

Introduction

Referral

1.1 On 10 March 2006, the Australian Foreign Minister, the Hon. Alexander Downer MP, asked the Human Rights Sub-Committee (hereafter referred to as the HRSC or the Committee) of the Joint Standing Committee on Foreign Affairs Defence and Trade to inquire into and report on the impact of Australian aid to the Pacific in promoting and enhancing human rights and security in the region, with a focus on:

- strengthening law and justice;
- improving economic management and public accountability institutions;
- maintaining access to basic services (especially health);
- anti-corruption and good governance measures; and
- supporting peace-building and community and civil society development.

Conduct of the inquiry

Advertising

- 1.2 The Committee sought input to the inquiry in a variety of ways. Advertisements were placed in *The Australian* (on 5 April and 3 May 2006) and in *The Bulletin* (on 13 June 2006), outlining the inquiry's terms of reference and seeking submissions from the public. Press releases were distributed on 7 April 2006 and 5 July 2006 to a wide audience, including several Pacific Island media outlets. The inquiry was also advertised in the September 2006 edition of the House of Representatives' magazine *About the House*.

Submissions and exhibits

- 1.3 Letters inviting submissions to the inquiry were sent to relevant Ministers, Commonwealth departments and agencies, embassies, and domestic and international organisations with an expected interest in Australia's aid program in the Pacific.
- 1.4 The Committee received 37 submissions and 18 exhibits from individuals and organisations. These are listed in Appendix A.
- 1.5 The submissions were placed on the Committee's website in order to further encourage public participation. Copies of the submissions are available from the website.¹

Public hearings and private meetings

- 1.6 The Committee heard from a broad range of witnesses throughout the duration of the inquiry, including academics, consultants, government officials, and representatives from non-government organisations (NGOs), think-tanks, and business. The Committee also invited Pacific High Commissioners in Canberra to a roundtable discussion.
- 1.7 Four public hearings were held in total: one in Brisbane on 26 October 2006; two in Canberra on 27 November 2006 and 9 February respectively; and one in Sydney on 2 May 2007. The witnesses for

1 JSCFADT website,
<http://www.aph.gov.au/house/committee/jfadt/pacificaid/subs.htm>

these hearings are listed in Appendix B. Copies of the hearing transcripts are available from the Committee's website.²

- 1.8 In addition, the Committee had a number of private meetings:
- at the University of Queensland on 25 August 2006, the Committee participated in a roundtable organised by the Australian Centre for Peace and Conflict Studies (ACPACS) on 'Australia's relationship with Melanesia', together with academics and consultants with expertise in the Pacific and the Consul-General for Papua New Guinea (PNG). The roundtable consisted of two sessions: the first on the ideal vision of Melanesia and the second on barriers to achieving this vision and possible solutions;
 - the Committee met with representatives from the Australian National University (ANU)'s Centre for Democratic Institutions (CDI) on 14 September 2006, to discuss the Centre's work in political party development and parliamentary strengthening in the region;
 - on 29 March 2007, the Committee hosted a forum with several returned AusAID Youth Ambassadors for Development (AYADs), and AusAID scholarship recipients from a range of Pacific Island countries undertaking studies at the ANU, to discuss their respective experiences of the schemes;
 - Mr Roland Rich briefed the Committee on 10 May 2007 on the prospects for stimulating private investment in the region, as outlined in his Australian Strategic Policy Institute (ASPI) paper titled, "Building Capacity in the South Pacific;"
 - on 30 May 2007, the Committee met with a visiting delegation from the New Zealand Parliament's Select Committee on Foreign Affairs, Defence and Trade (who are conducting an inquiry into New Zealand's relationships with South Pacific countries) to discuss assistance to the Pacific. One of the topics discussed was New Zealand's seasonal labour scheme for workers from Pacific island countries; and
 - the human rights advocate and village court magistrates trainer, Ms Robyn Slarke, made a presentation to Committee Members on 16 August 2006 about women's rights in PNG.

2 JSCFDAT website,
<http://www.aph.gov.au/house/committee/jfadtpacificaid/hearings.htm>

Inspections

- 1.9 In the current Parliament, the Committee has conducted a number of inspections of relevance to the inquiry topic, with visits to:
- the Australian Federal Police's (AFP) International Deployment Group (IDG) training facilities at Majura, ACT on 30 November 2005 (with an opportunity to revisit the complex on 13 August 2007);
 - the Australian Defence Force's (ADF) International Peacekeeping Centre at RAAF Base Williamtown, NSW on 2 May 2006;
 - the Civil-Military Cooperation Unit (CIMIC) at Deployable Joint Force Headquarters at Gallipoli Barracks, Enoggera Army Base, BNE on 25 August 2006; and
 - the Primary Casualty Reception Facility (PCRF) in the HMAS KANIMBLA at Fleet Base East, Wollomooloo, NSW on 2 May 2007.
- 1.10 During the IDG visit, the Committee was shown around the facilities and shown how AFP officers are trained to contribute to offshore law enforcement initiatives and capacity development programs within the law and justice sector in the Solomon Islands, Vanuatu, Nauru and Tonga.³ At the International Peacekeeping Centre, the Committee was briefed on the training that ADF and AFP officers undergo prior to embarking on a multi-national peace operation such as the Regional Assistance Mission to the Solomon Islands (RAMSI).⁴ At Enoggera, ADF officers relayed some of their recent CIMIC⁵ experiences in a number of countries, including the Solomon Islands. Onboard HMAS KANIMBLA, the Committee viewed the ship's specialist medical facilities, and heard how officers had treated victims following the 2006 Boxing Day tsunami in Aceh, and that the ship was deployed prior to the 2006 coup in Fiji, in the event that assistance to and/or evacuation of expatriates was required.

3 For more details on IDG activities see the AFP website, <http://www.afp.gov.au/international/IDG>

4 See Department of Defence website for more information, <http://www.defence.gov.au/adfwc/peacekeeping/index.htm>

5 The ADF defines CIMIC as "the *coordination and cooperation*, in support of the mission, *between the commander and civil actors*, including the national population and local authorities, as well as international, national and non-government organisations and agencies."

Committee delegation to the Pacific

- 1.11 In considering its approach to conducting the inquiry, the Committee thought it would be valuable to visit some Pacific nations, to view first hand the impact of Australian aid in promoting and enhancing human rights and security in the region, and to add to the Committee's understanding of past achievements and challenges for the future.
- 1.12 After seeking and obtaining approval for a parliamentary delegation, the Committee discussed different combinations of countries to visit. Flying from one Pacific destination to another can be difficult given the infrequency of services and few direct connections from one island to another. After some consideration the Committee decided to visit the Solomon Islands and PNG for a number of reasons, including the fact that these two countries receive the bulk of Australia's aid to the Pacific, and the practicalities of being able to visit both countries in the space of a week, which was the time available to the Committee to travel.
- 1.13 Unfortunately the proposed trip had to be postponed on different occasions. The Committee does however hope that a trip will be possible in the new Parliament. In that event, a separate delegation report will be tabled.

Scope of the inquiry

- 1.14 The Committee has an ongoing interest in aid and development issues in the Pacific region.
- 1.15 In addition to regular briefings from the Department of Foreign Affairs and Trade (DFAT) and the Australian Agency for International Development (AusAID) and meetings with visitors from the Pacific, the Committee has previously conducted reviews of the aid program,⁶ and more recently, completed an inquiry into human rights and good governance education in the Asia Pacific region.⁷

6 See JSCFADT website for two earlier reports on the aid program, Report no. 70, *The Australian Aid Program, Report on Proceedings of a Seminar (September 1996)* and Report no. 79, *Sharpening the Focus: Report on a Seminar on the Simons Committee Report*, October 1997.

7 See JSCFADT website for a copy of the Committee's 2004 report, *Human Rights and Good Governance Education in the Asia Pacific Region*.
<http://www.aph.gov.au/house/committee/jfadt/reports.htm>

- 1.16 Committee Members have visited the region recently. At the end of 2003, a Committee delegation went to the Solomon Islands to observe support provided to RAMSI.⁸ Over the years, Committee Members have acted as electoral observers, in the Solomon Islands and other Pacific nations and participated in many fora.
- 1.17 The inquiry was a timely opportunity to review Australia's ongoing commitment to development in the Pacific for a number of reasons.
- 1.18 In September 2005, the Australian Prime Minister, the Hon. John Howard MP announced the doubling of Australia's aid budget – the majority of which is devoted to the Asia-Pacific region – from 2004 levels to \$4 billion annually by 2010.⁹
- 1.19 Subsequent to that announcement, in May 2006, the Australian Government released its first White Paper on aid titled, *Australian Aid: Promoting Growth and Stability*¹⁰ which provides a strategic framework to guide the direction and delivery of the Australian aid program over the next 10 years.
- 1.20 Shortly after the launch of the White Paper, AusAID published a report, *Pacific 2020: challenges and opportunities for growth*,¹¹ which was intended to stimulate discussion on actions needed to accelerate broad based economic growth in the region.
- 1.21 Both the White Paper and the Pacific 2020 report highlight major development challenges facing the Pacific region. In addition to low economic growth, these include rapid population growth, social and political instability, and health and environmental issues such as HIV/AIDS and climate change.
- 1.22 The Committee wanted to learn more about these challenges, to discover what the most successful elements of the Australian aid

8 See JSCFADT website for delegation report,

<http://www.aph.gov.au/house/committee/jfadt/reports.htm>

9 Prime Minister of Australia, The Hon. John Howard MP, Media release, *Increase in Overseas Aid*, 13 September 2005,

http://www.pm.gov.au/media/release/2005/media_Release1561.cfm

10 A copy of the White Paper can be obtained from AusAID and/or downloaded from the AusAID website,

http://www.ausaid.gov.au/publications/pubout.cfm?ID=6184_6346_7334_4045_8043&Type=

11 A copy of the Pacific 2020 report can be obtained from AusAID and/or downloaded from the AusAID website,

http://www.ausaid.gov.au/publications/pubout.cfm?ID=219_173_9143_7522_6433&Type=

program are, and also to gauge the response of the wider community to the White Paper, in particular, but also the Pacific 2020 report.

- 1.23 It was not the Committee's intention to review the aid program to the Pacific in its entirety, in every country to which Australia provides assistance (the Committee has neither the resources nor the expertise to do this), but rather to consult and engage with a broad range of stakeholders on some of the priorities and debates shaping the aid and development agenda in the region.
- 1.24 For the purposes of the inquiry and report the 'Pacific region' is defined as the 11 countries categorised by AusAID as constituting the South Pacific (namely, the Cook Islands, Fiji, Kiribati, Micronesia, Nauru, Niue and Tokelau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu),¹² with the addition of Papua New Guinea. The inquiry does not include Timor-Leste which AusAID defines as part of East Asia.¹³

Structure of report

- 1.25 The report contains seven chapters. This introductory chapter has outlined the inquiry process, and will provide some background information on Australia's aid program in the Pacific. Chapters 2 through 6 focus on the five terms of reference and the main themes that emerged in each of these areas during the course of the inquiry. The last chapter ends with some Committee comment and conclusions.

Background

Overview of Australia's aid program in the Pacific

AusAID

- 1.26 The Australian Agency for International Development (AusAID) is an administratively autonomous agency within the Foreign Affairs and Trade portfolio. It is the Australian government agency responsible

12 <http://www.ausaid.gov.au/country/southpacific.cfm>

13 <http://www.ausaid.gov.au/country/eastasia.cfm>

for coordinating Australia's international development efforts. The stated objective of the Australian aid program is:

To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest.¹⁴

- 1.27 AusAID's website provides a wealth of information on Australia's overseas aid program, including: budget statements; country programs and strategy papers, such as the Pacific Regional Aid Strategy 2004-2009; aid themes and hot topics; partner organisations; and research and publications, ranging from policy documents on subjects such as tackling corruption and strengthening national health systems to the AusAID magazine *Focus*, which showcases AusAID's aid activities.¹⁵
- 1.28 Each year AusAID publishes its annual report detailing the year's activities and expenditure, available from the Publications section of the AusAID website.¹⁶ Section 2 of the most recent annual report (2005-2006) describes some of the main initiatives and achievements in sectors including health, education and infrastructure, in Papua New Guinea and the Solomon Islands, and the rest of the Pacific.¹⁷
- 1.29 The most recent Budget Statement Summary for 2007-2008 is provided at Appendix C. It provides a breakdown of where and how \$872.5 million will be disbursed in the Pacific in the coming year, in line with the scaling up of the aid program, as outlined in the White Paper. The majority of funds – as has been the case for a number of years – are directed toward programs in PNG and the Solomon Islands. In the coming year, \$355.9 million and \$223.9 million, respectively, will be spent on aid to these two countries. The full Budget Statement, also available from the Publications section of the AusAID website, provides a more comprehensive breakdown.¹⁸

White Paper

- 1.30 The White Paper is central to Australia's approach to delivering aid to the Pacific, and the Executive Summary is provided in Appendix D. The Summary contains a useful one-page diagram of the strategic

14 White Paper, p. x.

15 See the AusAID website for details, <http://www.ausaid.gov.au/>

16 AusAID website, <http://www.ausaid.gov.au/>

17 AusAID Annual Report 2005-2006, see pages 30 - 63.

18 AusAID website, <http://www.ausaid.gov.au/budget/budget07/default.cfm>

framework for Australia's aid program on p. xvi, and a section on important lessons that the Agency has learnt about aid delivery.¹⁹

- 1.31 In its White Paper, the Australian Government sets out its aid program, which is organised around four themes:
- accelerating economic growth;
 - fostering functioning and effective states;
 - investing in people, and
 - promoting regional stability and cooperation.
- 1.32 The White Paper stipulates that the government will seek to make Australian aid more effective through an enhanced program to tackle corruption and the establishment of an Office of Development Effectiveness within AusAID.²⁰
- 1.33 Infrastructure, health and education initiatives are described as key features of the White Paper.²¹
- 1.34 According to the White Paper, Australia will strengthen national education systems and focus on getting more children into school, for longer and to achieve a better quality education.²²
- 1.35 In addition, Australia will spend nearly \$1.4 billion over the next five years on a major Australian scholarships initiative which will double to 19,000 the number of education scholarships on offer in the Asia-Pacific region. This will include a new type of scholarship (Australian Leadership Awards) which will help future leaders of partner countries to develop and maintain links with Australia.²³
- 1.36 The White Paper outlines an approach to increased health assistance which focuses on basic services for women and children and on tackling major diseases such as HIV/AIDS and malaria.²⁴

19 White Paper, pp. 16-17.

20 AusAID website,
http://www.ausaid.gov.au/hottopics/topic.cfm?ID=5031_8290_6026_2566_5173

21 AusAID website,
http://www.ausaid.gov.au/hottopics/topic.cfm?ID=5031_8290_6026_2566_5173

22 AusAID website,
http://www.ausaid.gov.au/hottopics/topic.cfm?ID=5031_8290_6026_2566_5173

23 AusAID website,
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24 AusAID website,
http://www.ausaid.gov.au/hottopics/topic.cfm?ID=5031_8290_6026_2566_5173

- 1.37 To encourage better governance in the region, Australia will aim over time to allocate up to 10 per cent of the aid program in incentive funding for countries that demonstrate improved performance.²⁵
- 1.38 Australia will pursue new partnerships in aid through the increased involvement of the broader Australian community including professional groups, local government, schools, business and other organisations.²⁶
- 1.39 Australia will also untie its aid – removing restrictions to enhance competition and gain better value for money through new aid program contracts.²⁷

Pacific 2020

- 1.40 A summary of the Pacific 2020 report and its key findings is supplied in Appendix E. Although the AusAID website states that the report does not represent Australian aid policy, it is described as a ‘call for action’ and intended as a resource for governments of the region.²⁸
- 1.41 Based on consultation with regional experts and practitioners, Pacific 2020 presents different Pacific economic growth scenarios to the year 2020, and offers policy guidance on managing challenges and realising opportunities in nine areas:
- four ‘growth factors’ – investment (or capital), labour, land and political governance, and
 - five ‘productive sectors’ – agriculture, fisheries, forestry, mining and petroleum, and tourism.

Whole-of-government approach

- 1.42 In recent years, the Australian aid program has been characterised by a ‘whole-of-government approach’. Given that development issues have become increasingly interlinked with broader Australian and international policy priorities (such as regional security, economic integration, and the transboundary threats posed by HIV/AIDS and
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25 AusAID website,
http://www.aisaid.gov.au/hottopics/topic.cfm?ID=4696_2977_1016_710_2650

26 AusAID website,
http://www.aisaid.gov.au/hottopics/topic.cfm?ID=4696_2977_1016_710_2650

27 AusAID website,
http://www.aisaid.gov.au/hottopics/topic.cfm?ID=4696_2977_1016_710_2650

28 AusAID website,
http://www.aisaid.gov.au/hottopics/topic.cfm?ID=4696_2977_1016_710_2650

other communicable diseases), it is generally recognised that other government departments and agencies have skills and capabilities that can complement and support AusAID's work.²⁹ Therefore a range of departments contribute to Australia's international aid efforts including the Attorney-General's Department and the Departments of Defence, Treasury and Finance and Administration, together with agencies including Customs, and the Australian Federal Police. Some of the activities of these departments and agencies will be mentioned in the body of this report. However, it is worth mentioning up-front two key initiatives which best illustrate Australia's inter-agency approach; RAMSI and ECP.

Regional Assistance Mission to the Solomon Islands

- 1.43 RAMSI was deployed on 24 July 2003, with a mandate approved by the Solomon Islands National Parliament, to help the Solomon Islands Government restore law and order, strengthen government institutions, reduce corruption and re-invigorate the economy.³⁰
- 1.44 Fifteen Pacific countries contribute personnel to the mission³¹, including police officers, military personnel and civilians, namely public service officers from the governments of contributing countries.³²
- 1.45 Australia plays a lead role in RAMSI. Australians head the Office of the Special Coordinator – the mission's main coordinating body, RAMSI's Participating Police Force (PPF), and the Combined Task Force – RAMSI's military component. Australian civilian advisers are working in various government ministries and RAMSI supported projects. Over 100 police from the Australian Federal Police and state police forces are part of RAMSI's PPF, and military officers from the Australian Defence Force are deployed on a rotational basis as part of RAMSI's military component.³³

29 AusAID Annual Report 2005 - 2006, p. 10,
<http://www.ausaid.gov.au/anrep/rep06/s1.html#ao02>

30 RAMSI website, <http://www.ramsi.org/node/5>

31 Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Tonga, Tuvalu, & Vanuatu.

32 RAMSI website, <http://www.ramsi.org/node/5>

33 RAMSI website, <http://www.ramsi.org/node/5>

- 1.46 RAMSI's first priority in July 2003 was to restore security and law and order, and stabilise finances.³⁴ The first phase was deemed largely successful with thousands of illegal weapons taken out of the community. Now, the focus is on longer term and more difficult matters: bettering the machinery of government; creating a more prosperous economy, and strengthening law and justice (rebuilding the Royal Solomons Island Police Force (RSIP), capacity-building in key justice agencies and the courts, and improving correctional facilities and services).³⁵
- 1.47 Further details about how RAMSI operates, what it has achieved to-date and how it is evolving can be found on the RAMSI website.³⁶ The website also contains information on measuring the performance of the program, through community consultation processes as well as external review bodies.³⁷

Enhanced Cooperation Program

- 1.48 Australia and PNG agreed in December 2003 to an Enhanced Cooperation Program to help address PNG's development challenges in the areas of law and order, justice, economic management, public sector reform, border control and transport security and safety.³⁸
- 1.49 A treaty to implement the Program – the Joint Agreement on Enhanced Cooperation – was signed on 30 June 2004 by Australia's Minister for Foreign Affairs, Alexander Downer, and PNG's then Minister for Foreign Affairs, Sir Rabbie Namaliu. The PNG Parliament passed enabling legislation on 27 July 2004.³⁹
- 1.50 By the end of 2005 the ECP was to have deployed a total of 210 Australian police to work with PNG's police force and 64 officials to work in line and advisory positions in other key PNG agencies.⁴⁰
- 1.51 Following the PNG Supreme Court decision of May 2005 ruling that aspects of the legal basis for the deployment were unconstitutional,

34 RAMSI website, <http://www.ramsi.org/node/5>

35 RAMSI website, <http://www.ramsi.org/node/16#law>

36 RAMSI website, <http://www.ramsi.org/>

37 RAMSI website, <http://www.ramsi.org/node/14>

38 AusAID website, ECP, <http://www.dfat.gov.au/geo/png/ecp2004.html>

39 AusAID website, ECP, <http://www.dfat.gov.au/geo/png/ecp2004.html>

40 AusAID website, ECP, <http://www.dfat.gov.au/geo/png/ecp2004.html>

the Australian Department of Foreign Affairs led negotiations with PNG on revised arrangements to ensure the program's continuity.⁴¹

- 1.52 During the 2005-2006 year, 44 Australian Government officials worked in a variety of positions in PNG government agencies under ECP: 28 in economic and public sector administration agencies, seven in law and justice agencies (non-policing) and nine in border management and transport security agencies.⁴²
- 1.53 In June 2006, Australia and PNG agreed that ten senior Australian police advisers would be deployed to PNG to assist in key roles related to police reform, organised crime, terrorism and corruption.⁴³

41 DFAT Annual Report 2005 - 2006, p. 71.

42 AusAID Annual Report 2005 - 2006, p. 34.

43 DFAT Annual Report 2005 - 2006, p. 71.

