

Additional comments by the Australian Greens

Background

1.1 This inquiry, into the delivery and effectiveness of Australia's bilateral aid program in Papua New Guinea, takes place within a context of an Australian overseas aid budget that has suffered over \$11 billion in Coalition government cuts to aid funding commitments since 2013. This followed the previous Labor government's cuts to planned aid investment of \$5.8 billion.¹

1.2 Australia's 2000 commitment to achieving the Millennium Development Goals of 0.7 per cent gross national income (GNI) by 2015 has been abandoned by both Labor and Coalition governments. In 2011, both Labor and the Coalition asserted a commitment to increasing Australia's aid budget to 0.5 per cent of GNI by 2015. However, Australia's aid budget has continued to decline to just 0.27 per cent GNI in 2015.

1.3 The presentation of this year's 2016-17 Budget confirms a further deterioration in Australian overseas aid commitments by another \$224 million. Our commitment to the world's poorest people now sits at \$3.8 billion and a new historic low of 0.22 per cent of GNI. This is the lowest in Australia's aid commitment on record² and is an indictment of the Coalition's attitude towards the world's poorest and most vulnerable people.

1.4 The Australian Greens thank the organisations and individuals who made submissions, and acknowledge and thank Committee Senators and the Committee Secretariat for their work on this inquiry.

Australian aid to Papua New Guinea

1.5 Australia's aid to Papua New Guinea represents a large proportion of the total aid the country receives and as such is vitally important. However as noted by the OECD Development Co-operative Directorate, there has been a real-value decline in Australia's ODA investment in PNG of some 29 per cent since 2009.

1.6 While PNG's gross domestic product has grown at a healthy rate, driven largely by its energy and mineral exports, PNG struggles to provide basic healthcare and education to its people, 40 per cent of whom live in poverty. PNG's ranking in the

1 ABC, 'Factcheck: Comparing Labor and the Coalition's records on foreign aid;', available at: <http://www.abc.net.au/news/2015-11-12/fact-check-comparing-foreign-aid-labor-coalition/6895234> (accessed 4 May 2016).

2 Dr Ravi Tomar, 'The ever-shrinking aid budget', *Budget Review 2015-16*, Parliamentary Library, May 2015, available at http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201516 (accessed 4 May 2016).

UN Human Development Index has continued to decrease since 1994, with the country placed among the lowest in the index.

1.7 The Australia Greens are greatly concerned that so many Papua New Guineans continue to suffer the terrible effects of poverty, with the worst maternal and child health indicators in the Pacific and indeed the world.

1.8 Health services are out of reach of many villages, and around half of PNG's children in rural areas suffer from malnutrition and die from preventable diseases. Vaccination rates have fallen from 57 per cent in 2008 to 46 per cent in 2012. Tuberculosis, including multi drug resistant TB, is increasing with a 42 per cent rise in new TB cases. Leprosy is endemic in coastal regions. Around 75 per cent of pregnant women living with HIV do not receive treatment to prevent mother-to-child transmission, and too many women and girls die in pregnancy and childbirth.

1.9 Basic sanitation and access to clean water is lacking. Literacy levels and access to education is very low, with most adults having four years formal schooling and less than 7 per cent of PNG women having attended secondary school.

1.10 Gender equality is among the lowest in the world, and most women and girls suffer sexual and family violence with a large proportion of all children suffering physical abuse.

1.11 It is clear the targeting of Australia's aid has a long way to go, with the decline in health, education and basic services, and a lack of opportunity at the local level for so many Papua New Guineans constituting a tragedy on Australia's doorstep. This concern is illustrated in the Gizra Tribe's description of the lack of any assistance benefiting their communities.

1.12 The continuing disintegration of PNG's basic health and wellbeing indicators is happening within the Australian Coalition government's Aid for Trade framework, with its refocusing of aid funding towards macro-economic and trade development as a priority at the expense of local community capacity building, development and wellbeing, particularly in PNG's remote and isolated areas.

1.13 In this context, the Australian Greens reiterate the OECD's concern about the lack of transparency about where Australia's 2015-16 PNG ODA budget of \$477 million has been actually spent. With this in mind it is worth comparing Australia's Department of Immigration and Border Protection expenditure in PNG of \$513 million in 2015.

1.14 The Australian Greens also question how much of Australia's ODA funding has been diverted by both Labor and Coalition governments to their illegal Manus Island refugee detention centre in PNG, and other aspects of the Australian government's asylum seeker policy. Australia has wilfully ignored corrupt governance in Papua New Guinea in exchange for their cooperation on an offshore detention regime which has been found to be illegal and unconstitutional by the PNG Supreme Court.

1.15 We also note this Coalition government's diversion of \$1 billion of aid funding into climate change funding. Climate change funding is sorely needed but the Australian Greens do not believe that pick-pocketing the aid budget is a reasonable way to secure that funding. The diversion came at a time when communities in PNG have been facing prolonged drought with food and water shortages, with more than 700,000 people estimated to be affected by severe lack of food production.³

1.16 With both PNG's own national economic growth and Australia's aid largely bypassing most of PNG's poor, the Australian Greens believe that the effectiveness of Australia's aid funding priorities requires urgent realignment with the Sustainable Development Goals (SDG), prioritising the health and education needs of those Papua New Guineans isolated from any such access.

The Australian Greens approach to aid

1.17 The Australian Greens believe that as a wealthy nation Australia's record on aid investment is shameful.

1.18 The dropping of our abysmal contribution of 0.31 per cent GNI in 2015-16 to the new low of 0.22 per cent GNI in 2016-17 is an unfortunate reflection of Australia's sullied reputation as a global citizen committed to the alleviation of poverty.

1.19 Whilst the Australian Greens fully support the recommendation to achieve an ODA/GNI target of 0.5 per cent by 2024-25, we additionally call for an extra commitment to increase Australian aid investment to reach 0.7 per cent GNI over the coming decade. We note the UK's current ODA contribution of nearly 0.7 per cent last year.

1.20 The Australian Greens strongly believe all aid-funded programs should be consistent with a human-rights based approach to development. PNG should be benefitting from an Australian aid framework that is economically and environmentally sustainable; and that builds local capacity and promotes local community participation and gender equality. However this cannot be done without first prioritising and meeting the need for access to basic health, nutrition, sanitation and education provision across PNG, and especially to its isolated people.

1.21 From an economic viewpoint, Australia's aid should be facilitating positive and equitable changes to PNG's social, economic and environmental standards. It should be empowering communities to build simple economic self-reliance at the local village level and enhancing the political, economic and social/cultural rights of communities, especially those affected by our aid-funded projects.

1.22 Local communities affected by proposed developments such as mining should be empowered with decision-making abilities by free, prior and informed consent, and

3 Reliefweb, 'Papua New Guinea: Drought and Frost - Aug 2015' available at <http://reliefweb.int/disaster/cw-2015-000116-png-0> (accessed 4 May 2016).

with transparent mechanisms ensuring a right to accountability. This is not happening in Papua New Guinea, and the Australian government would do well to withdraw its support from the suffering that has been caused by multinational corporate mining interests in PNG.

1.23 The Australian Greens do not support Australia's Mining for Development Initiative for its destructive aims that are antithesis to the Sustainable Development Goals. It should be withdrawn from any pretence of aid funding.

1.24 Mining projects have long been associated with what is referred to as the 'resource curse': the dispossession of Indigenous peoples and other communities from their land; irreversible environmental destruction; increasing economic and social inequality; government corruption; corporate rent-seeking and violent conflicts.

1.25 Australian governments should not be subsidising or favouring Australian business interests in PNG via the aid budget. Nor should our aid funding be used to facilitate Australian businesses' claims to PNG's natural resources with their exporting of profits from PNG. Australia's aid funding should never result in the displacement or disempowerment of local communities and workers, or in the continuing environmental degradation such as that caused by multinational mining interests in PNG.

1.26 Australia's interference with an eye to benefitting Australian interests in the extraction of PNG's resources and development of international trade echoes our historical colonial attitudes toward PNG. This is exemplified in Australian mining interests and most recently in Bougainville where preparation to reopen of Rio Tinto's Panguna copper mine is occurring within a context of Bougainville's upcoming independence referendum process.

1.27 Here the Australian Greens strongly condemn Australia's funding of consultants in the constructing of the Bougainville Mining Act 2015 that repeats the processes that helped ignite Bougainville's long and destructive civil war. With Australian-funded help, the Act alienates and disempowers local landowners and criminalises opposition to large-scale development of their land. It facilitates the further destruction of rivers and land in a community where subsistence farming is vital to survival, and ensures any multinational mine can trump the wants and needs of the local landowners while destroying their environment without redress.

1.28 Australia's aid funding, and indeed any Australian funding, should never be used to support any such processes. Australia's commitments to aid funding should be stable and predictable, and the value of that funding should not fall over time. Those organisations delivering aid-funded projects cannot be expected to achieve strategic and sustainable long-term goals that are 'value for money' without funding certainty.

1.29 The Australian Greens agree that Australia can afford to give more and that it is clearly in Australia's own interest 'to give more to the least developed countries in our region', particularly to our closest neighbour PNG. We are mindful of Australia's role in PNG's recent history, and believe Australia has unmet responsibilities to

redress outstanding issues where Australia's involvement has and continues to be to the detriment of the very Papua New Guineans who suffer.

Recommendations

Recommendation 1

1.30 That Australia progressively increases its aid funding to reach a target of 0.7 per cent GNI by 2024-25.

Recommendation 2

1.31 That Australia's aid program realigns itself to the Sustainable Development Goals as its priority framework.

Recommendation 3

1.32 That the Australian government increases its aid funding to Papua New Guinea, prioritising access to health, education and basic services.

Recommendation 4

1.33 That Australia's funded aid projects in PNG are informed by advice from experienced and respected NGO aid organisations, but largely driven by local communities.

Recommendation 5

1.34 That the Australian government makes transparent the details of where it is spending its aid funding in PNG, the intended outcomes, and measured progress against those outcomes.

Senator Lee Rhiannon

