access to justice and adopted both strategic and grassroots initiatives to facilitate this. Its mid-term evaluation rated the program as strong and found that ASIPJ had enabled significant shifts in the capacities of justice agencies to perform core functions. RAMSI-ASIPJ is an example of the evolution of support to an ally in pursuit of long-term stability.</p>
Gender equality, disability inclusion and social cohesion	<ul style="list-style-type: none"> <li>• Structural inequality and conflict are linked, with higher gender equality often associated with higher peacefulness.<sup>9</sup></li> </ul>	<p><a href="#">Nabilan: ending violence against women program, \$32m, Timor-Leste, 2014-22</a></p> <p>Nabilan aimed to end violence against women and children in Timor-Leste and was evaluated to be highly respected. Key achievements included helping to professionalise Timor-Leste's social work sector and implement the government's National Action Plan on Gender-Based Violence, helping to drive greater equality and trust in the state.</p>
Livelihoods and economic resilience	<ul style="list-style-type: none"> <li>• Economic opportunity reduces grievance, a key driver of conflict<sup>10</sup></li> <li>• Rapid restoration of livelihoods after crises can reduce the risk of relapse.<sup>11</sup></li> </ul>	<p><a href="#">Marawi Recovery Project (MRP), Philippines, \$6m, 2017-21</a></p> <p>MRP provided recovery assistance for people and families affected by the Marawi conflict against a group affiliated with the Islamic State of Iraq and Syria (ISIS). More than 300,000 people were displaced. MRP set out to restore or create destroyed livelihoods and linked this to greater prospects for peace. By its mid-term review, it had covered 97% of target households for urban-based livelihood support.</p>
Climate and disaster resilience	<ul style="list-style-type: none"> <li>• Protects basic services (e.g. food, water, power), the absence of which can contribute to conflict risk<sup>12</sup></li> <li>• Strengthening adaptation capacity can reduce climate change related conflict drivers.<sup>13</sup></li> </ul>	<p><a href="#">Disaster READY Project, Timor-Leste, \$50m, 2017-22</a></p> <p>Disaster READY strengthened local humanitarian capabilities to better enable communities to prepare for, manage and respond to disasters. Outcomes included helping 71% of surveyed households to receive early-warning information with two-thirds acting on it (including storing food and water).</p>

- 2.3 As the global security picture becomes more volatile, uncertain, complex and ambiguous, it is tempting to reshape Australian aid allocations to more explicitly conflict preventative investments. However, the time horizons on which aid addresses resilience is not necessarily aligned with the immediate security risks our region faces (see **Highlight 2**). Put simply, the conceptual gain of increasing aid investment in conflict prevention at the expense of current aid priorities may mean investing in long-term outcomes with a slow return on investment, at a time when uncertainty makes foresight hard and acute crises demand more rapid results. That is then at the expense of more rapid returns on investment from existing aid themes that, in themselves, powerfully help prevent conflict. Further, there is mixed evidence on the effectiveness of stand-alone conflict prevention programming across diverse contexts and its applicability to the specific threats our region faces.
- 2.4 There are also political and operational risks to over-explicit framing. These include, firstly, diffusion of purpose. Aid implementers must already align a challenging range of priorities, stakeholders and stakeholder needs in designing, managing and evaluating aid programs. Additional conflict prevention requirements may inadvertently lead to compromise rather than coherent programming. Secondly, it can affect the local credibility and legitimacy on which aid is dependent; overt conflict prevention objectives can contravene diplomatic sensitivities and impede Australian Missions in framing aid in the terms most likely to gain local traction. Thirdly, key to the relevance and efficacy of aid is Locally Led Development (LLD); sustainable and effective development cooperation that respects and enables the agency, leadership and decision-making of diverse local actors. Explicit conflict prevention outcomes may impede that through framing aid in terms that emphasise the division between local actors rather than the foundational issues that unify them.
- 2.5 Perhaps most crucially is Value-for-Money (VfM). The prevention of conflict in a fragile state or region may be best considered a second- or third-order effect or impact of an aid investment, rather than a first-order outcome. Evaluating how an investment 'prevented conflict' is challenging if it is to avoid epistemological traps like proving a negative, mistaking correlation for causation or simplistic, inadequate measures around whether violence worsened or eased. Instead, a clearer demonstration of VfM may be to continue to direct investment to practical, clearly impactful objectives such as those in Table 1 and capture their corollary conflict preventative effect at a policy or strategic level. This approach would be supported by evidence that politically driven aid is not as effective as that which is development driven.<sup>14</sup>

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### Highlight 1: Practitioner experience in Papua New Guinea

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In 2023, the author supported delivery of a DFAT-funded project in Papua New Guinea and Fiji under Australia's Cyber and Critical Technology Security Cooperation Program. The initiative convened leaders from government, civil society and the private sector to develop a shared understanding of national cybersecurity vulnerabilities and to explore collaborative responses. While not framed as a conflict prevention activity, the project generated outcomes relevant to conflict risk reduction. In Papua New Guinea, senior government participation provided visible endorsement of state leadership on digital security. In both countries, the sessions also brought together actors that rarely or never engage with one another, supporting trust-building and shared situational awareness. Finally, the capability-building element improved understanding of digital threats in a context where cybercrime and digital insecurity can exacerbate social tension, misinformation and criminal exploitation. The experience illustrates how aid can contribute to conflict prevention without explicit framing.

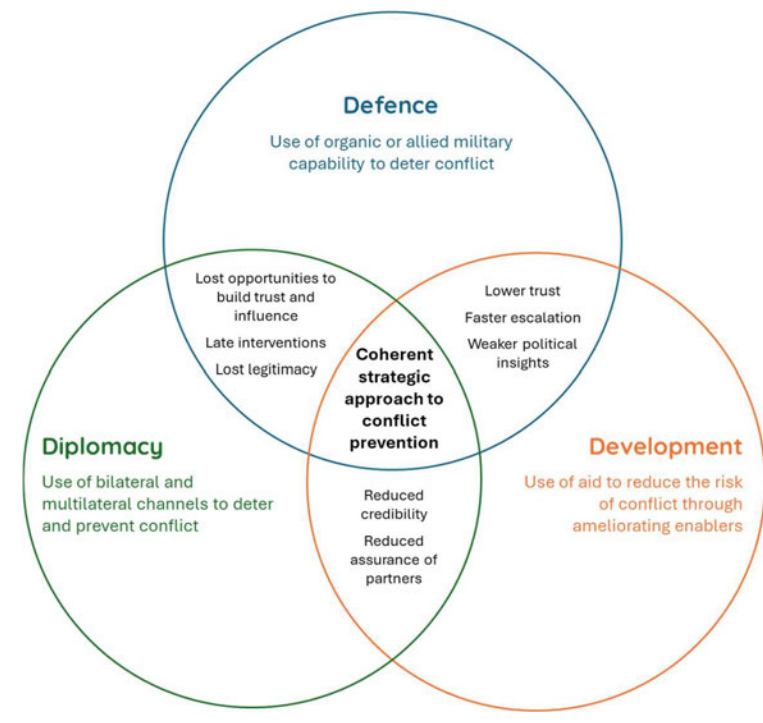
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### The strategic use of Australia's international development program to prevent conflict in the Indo-Pacific

2.6 Aid alone cannot prevent conflict in the Indo-Pacific, but neither can defence nor diplomacy. These three national capabilities are all critical for a coherent posture. If one is weak, success will be curtailed (see **Figure 1**):

- a) Defence allows the use of organic or allied military capability to deter conflict
- b) Diplomacy allows the use of bilateral or multilateral channels to deter and/or prevent conflict
- c) Development allows the use of aid to reduce the risks of conflict through ameliorating long-term enablers and/or drivers.

**Figure 1: Impact of exclusion or underinvestment of any given strand of a three-strand approach to regional conflict prevention**



2.7 The idea that aid should sit alongside defence and diplomacy as part of a coherent posture on conflict prevention is not novel to this submission. A basis for such a tripartite approach is well articulated by the Development Intelligence Lab.<sup>15</sup>

2.8 This submission advises that each national capability must be well-defined, developed and funded within a coherent WofG articulation and a centralised point of coordination, whatever Department that sits in. In doing so, we must:

- a) Articulate this posture at a policy level without overengineering or reorganising existing architecture that already facilitates it in action and, instead, build the capability and capacity of that architecture (for example, by embedding

peacebuilding/conflict prevention technical expertise in all strands and upskilling DFAT and partner staff)

- b) Resist the temptation to exploit thematic overlap at investment level by reallocating costs between the three spaces (for example, as in the United Kingdom, where Official Development Assistance (**ODA**) has been used to support defence-sector stabilisation). Such practices risk diluting each strand and masking investment, capability and accountability gaps
- c) Recognise the substantial variation in conflict types, causes and enablers in our diverse region and align expectations on activities and timelines accordingly (see **Highlight 2**).

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#### Highlight 2: Practitioner experience in Solomon Islands

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The author was a senior practitioner at an aid contractor and responsible for bidding for and then overseeing the design and implementation of the second iteration of ASIPJ. A central design lesson was that no single four-year investment could reasonably be expected to deliver an effective, trusted justice system, particularly given the importance of informal and customary mechanisms in the Solomon Islands. Instead, the program was framed as a deliberate 'stepping stone' within a longer reform trajectory. This involved setting realistic expectations, prioritising foundational capabilities, and selecting investments that could be extended in future phases. The effectiveness of this approach – and its contribution to conflict risk reduction – depends on the continuity of Australian engagement rather than short-term program cycles.

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- 2.9 There is a counterpoint to the argument for a tripartite structure which derives from suspicion in connecting development with diplomacy and defence. This may in turn flow from an assumption amongst some aid practitioners that the interests of a donor state are inherently adverse to principled, recipient-first aid. Whether or not this is true for some donor states, this submission invites the Committee to challenge that assumption in respect of Australia's current policy settings and suggests that:
  - a) If a donor state has articulated foreign policy objectives and development and humanitarian policies that enable principled, recipient-first aid (as Australia has done) then the assumption does not hold
  - b) While to be most effective aid must be delivered according to the needs, leadership and expertise of those closest to its context (i.e. LLD), the relationship between this and Australian interests in any given context is nuanced and not necessarily contradictory.
- 2.10 A more compelling counterpoint is the risk that by incorporating development into a tripartite approach with defence and diplomacy, the crucial aid principle of Do No Harm may be affected, impeded or damaged. This must be diligently prevented.
- 2.11 This submission recommends that the Committee considers:
  - a) Seeking greater use of 'phasing' aid investments, in which commitments to development issues in particular countries are addressed by successive investments on a double-digit year horizon, enabling each investment to play a specific role in a longer trajectory
  - b) Seeking deepened collaboration with international partners whose foreign policy objectives reflect our own, to improve the impact and cost effectiveness of mutual development objectives



- c) Requiring adequate capability and capacity development for each of the three strands of a tripartite approach, an adequately funded and empowered coordination point, and proper scrutiny of any funds flagged for reallocation
- d) Ensuring that Australian aid continues to adhere to the principle of Do No Harm even within a tripartite conflict prevention approach, perhaps with explicit 'red line' no-fund lists for development funding, retaining separate Departmental approvals, pre-defined harm indicators for monitoring and independent, third-party review.

#### **Options for effective support through Australia's aid program in pre-conflict and/or post-conflict zones**

- 2.12 This submission has advised that existing tools, priorities and aid themes support conflict prevention within the context of Australia's well-framed overarching foreign policy objective. As with all public sector initiatives and indeed, any initiative, however, efficacy and efficiency vary across aid.
- 2.13 Dedicated conflict prevention theories, practices and investments are no different. There is even evidence that naïve or poorly designed or implemented conflict prevention activities can increase the risk of violence. In particular, investments must:
- a) Tackle the political and institutional drivers of grievance, not just community-level activity or mediation.<sup>16</sup> From a practitioner perspective, that aspiration is not always realistic
  - b) Avoid ambitious theories of change that do not reflect the reality of our uncertain, complex region. From a practitioner perspective, they must be cognisant of the limitations of our agency and foresight, and seek only pragmatic, achievable goals
  - c) Be accompanied by sufficient allocation of funding for protective systems (e.g. finance, HR, ICT, audit, evaluation) that help to keep the investment safe – systems that are often inaccurately and poorly labelled 'administration' or 'overhead'
  - d) Seek greater alignment with international partners' aid programs. Coordination between all actors remains suboptimal. An example of a positive development is DFAT's engagement with the British Foreign, Commonwealth and Development Office (**FCDO**) on implementing partner due diligence.
- 2.14 At best, investments that do not take these steps risk being ineffective and poor VfM. At worst, they may contribute to or worsen violence (see **Highlight 3**).

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#### **Highlight 3: Practitioner experience in East Africa and Asia**

The author has extensively led or managed investigations into allegations of fraud, corruption, terrorist financing and related misconduct in humanitarian and development aid worldwide. This experience includes cases in East Africa and Asia that illustrate how weak systems and unrealistic delivery pressures can undermine both VfM and conflict sensitivity. In an East African case, aid funded by national and multilateral donors (not Australia) was alleged to have been diverted to a proscribed armed group. In a case in Asia, procurement manipulation during disaster response resulted in significant overpayment for relief materials. While the latter case did not involve terrorist diversion, both investigations identified similar enabling factors: pressure to scale rapidly, insufficient investment in finance, procurement and oversight functions, and inadequate attention to risk management. These cases demonstrate that so-called 'administrative' or 'overhead' costs – such as finance, human resources, risk and compliance – are in fact critical safeguards for both success and against the potential to increase harm or exacerbate conflict dynamics.

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**The impact of international development in the maintenance of peace and prevention of conflict, including for early identification and mitigation of conflict**

- 2.15 Deepening existing impact, with or without additional funding, and aligning it with a meaningful WofG approach should work through a number of existing structures and agendas:
- a) Full commitment to the rules-based world order, multilateral partnerships and the centrality of the United Nations. They are under pressure, but they remain
  - b) Renewed focus, investment and incentivisation towards LLD, which can assist earlier warning and better prevention, as can greater diaspora engagement
  - c) The continued development of the humanitarian-development-peacebuilding nexus (the **Nexus**), which is key to addressing protracted crises (such as that in Myanmar and Southeast Bangladesh) but which is not always fully appreciated, understood or implemented
  - d) At aid investment level, minimising additional operational and reporting burden and maximising agility. For example, through monitoring conflict prevention via qualitative or proxy indicators, capacity-building on conflict prevention adjacencies for practitioners, and incentivising innovation and adaptive management in program designs.

### **3. Recommendations**

- 3.1 This submission recommends that the Committee considers:
- a) Recognising that Australia's current overarching foreign policy objective of a 'peaceful, stable and prosperous Indo-Pacific' already directs Australian aid towards investments with conflict preventative effect through addressing root causes, enablers and drivers of conflict via existing aid themes
  - b) That the conflict preventative contributions of individual aid investments are identified, collated and reported at a policy or strategic level, rather than increasing reporting burdens or design constraints for implementers and partners
  - c) Seeking an independent review into effective conflict prevention programming modalities in the Indo-Pacific prior to any reshaping or reallocating of ODA, and adopts conservative expectations of such programming
  - d) Advocating for a greater proportion of Australian aid to be earmarked as support costs for implementing partners, thus improving VfM through safer, more verifiable aid in fragile and conflict zones (including 'headquarters' type support costs rather than those simply allocated to the partner's Australian-funded investments)
  - e) Demonstrating Australia's leadership in the Indo-Pacific region and deepening international partner relationships through a greater focus on joint aid initiatives, including and especially those that underpin delivery
  - f) Australia continues to defend, support and promote the rules-based world order, multilateral partnerships, and the centrality of the United Nations
  - g) That investment proof-of-concept notes incorporate a short exploration of any conflict risks and how the investment will help to tackle them
  - h) That investment designs and evaluations reward innovative and adaptive implementation



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- i) Prioritising flexible funding of implementing partners to enable adaptive management and rapid pivots to meet recipient needs in protracted crises
- j) We learn from existing engagement with diaspora groups from conflict-affected countries and regions (for example, Myanmar) and secure greater engagement from them in the design, delivery and evaluation of investments, including on conflict prevention.

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<sup>1</sup> *Pathways for peace: inclusive approaches to preventing violent conflict*, International Bank for Reconstruction and Development (IBRD), The World Bank. 2018

<sup>2</sup> *Peace education in the 21<sup>st</sup> century: an essential strategy for building lasting peace*, United Nations Educational, Scientific and Cultural Organization (UNESCO). 2024

<sup>3</sup> *Governance and the law*, The World Bank. 2017

<sup>4</sup> *Refugee, IDP and host community radicalisation (GSDRC Helpdesk research report 1162)*, Haider, H. University of Birmingham. 2014

<sup>5</sup> IBRD, The World Bank. 2018

<sup>6</sup> *States of Fragility*, OECD. 2025

<sup>7</sup> *Evaluation of the UNDP support to access to justice: annexes*, UNDP. 2023

<sup>8</sup> The World Bank. 2018

<sup>9</sup> *Gender equality and fragility*, Goemans et al. OECD. 2021

<sup>10</sup> *World development report: Jobs*, The World Bank. 2012

<sup>11</sup> The World Bank, 2011

<sup>12</sup> In respect of food, see *IMF working paper: food prices and political instability*, Arezki, R and Brückner, M. IMF Institute. 2011

<sup>13</sup> *Pacific climate security assessment guide*, United National Development Programme (UNDP) and Pacific Islands Forum Secretariat (PIFS). 2023

<sup>14</sup> *Aid effectiveness and donor motives*, Dreher et al. World Development. Volume 176. April 2024.

<sup>15</sup> *Deterrence, diplomacy and development: towards an 'Australian Model' for conflict prevention*, Leben W and Zapf, M. Development Intelligence Lab. 2025.

<sup>16</sup> The World Bank. 2018