



DT Global



## Response to Parliamentary Inquiry on the Role of the International Development Program in Preventing Conflict

**DT Global partners with communities, governments, and the private sector to deliver innovative solutions that transform lives and tackle some of the world's most pressing challenges. As a leading implementer of international development programs working with Australian governments, DT Global has a large and diverse portfolio of programs, spanning regions, countries, sectors and modalities. This response draws on our extensive experience and outlines DT Global's perspective on the role of international development in building resilience, prosperity and stability in our region to reduce tensions, prevent conflict and improve Australia's relationship and standing in the region.**

### Executive Summary

Australia's international development program is a critical pillar of regional stability, complementing defence and diplomacy to prevent conflict and strengthen resilience across the Indo-Pacific. Drawing on extensive programmatic evidence, this submission outlines how Australia can more strategically leverage development investments to address the underlying drivers of fragility, reduce regional tensions, and reinforce national security. Australia's ability to shape a stable, prosperous region depends on sustained, conflict-sensitive development partnerships that empower local institutions, strengthen governance, build social cohesion, and mitigate emerging risks—particularly those driven by climate change and resource pressures.

The analysis highlights that development assistance is not simply a humanitarian or economic tool, but a frontline instrument of Australia's security strategy. However, Australia's defence-to-aid spending ratio has widened significantly in recent years, illustrating a long-term decline in investment in soft-power capabilities that underpin effective conflict prevention. As the region faces rising geopolitical competition, democratic backsliding, climate-fuelled instability, and resource scarcity, Australia must invest its development program to ensure it remains an influential and stabilising partner.

This submission therefore recommends deliberate, whole-of-government approaches in which development, diplomacy and defence work in coordinated and mutually reinforcing ways, strengthening locally led development, expanding support for accountable governance, integrating conflict analysis into program design and delivery, enhancing climate adaptation as a conflict-prevention strategy, improving early warning systems, and delivering visible peace dividends in fragile and post-conflict settings. These measures will help Australia reduce the likelihood of crises that are far more costly to address through military or diplomatic interventions alone.

## 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.

**Central to Australia's international development program is a focus on *our national interest* and the pursuit of regional stability and security.** International development ought to be treated as a strategic pillar of Australia's conflict-prevention architecture, operating alongside defence and diplomacy to address the structural drivers of instability. We already see this convergence in strategic initiatives such as the Australia-Papua New Guinea Bilateral Security Agreement, which explicitly prioritises "non-traditional" security areas, such as gender-based violence, biosecurity, and cyber resilience, alongside traditional policing. Similarly, the Nakamal Agreement with Vanuatu integrates economic development and climate adaptation directly into our shared security architecture, recognising that true stability requires resilient communities. The decisions to invest in programs and partnerships that support the development of our neighbours contribute to our mutual opportunities, strength and security.

**In fragility-affected contexts in the Pacific, such as Papua New Guinea, the Solomon Islands, Timor-Leste, Kiribati, Tuvalu, and more, Australia is playing a critical role in supporting states to implement reforms.** The whole-of-government approach ensures that aid does not operate in isolation but deliberately complements deterrence and diplomacy to increase resilience and reform. It is through the combined efforts across good governance, civil society strengthening, economic development, and building human capital that contexts with resilience and reform opportunities become more stable, that our partnerships become stronger, and we collectively become more resilient, prosperous, and safer.

**Long-term development partnerships that strengthen community and civil participation are already building resilience in fragile contexts and should be expanded.** For example, PNG's Building Community Engagement Program builds on long-term partnerships with civil society, both formal and informal. The financial and technical support funded by the Australian government and implemented by DT Global strengthens the voice of local leaders, creates demand for good governance, improves access to local services, and reinforces platforms that can resolve grievances constructively and positively. This program operates across PNG, where government services may struggle to be delivered, where civic engagement remains low, and where tensions and potential for conflict remain high. The commitment by the Australian development program to civil society in fragile spaces reduces the risk of localised conflicts or broader instability. This has been demonstrated through the Sorcery Accusation-Related Violence dialogues, which established a formal mechanism for frontline activists in the Highlands to engage directly with national policymakers. By equipping local leaders with the platform to present evidence rather than just grievances, the Building Community Engagement Program successfully shifted the dynamic from community unrest to constructive negotiation, resulting in binding commitments from PNG's Members of Parliament to fund police protection, holding the state to account for enforcing the rule of law.

**Australia's aid program is strengthening governance and service delivery across the Asia-Pacific region, and more ongoing investment in responsive, accountable institutions will deepen trust between citizens and the state - a proven buffer against fragility.** In Timor-Leste, Australia's PARTISIPA program (Partnership to Strengthen Village Development and Municipal Administration) builds stability by strengthening the national village development system, which empowers local communities to directly manage their own infrastructure budgets and planning. By formalising a democratic platform where villages vote on development priorities—such as water systems or roads—the program ensures state resources respond to actual community needs rather than political patronage. This transparent connection between local demands and national funding actively deepens trust in the state, reducing the feelings of marginalisation that can otherwise fuel civil unrest.

**Australia's support for fiscal stability is critical for preventing state fragility because it secures the budgetary space needed to maintain reliable service delivery, thereby upholding the social contract and reducing the resource-based grievances that can ignite conflict.** This is demonstrated through the Tonga Australia Support Platform implemented by DT Global, a key pillar of the "Kafa-Taha" governance partnership in the Australia-Tonga Partnership Development Plan. TASP strengthens governance by embedding technical advisors within the Ministry of Finance to modernise public financial management systems, ensuring more transparent and efficient allocation of government resources. This technical assistance is paired with direct

budget support that provides an immediate fiscal buffer, allowing the Tongan government to maintain essential public services and stabilise cash flow despite the volatility of external economic shocks. By improving domestic revenue mobilisation and operational resilience, the program enables Tonga to service its high external debt obligations—particularly to the Exim Bank of China—without slashing critical infrastructure or social spending, thereby reducing the risk of state fragility during the current debt crisis.

**There are clear gains from Australia's investments in strengthening law and justice that promote good governance and reduce fragility.** The Australia Papua New Guinea Law and Justice Program is strengthening the very institutions that maintain security, stability, and advance the rule of law. By improving accountability and increasing institutional effectiveness, particularly in places like Bougainville where conflict-sensitive approaches are deployed, Papua New Guinea is taking a step back from fragility with improvements to their Fragile State Index, contributed to by the efforts of the Australian aid program. These law and justice improvements are echoed in the Australia Indonesia Partnership for Justice which has been strengthening institutions through court-to-court partnerships, developing more accessible and effective justice services through legal reform and policy change and having direct impact on preventing violent extremism and child marriage through supporting subnational government and civil society with technical advice and funding for programs.

**Investments in human capital are a primary driver of stability, as equitable access to education and health directly counters the grievances that fuel fragility.** We see this in the Solomon Islands, where Australia's Education Sector Support Program is actively reducing regional disparities—a known driver of conflict—by delivering critical infrastructure and teacher training to marginalised communities in Malaita and other provinces. Similarly, in Kiribati, the EduKait partnership is building long-term resilience by overhauling curriculum and teaching standards. This ensures future generations possess the high-quality literacy and vocational skills necessary for labour mobility and economic participation, thereby reducing the risk of youth disenfranchisement in a climate-threatened state.

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

**Development should be treated as a strategic pillar of Australia's conflict-prevention architecture, alongside defence and diplomacy.** This whole-of-government approach is exemplified by the legacy of RAMSI in the Solomon Islands and enshrined in modern pacts, such as the Australia-Papua New Guinea Bilateral Security Agreement and the Vanuatu Nakamal Agreement. Australia's aid program should be explicitly tasked – and resourced – to address the structural drivers of instability: social and economic exclusion, weak and unaccountable governance, climate and disaster pressures, and chronic under-investment in basic services. This means framing development investments not only as poverty reduction, but as preventive security measures that reduce the incentives for violence, external interference, and destabilising political movements in our near region.

**Australia's development partnerships significantly enhance our soft power and standing in the region, and ought to be expanded with a clear conflict-prevention lens.** We recommend increased support for locally led development, civil society, independent media, and people-to-people links – including scholarships, technical exchanges, and twinning arrangements – that build trust, shared norms and practical cooperation with Australia. This is particularly relevant given the Lowy Institute's 2024 Asia Power Index, which notes that while Australia maintains strong diplomatic standing, there is an opportunity to strengthen our cultural engagement and influence across the region, evidenced by our 'Cultural Influence' scores trending downward. Australia's development partnerships help to reduce misperceptions, create alternative pathways to address grievances, and lower the likelihood of conflict involving Australia by positioning us as a reliable, respectful and values-consistent partner. We see this through the Australia-Pacific Partnerships Platform that is strengthening partnerships between Australia and four small island states in the Pacific, while simultaneously improving the economic governance through the provision of technical support in Departments of Finance, in the face of growing debt crises fuelled by alternative partners. We see this through the Southeast Asia Governance to Governance program that is building linkages into Southeast Asia with Australian government agencies from tax reform to transnational crime.

**The Australian international development program is grounded in a deep understanding of political economy analysis, and could further integrate conflict analysis to guide where and how Australia invests its development resources.** Aid allocations and program designs are informed by rigorous, regularly



updated analysis of local power dynamics, drivers of grievance, climate and economic shocks, and potential flashpoints. This could allow Australia to direct more resources to high-risk Indo-Pacific contexts and use development assistance to deliberately complement deterrence and diplomacy – through governance reform, security and justice sector support, inclusive economic opportunities, and human capital development – in ways that are demonstrably conflict-sensitive and stabilising.

**As climate change accelerates, Australia is uniquely positioned to support the Pacific as it faces a rising risk of "nature-based conflict," where shrinking arable land, freshwater scarcity, and collapsing fisheries create fierce competition for dwindling resources.** These environmental stressors act as a threat multiplier, deepening existing social fissures and fuelling instability or displacement. To counter this, Australia's Climate Resilient Communities – supported by DT Global—is explicitly designed to integrate climate adaptation into the heart of development programming. By strengthening food, water, and energy security across the region, Climate Resilient Communities not only builds physical resilience against disasters but actively reduces the resource desperation that drives civil unrest, ensuring that climate vulnerability does not evolve into state fragility.

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

**The Australian development program is uniquely positioned to drive a whole-of-government approach to security, offering the deep political economy insights required to effectively link defence and diplomacy in pre- and post-conflict settings.** The inclusion of conflict sensitivity alongside political economy requires robust, regularly updated analysis of power, incentives, exclusion and conflict risks - intelligence that is critical for informing not just development, but the broader diplomatic and security strategy. This can inform choices about where Australia works, who it partners with, and how programs are implemented. It also means closer coordination between development, diplomacy and defence so that aid does not inadvertently fuel tensions or distort local politics, but instead consistently reinforces stabilisation, peacebuilding and Australia's broader conflict-prevention objectives.

**In pre-conflict settings, the aid program provides flexible, locally led support that can address emerging grievances before they escalate.** This should include funding and technical assistance for basic service delivery as well as community dialogue platforms, locally trusted conflict-resolution mechanisms, and community safety initiatives that bring together traditional leaders, civil society, women, and young people. We also see real value in rapid small-grants windows that can respond quickly to local triggers – for example, tensions over land, services or elections – giving communities the resources and agency to manage disputes peacefully rather than allowing them to harden into violence.

**Australia is well placed to deliver tangible "peace dividends" in post-conflict contexts, and this should be a deliberate focus of the aid program.** We recommend prioritised and sustained investments to restore essential services, support trauma-aware education and health, rebuild local institutions (including justice, policing, and local government), and create visible employment and livelihood opportunities for young people and ex-combatants. When communities see immediate improvements in daily life and a pathway to long-term human development, they are far more likely to trust peace agreements, disengage from violence and support legitimate political processes.

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

**There is evidence that improving justice, services and livelihoods reduces tensions and the likelihood of conflict, and we urge the Committee to recognise development investments as integral to a whole-of-Australian approach to conflict-prevention and our national security agenda.** When people can access fair and predictable justice, basic services and decent economic opportunities, they are less vulnerable to recruitment by violent groups, less likely to resort to unrest, and more likely to support peaceful political processes. Strengthening our development and diplomatic capabilities can support our defence capabilities. However, the inverse is occurring. Australia is experiencing a sustained decline in investment in "soft power" tools such as development assistance and diplomacy relative to defence, with the gap widening to what Cameron Hill of the Australian National University, describes as a "chasm." While defence spending is

increasing, development assistance is stagnating, driving the defence-to-aid ratio from historic norms of 5–8:1 during the Cold War to more than 13:1 by 2030. We therefore encourage the Committee to frame development not as a “nice to have”, but as one of Australia’s frontline tools to reduce fragility, manage displacement and instability, and ultimately lower the risk of crises that would demand far more costly diplomatic or military responses.

**Figure 1: Australia’s defence-to-ODA spending ratio and projected scenarios, 1961-62 to 2029-30**

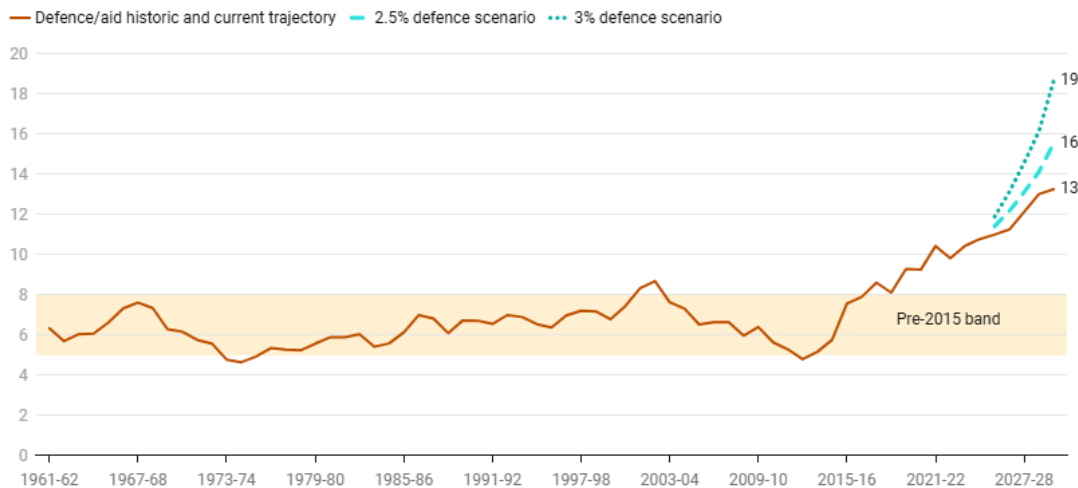


Chart: Australian National University's Development Policy Centre • Source: Historic defence expenditure figures are taken from the Australian Bureau of Statistics from 1961 up to 2001 and from budget documents thereafter. Historical aid data expenditure is from the Development Policy Centre's [Australian Aid Tracker](#). Forward estimates and projections are based on 2025-26 federal budget documents. • [Get the data](#) • [Download image](#) • Created with [Datawrapper](#)

**Programs in PNG, Tonga, Indonesia, and Solomon Islands are already strengthening social cohesion, state legitimacy and ties with Australia, and we recommend sustained and increased funding so these gains can be consolidated and extended across the region.** Long-term partnerships in governance, community engagement, law and justice, education and health are helping to build trust between citizens and the state, create peaceful channels to manage disputes, and deepen people-to-people connections with Australia. Notable examples include RAMSI in the Solomon Islands and Education for Peace in Mindanao, which successfully demonstrated how integrating security with development can restore state function and address the root causes of violence. Similarly, in Bougainville, the deployment of conflict-sensitive approaches within the law and justice sector has improved institutional effectiveness and directly contributed to improvements in the Fragile State Index. We believe this translates directly into a more stable, resilient neighbourhood and a better operating environment for Australian diplomacy and business, and therefore warrants a deliberate “peace and stability” lens in resourcing and scaling such programs.

**Australia’s development program already systematically integrates early warning, risk monitoring and robust Monitoring, Evaluation, and Learning for peace and stability outcomes, which can be strengthened.** This could include conflict-sensitive indicators, regular risk reviews, and outcome-focused evaluations that track how investments are affecting social cohesion, perceptions of fairness, and local conflict dynamics over time. By doing so, Australia would be better able to identify rising risks early, adapt programs before situations deteriorate, and demonstrate – to Parliament and the public – the tangible contribution that international development is making to preventing conflict and keeping both Australia and our region more secure.