

Overview of 1st two months of the Labor Government (2025-2028)



Department of Foreign Affairs and Trade (DFAT)

This report assesses the Department of Foreign Affairs' performance in its second term under the Albanese government, over the first 60 days, focusing on actions, policy initiatives, major statements, challenges faced, and gaps in approach.

Key actions undertaken

1. Regional engagement and strategic partnerships

- **Quad Foreign Ministers' meeting:** Played a central role in the July 2025 Quad meeting in Washington, reaffirming Australia's commitment to Indo-Pacific security, denuclearization of the Korean Peninsula, and addressing the crisis in Myanmar. The Quad also condemned North Korea's destabilizing activities and deepened cooperation on cybercrime and counterterrorism.
- **Pacific and ASEAN initiatives:** Prioritized deepening Australia's engagement with Pacific nations and ASEAN partners. Also oversaw new grant rounds for the Australia-Indonesia Institute and supported the Pacific Islands Forum, emphasizing climate resilience and mobility pathways for Pacific workers.
- **Strengthening ties with key partners:** Announced new ambassadorial appointments to countries including Fiji, Denmark, the Philippines, Saudi Arabia, Sri Lanka, Türkiye, and Vietnam, reflecting a broad diplomatic outreach.

2. Humanitarian and development assistance

- **Humanitarian aid:** authorized additional humanitarian funding for Gaza, Myanmar, and Afghan women and girls, and supported vaccine access initiatives in the region.
- **Official Development Assistance (ODA):** Reprioritized Australia's ODA to address urgent needs in the Pacific and Southeast Asia and promoted grant-based support for regional development projects.

3. Policy and legislative actions

- **Sanctions and accountability:** Imposed targeted sanctions on Russian "shadow fleet" vessels involved in circumventing oil price caps and joined international partners in sanctioning far-right Israeli ministers for advocating violence against Palestinians.
- **Support for Ukraine:** Continued Australia's support for Ukraine through diplomatic statements and aid, maintaining alignment with Western allies.

Major challenges and responses

Challenge	Response/action taken
Rising regional tensions (China, North Korea)	Strengthened alliances via Quad, reaffirmed commitment to denuclearization and regional security.
Humanitarian crises (Gaza, Myanmar)	Increased humanitarian aid, advocated ceasefires, and supported ASEAN's mediation efforts.
Public Concerns on Aid and Transparency	Reprioritized ODA, increased communication on aid effectiveness, and called for transparent reporting.

Gaps and areas for improvement

- Most actions were diplomatic or programmatic; no major new foreign policy legislation was enacted in the first 60 days.
- While aid was reprioritized, Australia's ODA as a percentage of Gross National Income (GNI) remains low compared to other developed nations, limiting impact.
- While engagement has resumed, public communication on Australia's long-term China strategy could be clearer to address domestic concerns.
- Expansion into new regions (Africa, Middle East) is in planning stages, with limited immediate progress beyond pilot programs.

Overall impact

The following summarize recommendations dated May 31, 2025, sent by IPAG Asia Pacific, Melbourne to Hon Penny Wong, Minister for Foreign Affairs for implementing in the 1st 100 days of the 2nd term of the Labor Government. It provides status of implementation and what needs to be done is to be on track for timely completion of the initiatives.

IPAG Recommendations	Implementation Status (✓/X)	Progress Made	Remarks
Deepen regional and international defense partnerships	✓	Quad, ASEAN, ambassadorial appointments achieved.	Significant regional engagement visible.
Promote a Whole-of-Nation approach to foreign policy	✓	Cross-sector engagement via Quad, ASEAN, and Pacific initiatives.	Emphasis on integrating civil society and institutions.
Deepen engagement with ASEAN	✓	New ASEAN funding and ambassadorial presence.	Reaffirmed ASEAN-Australia collaboration.

IPAG Recommendations	Implementation Status (✓/X)	Progress Made	Remarks
Manage complex relationship with China	✓	Maintained strategic balance, supported trade de-escalation.	Progress in trade normalization acknowledged.
Counter foreign interference and ensure security	✓ (Partially)	Cyber and undersea cable resilience emphasized via Quad.	Further technological investment needed.
Broaden global aid & multilateral expansion	X	Limited progress on Africa/Middle East expansion beyond pilot activities.	Roadmap and scaling pending.

Moving forward.....

The first 60 days have been characterized by energetic diplomacy, reaffirmation of Australia's regional leadership, and a commitment to humanitarian principles. The Foreign Minister, in her second term, has balanced complex relationships in the first 60 days, particularly with the US, China, and regional partners while responding to acute humanitarian crises and advancing Australia's interests in multilateral forums.

However, the period has featured more policy continuity and diplomatic engagement than transformative legislative action. For instance, challenges such as rising regional tensions, humanitarian crises, and the need for greater aid have been addressed through targeted programs, but broader structural reforms and increased aid funding remain outstanding.

Overall, this term has begun with strong engagement and principled leadership, laying a solid foundation for Australia's foreign policy in a turbulent global environment. To maximize impact, the next phase should focus on delivering legislative reforms, scaling up aid, and providing greater transparency and clarity on long-term strategic directions.