

## Maintaining access to basic services (especially health)

### Overview

- 4.1 The Australian Red Cross (Red Cross) submission refers to several critical health care issues affecting different parts of the Pacific, including:
- malaria outbreaks, particularly common in Solomon Islands;
  - high incidence of TB in some areas, particularly PNG;
  - lifestyle diseases such as preventable heart disease and diabetes in countries such as Fiji and Tonga where obesity is an issue; and
  - low life expectancy in PNG (55.3 yrs) and the infant mortality rate in PNG is thought to be the worst in the Pacific at 69/1000.<sup>1</sup>
- 4.2 The Red Cross describes some of the factors behind these poor indicators. In PNG, Solomon Islands and Vanuatu, three quarters or more of the population live in rural and isolated areas that often lack infrastructure such as roads, electricity, telecommunications, sea and land transport, assured clean water sources and sanitation. In PNG only 22% of households have access to adequate sanitation. Access to

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1 Submission No. 9, Australian Red Cross, p. 9.

maternal health services and children's services is similarly limited.<sup>2</sup> In nine countries of the Asia Pacific region, more than half of all childbirths occur in the absence of a trained health care worker.<sup>3</sup> Gender inequality and high rates of domestic and sexual violence against women are also of concern, particularly in Melanesia.<sup>4</sup>

- 4.3 The White Paper recognises these diverse and compelling needs and states that investing in people's access to basic services is one of the main priorities of the Australian aid program.<sup>5</sup> The White Paper acknowledges that improving access to basic services is critical to development:

A healthy, educated workforce is more productive and enables an economy to be competitive, thereby increasing aggregate growth. Literate and numerate mothers experience lower infant mortality, have fewer children, and raise healthier and better educated children who become more involved in democratic processes. An informed citizenry is more likely to hold accountable those in political and bureaucratic power. Access to services forms an important part of establishing the legitimacy of state institutions.<sup>6</sup>

- 4.4 The Australian aid program attempts to address both short and long-term health and education needs alike, from immediate concerns like HIV/AIDS infection, supply of essential medicines and primary school enrolments, to improving health and education financing, infrastructure and workforce development.<sup>7</sup>

## Health

- 4.5 The Joint DFAT/AusAID submission highlights some of the health initiatives in the Pacific which are funded by the Australian Government:

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2 Submission No. 9, Australian Red Cross, p. 9.  
3 White Paper, p. 48.  
4 Submission No. 9, Australian Red Cross, p. 9.  
5 White Paper, p. 47.  
6 Submission No. 6, DFAT and AusAID p. 6.  
7 Submission No. 6, DFAT and AusAID, p.6.

- across the Pacific, AusAID supports UNICEF to provide immunisation against major preventable diseases like measles, Hepatitis B and Rubella;
- in PNG, a major health sector program has contributed to workforce development by funding the training of doctors and specialist nurses and developing curriculum for community health workers. Australia distributes essential medical supplies and has assisted the PNG National Department of Health to build and strengthen its pharmaceutical procurement and distribution systems;
- in the Solomon Islands, Australia has supported the development of the National Health Radio Network, including the installation of 180 radios in regional health centres. The network is a means of obtaining medical assistance and staff training for those in remote areas. Funding has also been allocated to improve infrastructure in provincial hospitals and health centres, including the refurbishment of medical stores;
- in Vanuatu, Australia's support in the area of children's health has contributed to the reduction of the under-five child mortality rate by two thirds, in line with the Millennium Development Goals; and
- in Tonga, Australia provides two surgeons to train local doctors – the surgeons are specialists in birth and neo-natal complications.<sup>8</sup>

## HIV/AIDS

### Rate of infection

- 4.6 The Australian Government has committed \$600 million to 2010 to tackle the problem of HIV/AIDS in the Asia-Pacific.<sup>9</sup> The disease is prevalent in most Pacific Island states at variable rates. PNG has by far the highest incidence of HIV/AIDS in the Pacific region.<sup>10</sup> Approximately 2% of the PNG population is affected.<sup>11</sup> UN AIDS estimates that between 57,000 and 100, 000 people are living with

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8 Submission No. 6, DFAT and AusAID, p. 7.

9 Australia's Overseas Aid Program 2007-2008, Budget Statement, 8 May 2007, p. 23.

10 AusAID website, HIV/AIDS activities by country  
<http://www.aisaid.gov.au/hottopics/hivaid/s/countries.cfm>

11 AusAID website, HIV/AIDS activities by country  
<http://www.aisaid.gov.au/hottopics/hivaid/s/countries.cfm>

HIV/AIDS in PNG.<sup>12</sup> Mr Bowtell, Director of the Lowy Institute for International Policy's HIV/AIDS Project, and author of a policy brief on HIV/AIDS in the region<sup>13</sup> described the HIV pandemic in PNG to the Committee as:

... a very large bomb with a very long fuse attached to it.<sup>14</sup>

4.7 The HIV/AIDS situation in PNG is generally likened to that found in the worst affected Sub-Saharan African countries. Underpinning the spread of the disease in PNG is the fact that the country shares its border with one of Indonesia's worst HIV/AIDS affected provinces, there is widespread sexual violence perpetrated against women, a prevalence of unprotected commercial sex, and a high level of drug and alcohol abuse that results in behaviours that place individuals at risk of higher rates of transmission.<sup>15</sup>

4.8 According to Mr Bowtell, the seriousness of the HIV/AIDS situation in the Pacific is made worse in the wake of drug-resistant tuberculosis:

... we are seeing signs all over the world of extreme drug resistance to tuberculosis coming in the wake of the [HIV] pandemic ... The model of what can go wrong is already in Africa, but I believe there are elements – TB and other things – that did not take place in Africa that could occur in the Pacific if we do not get a handle on this.<sup>16</sup>

### AusAID's HIV/AIDS strategy

4.9 AusAID's approach to supporting the response to HIV/AIDS in PNG over the next five years is described in the agency's publication titled, *Australia's Strategy to Support Papua New Guinea's Response to HIV/AIDS 2006-2010*.<sup>17</sup>

4.10 PNG - Australia/HIV and AIDS Program - Sanap Wantaim (Stand Together) is a \$100 million five year program which commenced in January 2007. It focuses not only on preventing the spread of HIV but

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12 Submission No. 9, Australian Red Cross, p. 15.

13 Policy Brief available from the Lowy Institute website, <http://www.lowyinstitute.org/Publication.asp?pid=542>

14 Transcript, 2 May 2007, Mr Bowtell, p. 4.

15 Submission No. 9, Australian Red Cross, p. 15.

16 Transcript, 2 May 2007, p. 4.

17 A copy can be downloaded from AusAID's website, <http://www.ausaid.gov.au/country/png/hivaids.cfm>

also on providing treatment, care and support for those infected with and affected by HIV/AIDS.<sup>18</sup>

- 4.11 The new program also places increased emphasis on addressing some of the difficult issues underlying the epidemic – including gender inequality, improving health systems, and upgrading surveillance capacity.<sup>19</sup>
- 4.12 The program will be complemented by additional support of \$50 million to enable Papua New Guinea's health system to provide necessary services to reduce the spread of HIV and help those already affected by HIV/AIDS.<sup>20</sup>
- 4.13 Prior to the introduction of the new program, Australia supported a *National HIV/AIDS Support Project (NHASP)*. This \$66.5 million project began in October 2000 and concluded in December 2006.<sup>21</sup>
- 4.14 The project operated across PNG, with achievements including:
- installing 10,500 condom dispensers;
  - training 620 health workers in STI/HIV management and 1,400 counsellors to increase testing for HIV and support for people living with HIV/AIDS;
  - strengthening PNG organisations through \$13 million in community and research grants;
  - supporting legislation to protect the rights of people living with HIV; and
  - establishing 17 community care centres for HIV positive people.<sup>22</sup>

### Mainstreaming

- 4.15 Australia is incorporating HIV prevention and education components into all its PNG aid projects. The purpose of mainstreaming is to ensure that all sectors and agencies are equipped and able to address

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18 AusAID website, HIV/AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

19 AusAID website, HIV/AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

20 AusAID website, HIV/AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

21 AusAID website, HIV/AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

22 AusAID website, HIV/AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

how they might be affecting the HIV epidemic, how HIV might be affecting their development outcomes and then adapting their programs accordingly. For example, prison inmates and officers in PNG jails are learning about HIV transmission and prevention through a wider Correctional Services Development Project.<sup>23</sup>

### Partnerships

- 4.16 The program will be complemented by key partnerships with international HIV/ AIDS partners and the private sector including:
- the Global Fund to fight HIV/ AIDS, Tuberculosis and Malaria to which Australia will contribute \$75 million; and
  - the Asian Development Bank, co-financing condom social marketing as part of the Asian Development Bank's HIV/ AIDS Prevention and Control in Rural Development Enclaves Project.<sup>24</sup>
- 4.17 Australia also contributed \$4 million in 2006-2007 to the UN's specialist HIV/ AIDS agency, UNAIDS.<sup>25</sup>
- 4.18 Further, several Australian NGOs who carry out HIV/ AIDS work receive funding from the Australian Government. Most of the Australian Red Cross's work in the Pacific is funded by AusAID<sup>26</sup> and Oxfam receives 10-15 percent of its funding from AusAID.<sup>27</sup>

### Impact of Australian aid

- 4.19 Mr Bowtell told the Committee that while he was pleased that the Australian Government – in particular the Australian Foreign Minister – had taken a strong lead in HIV/ AIDS strategy in the region, there remained much more that needed to be done.<sup>28</sup> He said that Australia's response is consistent with the broad orthodoxy of the international response which focuses on treatment and care and – while that is important – greater attention needed to be paid to prevention:

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23 AusAID website, HIV/ AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

24 AusAID website, HIV/ AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

25 AusAID website, HIV/ AIDS in PNG,  
<http://www.ausaid.gov.au/country/png/hiv aids.cfm>

26 Transcript, 2 May 2007, Australian Red Cross, p. 32.

27 Transcript, 2 May 2007, Oxfam, p. 21.

28 Transcript, 2 May 2007, Mr Bowtell, p. 4.

You have to be really aggressive about prevention—condoms. All the [effective policies] that were implemented in Australia from the late eighties onwards ought to be undertaken as a matter of urgency in the Solomon Islands [in order to prevent an epidemic there].<sup>29</sup>

## Political leadership

- 4.20 Responding to Mr Bowtell's remarks on prevention, the Committee observed that:

... to engage effectively in relation to prevention measures in the Pacific, you need political leadership to be prepared to engage in that manner.<sup>30</sup>

- 4.21 Mr Bowtell agreed that leadership was at the core of Australia's success in averting the pandemic, and integral to the Pacific response.<sup>31</sup> He told the Committee that there was some awareness of the problem by leaders in PNG, but that Australia also had a moral responsibility to keep the issue:

... fairly and squarely in front of the leadership elites in these countries.<sup>32</sup>

- 4.22 On 23 July 2007, Australia hosted and supported the Third Ministerial Meeting on HIV/AIDS in Sydney.<sup>33</sup> At this regional gathering, Asia Pacific business and government leaders committed to greater private-public sector partnerships to halt and reverse the spread of the disease, and the Australian Foreign Minister announced a \$400 million increase in Australia's contributions to the ongoing fight against HIV/AIDS.<sup>34</sup>

## Community leadership

- 4.23 Mr Bowtell noted that there were limitations to strategies, conferences and the like at the top bureaucratic level. In his view, more

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29 Transcript, 2 May 2007, Mr Bowtell, p. 5.

30 Transcript, 2 May 2007, Mr Bowtell, p. 5.

31 Transcript, 2 May 2007, Mr Bowtell, p. 6.

32 Transcript, 2 May 2007, Mr Bowtell, p. 6.

33 <http://www.ias2007.org/>

34 AusAID website, media release, Australia sets \$1 billion dollar benchmark in global fight against HIV/AIDS, [http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=7743\\_1483\\_3785\\_2662\\_9940](http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=7743_1483_3785_2662_9940)

resourcing at grassroots level was also required, especially to support women:

Having lived in PNG and having spoken to people from there, I personally think that women are key to the response in PNG at the local and village level ... Women have a big determinant say in what is and is not acceptable. I know there are some projects in areas in PNG where women have mobilised strongly as wives, mothers, girlfriends and so on.<sup>35</sup>

- 4.24 The Red Cross told the Committee that it tried to involve women in their health promotion program in the Solomon Islands, but:

... if men see anything related to resources or status those men will occupy the places.<sup>36</sup>

- 4.25 In their experience, a careful balance needed to be struck between the composition of men and women in the training teams:

To have one or the other is actually a recipe for failure. If we have all men, women do not feel represented; if we have all women, the men in the community ignore what is being said, so we need both. I think that it is fair to say that is a big challenge for the national society and the Red Cross.<sup>37</sup>

## Peer engagement

- 4.26 The Red Cross spoke to the Committee about the importance of positive peer engagement, referring to the influence that young locals in the Solomon Islands branch of the Red Cross have had educating their peers about HIV/AIDS. These young men are held in high regard by their peers and can be role models within their communities. Ms Chippendale recounted how there was still discussion amongst some local young men and women about HIV being a made-up story and in this context:<sup>38</sup>

[These young educators] are a good example of the types of people who need to be out there spreading the message about discrimination and prevention. It is definitely an advantage

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35 Transcript, 2 May 2007, Mr Bowtell, p. 7.

36 Transcript, 2 May 2007, Australian Red Cross, p. 33.

37 Transcript, 2 May 2007, Australian Red Cross, p. 33.

38 Transcript, 2 May 2007, Australian Red Cross, p. 32.



that they plug into a global network and are part of that alliance and also that they live and work locally.<sup>39</sup>

## Partnerships with private foundations

- 4.27 On 22 February 2006, the Australian Foreign Minister, the Hon. Alexander Downer MP, announced a new partnership between the Australian Government and the Clinton Foundation to strengthen efforts to combat the spread of HIV/AIDS in the Asia-Pacific region. The new partnership formalised by the signing of a MOU commits the Australian Government to providing \$25 million over four years to support the work of the Clinton Foundation in this field. Initially, joint activities will focus on three countries – including Papua New Guinea.<sup>40</sup>
- 4.28 The Clinton Foundation and AusAID will work together with public health authorities in each country to scale-up treatment and care for people living with HIV/AIDS. This will include availability of anti-retroviral drugs, improving laboratory and testing infrastructure and strengthening monitoring and evaluation systems.<sup>41</sup>
- 4.29 Mr Bowtell pointed to the important work that other private institutions like the Bill and Melinda Gates Foundation are doing in international public health and the enormous resources they have at their disposal to accomplish their goals. He suggested there may be further scope for Australia to collaborate with organisations such as these.<sup>42</sup>

## Asia-Pacific Business Coalition on HIV/AIDS

- 4.30 On the same day that the Australia-Clinton Foundation partnership was announced, the Australian Foreign Minister established the Asia-Pacific Business Coalition on AIDS (APBCA) in response to the need

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39 Transcript, 2 May 2007, Australian Red Cross, p. 36.

40 AusAID website, Media Release, *Australia and Clinton Foundation Join in Asia Pacific Fight Against HIV/AIDS*, 22 February 2006, [http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=6873\\_2896\\_8521\\_1497\\_223](http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=6873_2896_8521_1497_223)

41 AusAID website, Media Release, *Australia and Clinton Foundation Join in Asia Pacific Fight Against HIV/AIDS*, 22 February 2006, [http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=6873\\_2896\\_8521\\_1497\\_223](http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=6873_2896_8521_1497_223)

42 Transcript, 2 May 2007, Mr Bowtell, p. 6.

for greater private sector engagement and coordination in the regional fight against HIV/AIDS.

- 4.31 The APBCA website sets out the reasons why HIV/AIDS is a business issue as much as it is a health issue:

The epidemic has the potential to undermine sustained growth of markets in the region because it strikes at the most economically active age groups – the workforce, ages 16 - 49. These costs are not just a concern for public policy makers – they are a matter of serious concern to all businesses trading in the region.

HIV cuts into planned company expenses by increasing costs of employee healthcare, recruitment and training. Firms with employees who become HIV positive may see a reduction in productivity as staff become ill.

The disease ultimately reduces company profits as expenses increase, service delivery fails to adhere to planned schedules, and customers change their purchasing plans because of the HIV expenses they incur.<sup>43</sup>

- 4.32 The APBCA is a joint initiative by AusAID and the Sydney-based Lowy Institute for International Policy, with the Board of Directors drawn from major companies, including Qantas and News Limited.<sup>44</sup>
- 4.33 APBCA supports the establishment and coordination of country-level business coalitions throughout the Asia Pacific region to run standardised HIV workplace programs in the businesses and communities in which they work.<sup>45</sup>
- 4.34 During its Brisbane hearing, the Committee asked the Asia Pacific Business Council to what extent it was involved in these endeavours.
- 4.35 The APBC reiterated that HIV/AIDS was a significant issue in PNG and noted that HIV/AIDS had been a regular agenda item at the annual Australia-Papua New Guinea business forums:

... [we] have drawn in experts – who are a mix of Papua New Guinea businesses and Australian businesses – to talk to delegates at the conference about the scope of the problem

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43 APBCA website, <http://www.apbca.com/http://www.ausaid.gov.au/hottopics/hivaids/business.cfm>

44 AusAID website, Asia-Pacific Business Coalition on AIDS,

45 AusAID website, Asia-Pacific Business Coalition on AIDS, <http://www.ausaid.gov.au/hottopics/hivaids/business.cfm>

and how companies can set up models to manage the risk for companies and their employees.<sup>46</sup>

## Corporate leadership

- 4.36 At the Sydney hearing, Mr Bowtell stated that corporate leadership had “a tremendous role and potential” to assist in the fight against AIDS, particularly in the Pacific where the corporate world is small but leaders have a big impact. He emphasised to the Committee that informal engagements could be just as useful as conferences and forums:

A large part of it is just bringing people together informally almost – it does not have to be done with all trumpets blaring ... I believe that almost behind closed doors – not that there is anything secret about it – just putting the facts and figures and the problems in a simple and clear way in front of corporate leaders does a great deal to change mentality.<sup>47</sup>

- 4.37 Mr Bowtell alluded to the potential impact that business leaders could have on the HIV/AIDS issue:

The great thing with corporations is that they do face difficult problems every day ... as we have seen with global warming, when the facts and figures and possible impacts of global warming became apparent, they responded positively. In fact the response is being led as much now by corporations as by environmentalists and so on.<sup>48</sup>

- 4.38 The Committee sought Mr Bowtell’s views on the merits or otherwise of companies – usually mining ones – setting up their own health facilities and services for their workers in areas in the Asia-Pacific where services are limited or non-existent.<sup>49</sup>

- 4.39 Mr Bowtell said he was aware of mining companies in PNG running local clinics and doing HIV prevention work and he believed it was an area in which corporations can make a real difference. He suggested that this was something that sectors other than mining – namely the hospitality sector – might also consider.<sup>50</sup>

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46 Transcript, 26 October 2006, APBC, p. 62.

47 Transcript, 2 May 2007, Mr Bowtell, p. 10.

48 Transcript, 2 May 2007, Mr Bowtell, p. 10.

49 Transcript, 2 May 2007, Mr Bowtell, p. 11.

50 Transcript, 2 May 2007, Mr Bowtell, p. 11.

4.40 Oxfam had a slightly different view:

We do not think that corporates should get into the business of substitution for government services. Ultimately it is a government responsibility ... While assistance is welcome, it is problematic when [companies] are totally replacing those services, because it is not sustainable. Most mines have a life of 7-10 years and then what?<sup>51</sup>

4.41 Nonetheless Oxfam said that it welcomed corporate social responsibility. It had held encouraging discussions with the Australian-owned Tolokuma goldmine in PNG about testing river water for toxin levels, and it fully supported the business initiative on HIV/AIDS.<sup>52</sup>

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51 Transcript, 2 May 2007, Oxfam, p. 24.

52 Transcript, 2 May 2007, Oxfam, p. 24.

## Education

4.42 The Joint DFAT/AusAID submission outlines some of the Australian aid program's contributions to improving education in the Pacific including:

- in PNG, Australian aid has trained teachers, improved curricula, distributed learning materials and improved school infrastructure. School enrolments have grown from 600,000 to 1.1 million in the last ten years; and
- in Fiji, Australian aid has trained 2000 teachers, refurbished 130 schools and provided textbooks.<sup>53</sup>

## Social accountability

4.43 At the February hearing, AusAID referred to an education concept it was interested in pursuing further with the education authorities in PNG.<sup>54</sup> AusAID's Deputy Director-General elaborated on the notion of 'social accountability' whereby school communities manage their own money:

The evidence [in other developing countries] is that even small allocations of funding for maintenance and materials for schools put in control of the representative community body – a school management board, for example – make a huge difference in the responsiveness of teaching staff and the general quality of the education that comes out of those schools.

4.44 AusAID said that while this is reasonably new thinking in the Pacific context, the agency believes it will have some value and application there, and initial discussions with civil society in the Pacific have indicated that there is community support.<sup>55</sup>

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53 Submission No. 6, DFAT and AusAID, p. 7.

54 Social accountability is defined by the World Bank as 'building accountability that relies on civic engagement,' Source: World Bank website.

55 Transcript, 9 February 2007, AusAID, p. 14.

## Australia-Pacific Training College

- 4.45 To assist skills and trades training in the Pacific at the post-secondary and vocational level, in order to meet domestic demands and increase access to international labour markets, the Australian Government will fund the establishment of a new technical training college, the Australia-Pacific Technical College (APTC).<sup>56</sup>
- 4.46 According to the White Paper, some workplace competencies in the Pacific currently fall short of industry requirements and the APTC will build partnerships with Australian and Pacific industry associations, firms, private providers and education institutions to deliver Australian-standard training in a range of locations and formats across the region (the college headquarters will be situated in Suva, with a network of training centres in Fiji, PNG, Samoa and Vanuatu). Initially the college will focus on occupations in the automotive, electrical, health and community services, manufacturing, hospitality and tourism, and construction fields.<sup>57</sup> Scholarships will be provided to ensure equitable access to the training programmes of the college for islanders from smaller and more isolated Pacific communities.<sup>58</sup>
- 4.47 In respect of the APTC's focus, Pacific Island Studies lecturer, Dr Quanchi advised the Committee that, in his view, there also needed to be an emphasis on marine technology, aviation technology and information technology.<sup>59</sup>
- 4.48 The APTC opened its Port Moresby campus on 10 September 2007. The college will aim to graduate 3,000 Pacific Island students by 2011.<sup>60</sup>

## AusAID scholarships

- 4.49 The Australian Development Scholarships (ADS) program provides opportunities for people from developing countries to undertake full-time undergraduate or postgraduate study in Australia. Up to 1000

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56 White Paper, p. 39.

57 White Paper, p. 39.

58 DFAT website, 37th Pacific Islands Forum Communique, Fiji 24-25 October 2006, [http://www.dfat.gov.au/geo/spacific/regional\\_orgs/pif37\\_communique.html](http://www.dfat.gov.au/geo/spacific/regional_orgs/pif37_communique.html)

59 Transcript, 26 October 2006, Dr Quanchi, p. 41.

60 DFAT website, Media release, Minister for Foreign Affairs, the Hon. Alexander Downer, MP, *Australia Pacific Technical College opens doors in PNG*, 10 September 2007, [http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=9809\\_9865\\_6483\\_8082\\_6143](http://www.ausaid.gov.au/media/release.cfm?BC=Media&ID=9809_9865_6483_8082_6143)

Australian Development Scholarships are awarded each year across 31 countries. Fields of study are targeted to address agreed priority human resource and development needs of recipient countries, in line with Australia's bilateral aid programs.<sup>61</sup>

- 4.50 Several submissions and witnesses endorsed the AusAID scholarships scheme. At the Brisbane hearing, Dr Quanchi summarised the advantages: young people can experience Australian life, form friendships with fellow classmates and other Australians, and take home valuable skills to become bureaucrats and leaders in their islands. Dr Quanchi called for the numbers of scholarships to be increased dramatically in order to multiply the benefits.<sup>62</sup>
- 4.51 The Fijian High Commissioner to Australia, His Excellency Mr Naidu, declared his country's appreciation for the scholarship scheme in Fiji and throughout the region. He also suggested that the Australian Government consider increasing scholarships in areas of specialisation not available at the University of South Pacific – particularly technical courses like engineering and architecture.<sup>63</sup>
- 4.52 The White Paper announced the Australian Government's intention to expand its scholarship assistance in coming years:
- ... doubling the total number of education awards offered by Australia in the Asia-Pacific region to over 19, 000.<sup>64</sup>
- 4.53 The new scholarships will encompass a refined Australian Development Scholarship Program – to address skills shortages and help achieve a critical mass of Australian-trained scholars in key developing country institutions, an expansion of the DEST Endeavour Program, and a new regional scholarship focused on developing future leaders in the region – the Australian Leadership Awards.<sup>65</sup>
- 4.54 As mentioned in Chapter 1, the Sub-Committee met with a group of AusAID scholarship recipients to discuss their experience of the scholarship scheme specifically – and more generally – aid and development issues.

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61 AusAID website, Australian Development Scholarships, <http://www.aisaid.gov.au/scholar/studyin.cfm>

62 Transcript, 26 October 2006, Dr Quanchi, p. 42.

63 Transcript, 27 November 2006, Fijian High Commissioner to Australia, p. 28.

64 White Paper, p. 54.

65 White Paper, p. 54.

- 4.55 The students were an impressive group of male and female undergraduate and post-graduate students, representing the following countries: PNG, the Solomon Islands, Samoa, Fiji and Vanuatu.
- 4.56 The session was a valuable exchange of ideas between the Committee Members and students. The Committee enjoyed talking with the students and appreciated their candour and articulate insights. Subsequent to the meeting, the PNG students submitted some concerns they had about the ADS, in particular:

- reductions to stipends for scholars with dependents and a one-off establishment allowance (\$5, 000) that is considered inadequate to cover set-up costs for those students with dependents.

The students requested that consideration be given to:

- conducting a review of the level of the stipend rate, with a view to the reintroduction of the dual system to cater for students with dependents;
- instigating mechanisms to help students find accommodation on arrival in Canberra;
- the provision of interest-free loans for personal emergencies; and
- a sharper focus on gender equity i.e. more scholarships for women to help raise their status and contribution within PNG society.<sup>66</sup>

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#### **Recommendation 4**

**The Committee supports the consideration of each of the issues raised by the students, and in particular recommends that the Australian Government conduct a regular review of the stipend rate for Pacific Island students on Australian Development Scholarships to ensure that it remains commensurate with the cost of living, and is at a reasonable level for those students with accompanying dependents.**

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66 Submission No. 35, PNG Students Association, pp. 2- 4.



## Infrastructure

- 4.57 The White Paper states that poor infrastructure is perhaps the most binding constraint to growth throughout the Asia-Pacific region:

In the Pacific, emphasis is needed on equitable access to social infrastructure in remote, rural environments where 80% of the population live without electricity and roads.<sup>67</sup>

- 4.58 At the hearing, the APBC outlined the extent of PNG's infrastructure problems, from deficient air, road and port services to poor telecommunications networks:

[Nearly] every aspect of infrastructure in PNG is deficient ... the network of provincial and rural airports is in a very bad condition ... the road system is poor ... the major port in Port Moresby is deficient in many respects ... and conditions on the wharf in Lai are a problem in terms of security, quarantine, cleanliness and a whole range of things. Telecommunications is a huge problem in terms of quality of infrastructure, pricing and lack of competition.<sup>68</sup>

- 4.59 According to the APBC, opening these services up to competition and letting the private sector run them rather than the government was part of the answer.<sup>69</sup> The APBC added that it was a matter of striking the right balance in determining to what extent the private sector can enhance the provision of government services. This was an area in which the ABPC said it would like to work together with AusAID and partner governments to achieve results.<sup>70</sup>

- 4.60 Infrastructure will be a major focus of the aid program in the coming decade. The new *Infrastructure for Growth Initiative* will help partner governments to improve infrastructure policies (by providing experts in areas like public-private partnerships and regulatory reform), and finance projects through the multilateral development banks or bilaterally. Typical projects will include putting electricity, water

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67 White Paper, p. 37.

68 Transcript, 26 October 2007, APBC, p. 63.

69 Transcript, 26 October 2007, APBC, p. 63.

70 Transcript, 26 October 2006, APBC, p. 64.

distribution systems and roads into rural areas, and building schools and health centres.<sup>71</sup>

- 4.61 At the hearing, Pacific Studies lecturer Dr Quanchi told the Committee that, in his view, the White Paper focused too much on roads when there needed to be a greater marine focus:

They need jetties, wharves, harbours and airstrips.<sup>72</sup>

- 4.62 The Committee observed that in their experience roads were a priority in both PNG and the Solomon Islands.<sup>73</sup>

- 4.63 The APBC noted that there is an important role for jetties, but:  
... there needs to be a coordinated infrastructure approach.<sup>74</sup>

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71 White Paper, p. 38.

72 Transcript, 26 October 2006, Dr Quanchi, p. 41.

73 Transcript, 26 October 2006, p. 64.

74 Transcript, 26 October 2006, APBC, p. 64.