

SECTION TWO: POLITICAL AND SECURITY ISSUES

CHAPTER SIX

Australia's political relations with PNG and the Pacific

Introduction

6.1 The Committee agrees that, due to Australia's geographical position, shared history, former colonial status and links between indigenous populations, Australia has a special relationship with the Pacific region, and with it, a special responsibility and opportunity to engage with the region in a cooperative and supportive relationship:¹

History has tied Australia intimately to the nations and peoples of the South Pacific. Australia helped to shape some of the island states as they became independent—their economic bases, power-sharing arrangements between the centre and the provinces, and philosophy of governance. And in some cases we passed on our institutions and the ideas underpinning them—constitutions, parliaments, public services, legal systems and security forces. Australia is the region's main source of imports and investment, a leading aid donor and major defence and security partner.²

6.2 In addressing the Committee's term of reference (a), this chapter will consider Australia's engagement with Papua New Guinea (PNG) and the Pacific region at the political level, including through multilateral forum. The state of political relations in the region including New Zealand is considered in Chapter Nine.

6.3 Whilst most government and opposition members who met with the Committee during its visit to the Pacific expressed general satisfaction with political relations with Australia, other evidence to the inquiry was concerned about certain aspects of that engagement. In particular, the following specific issues were raised:

- the sensitive nature of the relationship between Australia and the region and the perceived 'big brother' syndrome, including criticism of the absence of the Prime Minister at Pacific Islands Forum meetings;

1 *Submission 19*, p. 3 (OXFAM)

2 Department of Foreign Affairs and Trade, *Advancing the National Interest*, Foreign and Trade Policy White Paper, Chapter 7.

- Australia's immigration policies, including the 'Pacific Strategy', environmental refugees and visa processing; and
- the issuing of travel advices in the region.

6.4 Following an outline of the levels of Australia's political engagement, each of these issues will be considered in turn.

Overview of engagement

6.5 DFAT advised the Committee that Australia has a longstanding and enduring commitment to partnership with the Pacific island states. Australia's key objectives in the region are to promote:³

- political stability;
- sustainable economic development;
- regional cooperation;
- good governance; and
- effective cooperation against transnational crime.

6.6 Australia's participation in the Pacific is based on its bilateral relationships at the same time as contributing to and participating in a number of intergovernmental and international organisations. Given the diversity throughout the Pacific, DFAT advised the Committee that it does not seek to apply a 'one size fits all' approach to its relations and is careful to exercise the influence that Australia possesses "in a manner which is responsible and which respects the sovereignty and particular circumstances of the island countries".⁴

6.7 Whilst DFAT is the department that plays a lead role within Government in developing and coordinating Australia's ties with the Pacific, other departments or agencies that have a significant role include AusAID, Austrade, Defence, Prime Minister and Cabinet, Immigration and Multicultural Affairs, Treasury, the Australian Federal Police and Attorney-General's.

6.8 Australia's largest and most important partner in the Pacific is PNG. The relationship between Australia and PNG is summarised by the *Joint Declaration of Principles Guiding Relations Between Papua New Guinea and Australia*. The Declaration was signed in 1987 and modified in 1992. The *Torres Strait Treaty* was also negotiated between Australia and PNG and provides the framework for the protection of the ways of life of the traditional inhabitants and the management of the traditional and commercial usage of the Torres Strait islands and waters. Other important agreements include the PNG–Australia Trade and Commercial Relations Agreement (PACTRA II discussed in Chapter Two), the Agreement for the Promotion

3 *Submission 33*, p. 5 (Department of Foreign Affairs and Trade (DFAT))

4 *Submission 33*, p. 5 (DFAT). See also, Department of Foreign Affairs and Trade, *Advancing the National Interest*, Foreign and Trade Policy White Paper, chapter 7.

and Protection of Investment (APPI), the Double Taxation Agreement, the Treaty on Development Cooperation and the Agreed Statement on Security Cooperation.⁵

6.9 Australia also has major bilateral relationships with Fiji, Solomon Islands, Vanuatu, New Caledonia, Samoa, Nauru, Tonga, Kiribati, the Federated States of Micronesia, the Republic of the Marshall Islands, Palau, and French Polynesia.

6.10 As can be seen from the economic overview of PNG and the Pacific in Chapter Two, many countries have not experienced the levels of development thought possible. This is the result of many factors internal to these countries, in particular, distractive social and cultural priorities and obligations. But it must also be recognised that Australia has been somewhat detached from this region.

The lack of any kind of vision in Australia’s post-colonial approach to the region has reduced the impact of generous functional cooperation. Instead of looking to build from the historical connection some kind of Pacific community with a social and cultural as well as an economic dimension the emphasis was often put on the need for more detached arms length sovereign to sovereign country relationships. The smaller independent island countries have no economic future outside a wider market but the obvious solution of Australia and New Zealand offering them controlled immigration access ran into political and bureaucratic timidity and Australia’s stock non-discriminatory policy slogan... Against this background, it is surprising the trade, services and technological links with Australia have prospered as they have, and that the island countries have not set out more deliberately to broaden their relations with other especially Asian partners, although this clearly makes sense for them.⁶

Australia’s lack of vision for a long-term relationship with the region

6.11 One submission to the inquiry expressed concern that Australia’s long term outlook often seems to be presented as “a tiresome but unavoidable bottomless pit aid requirement and never as an opportunity to build some kind of economic and cultural community extending the CER with New Zealand”.⁷ This statement resonated with the Committee as a popular opinion, particularly in discussions with Pacific islanders during its visit to the region.

6.12 The Committee considers the current issues facing both the region as well as Australia’s broader global interests, provides an optimal time for a considered review of Australia’s political engagement in the region.

5 *Submission* 33, p. 6 (DFAT)

6 *Submission* 11, p. 13 (Mr John Piper)

7 *Submission* 11, p. 7 (Mr John Piper)

Regional organisations

6.13 Australia is a founding member and major donor to the principal regional organisations in the Pacific. The Government's view is that regionally-based structures provide an effective means of promoting shared solutions to common problems.⁸ Approximately one quarter of Australia's development assistance to Pacific Island countries (aside from Papua New Guinea) is provided on a regional basis and Australia considers regional organisations to be an important resource able to provide expertise not available in individual countries.⁹ DFAT also advised the Committee that Australia has been active in strengthening the performance, transparency and accountability of these organisations.

Council of Regional Organisations

6.14 The Council of Regional Organisations (CROP) does not set policy but exercises an advisory function on key policy and operational issues of importance to the region and regional organisations based on the recognition of the opportunities that could be achieved through the sharing or pooling of the region's resources. CROP comprises the heads of eight Pacific intergovernmental organisations:

- Pacific Islands Forum Secretariat
- Secretariat of the Pacific Community
- South Pacific Regional Environment Program
- Forum Fisheries Agency
- South Pacific Applied Geoscience Commission
- Pacific Islands Development Program
- University of the South Pacific
- South Pacific Tourism Organisation.

Pacific Islands Forum

6.15 The Pacific Islands Forum (formerly named the South Pacific Forum) is the region's peak inter-governmental body. It was formed in 1971 by Australia, Cook Islands, Fiji, Nauru, New Zealand, Tonga and Samoa and has since been joined by the Federated States of Micronesia, Kiribati, Marshall Islands, Niue, Palau, Papua New Guinea, Solomon Islands, Tuvalu and Vanuatu. New Caledonia is an observer.

6.16 The mission of the Pacific Islands Forum is to "work in support of Forum Member governments to enhance the economic and social well-being of the people of the South Pacific by fostering cooperation between governments and between international agencies, and by representing the interests of Forum members in ways agreed by the Forum". The annual Forum meetings provide an opportunity for

8 *Submission 33*, p. 16 (DFAT)

9 *Submission 33*, p. 16 (DFAT)

member nations to “express their joint political views and to cooperate in areas of political and economic concern”.¹⁰

6.17 DFAT advised the Committee that the Leaders' Meeting is supplemented from time to time by a number of separate ministerial meetings, including meetings of foreign affairs, economic, trade, education and transport ministers and the Forum Presiding Officers' Conference. These meetings enable more detailed discussion of sectoral issues. In addition, meetings of officials' level such as the Forum Regional Security Committee provide avenues through which Australia can engage on issues of importance to all parties.¹¹

6.18 The Pacific Islands Forum Secretariat is the administrative arm of the Pacific Islands Forum. The Secretariat undertakes programs and activities that support, or implement, decisions by the Forum leaders. Current programs are aimed at promoting regional cooperation among member states through trade, investment, economic development, and political and international affairs.¹²

Secretariat of the Pacific Community

6.19 The Secretariat of the Pacific Community (SPC) (formerly named the South Pacific Commission) was founded in 1947 by the then colonial powers to promote development in the Pacific. Australia is the largest donor but funding is also drawn from donors within and outside the region. The SPC provides a technical advisory role in agriculture, marine resources, health, socio-economic programs, statistics, community education and gender equity issues.¹³

South Pacific Regional Environment Program

6.20 The South Pacific Regional Environment Program (SPREP) was established in 1995 and works in partnership with its members, NGOs, inter-governmental organisations, regional and international development partners, local communities and the private sector to strengthen the capacity of Pacific island members to plan and manage their own national environmental programs. SPREP also aims to enhance regional cooperation to deal more effectively with issues which are common to many or which require interventions at the global level. SPREP focuses on awareness raising, responsible management of the environment and assists Pacific island members to raise their concerns in regional and international forums.¹⁴

10 See Pacific Islands Forum Secretariat website: <http://www.forumsec.org.fj/Home.htm>

11 *Submission 33*, p. 16 (DFAT)

12 Secretariat of the Pacific Community, *Regional Organisations of the Pacific*, (2002), p. 8.

13 *Submission 33*, pp. 16–17 (DFAT). Membership of the SPC includes: American Samoa, Australia, Cook Islands, Federated States of Micronesia, Fiji, France, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn Island, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, United Kingdom, United States, Vanuatu and Wallis and Futuna.

14 Secretariat of the Pacific Community, *Regional Organisations of the Pacific*, (2002), p. 14.

Forum Fisheries Agency

6.21 The Forum Fisheries Agency (FFA) was established in 1979 and is concerned with the provision of policy advisory services to its membership on the sustainable management and development of tuna resources in the western and central Pacific Ocean.¹⁵ Australia and New Zealand are the major donors. The FFA implements regional fisheries programs and coordinates regional approaches to multilateral fisheries treaties.¹⁶

South Pacific Applied Geoscience Commission

6.22 The South Pacific Applied Geoscience Commission (SOPAC) was established in 1972 to provide geoscience services to its members to assist sustainable development. It does so by supporting the development of natural resources, in particular non-living resources, investigating natural systems and reducing vulnerability through work in applied environmental geosciences, appropriate technologies, knowledge management, technical and policy advice, human resource development and advocacy of Pacific issues.¹⁷

6.23 Other regional organisations that Australia is not a member of include the Pacific Islands Development Program, the University of the South Pacific (although it contributes significant funding) and the South Pacific Tourism Organisation (see discussion in Chapter Three).

Australia's effective participation

6.24 In evidence to the Committee, Professor Grant McCall suggested that, if Australia wants to be more effective in the region, it should do this through regional organisations:

...if Australia wants to have a more effective role in the region, it should do it through regional organisations. It is the building of a Pacific community, and there is already a company out there with a name like that—Pacific Community. We would be far more effective in doing things of that nature than in doing some of the things that we have in the past.¹⁸

6.25 The Committee agrees that there is potential for Australia to play a more effective role in regional participation but as noted above, central to that participation is that Australia must begin to see its relations with the region as an equal partnership based on cooperation and coordination.

15 Secretariat of the Pacific Community, *Regional Organisations of the Pacific*, (2002), p. 4.

16 *Submission 33*, p. 16 (DFAT)

17 Secretariat of the Pacific Community, *Regional Organisations of the Pacific*, (2002), p. 10.

18 *Committee Hansard*, 18 October 2003, p. 17 (McCall). See also, *Submission 37*, pp. 35–36 (Australian Council for Overseas Aid (AFOA)); and *Committee Hansard*, 20 February 2003, p. 286 (World Vision Australia). See *Submission 81*, p. 2 (Mr Guy Roberts), for further discussion of regionalism.

‘Cooperative intervention’

6.26 In a combined submission to the Committee in July 2000, Professor Hank Nelson and Mr David Hegarty stated that Australia may well face the circumstances where it will have to intervene in more direct ways.¹⁹ Australia has obviously reached that point in the Solomon Islands. Nelson and Hegarty stressed that such intervention will require high levels of sensitive diplomacy and policy planners will need to be alert to the principles that “no one size fits all”, that interventions must be designed to meet the specific circumstances and that it is easier to strengthen flagging states than it is to revive them.

6.27 In February 2003, the Australian Government reiterated its policy that it is not a neo-colonial power and that although the extent to which Australia could help the region was limited, it was always willing to assist those Pacific islands willing to help themselves:

Australia cannot presume to fix the problems of the South Pacific countries. Australia is not a neo-colonial power. The island countries are independent sovereign states. They want and need to tackle their problems in their own way, developing systems of government which the governed accept as fair, equitable, effective and true to themselves, and which deliver basic services. When problems are so tightly bound to complex cultural traditions and ethnic loyalties, only local communities can find workable solutions.

Australia stands ready to help those South Pacific countries willing to help themselves by tackling the problems of poor governance and economic underperformance.²⁰

6.28 The Committee has watched with interest the recent developments in relation to the Solomon Islands and the policy of ‘cooperative intervention’. (This policy is discussed further in relation to strategic issues in Chapter Seven.) The Committee considers this shift in Australia’s level of engagement to be very positive, but insists that it should be progressed cautiously, and on several fronts.

6.29 For example, the Committee supports the view that there is a necessity for Australia to:

- understand the particular local circumstances;
- get the shape and nature of the intervening force right;
- appreciating the limitations of intervention, i.e. supporting not “fixing”; and
- “building” the peace from the moment hostilities cease.

19 *Submission* 36, p. 3 (Mr Hank Nelson and Mr David Hegarty)

20 Department of Foreign Affairs and Trade, *Advancing the National Interest*, Foreign and Trade Policy White Paper, Chapter 7.

6.30 In particular, the Committee also supports the view that the 'post-conflict' phase of disarmament, demobilization, demilitarization, reconciliation, rehabilitation, indigenous leadership of the peace process, gender relations, reduction in incentives and opportunities for 'spoilers' and 'profiteers' and including re-building/re-engineering state institutions—need particular attention.²¹

The sensitive nature of the relationship between Australia and the region and the perceived 'big brother' syndrome

6.31 Similar to the perception of Australia's role outlined above, the Australia Fiji, Australia Pacific Islands and the Australia PNG Business Councils (the 'Business Councils') stated that as the pre-eminent political and economic power in the region, Australia has a particular responsibility to show positive leadership to the countries of the region. However, the Business Councils advised the Committee that because of the politics of disproportion between Australia and the countries of the region, that leadership must be exercised sensitively lest Australia be seen as overpowering and bullying.²²

6.32 Australia's relations with many of the countries in the Pacific are defined by the colonial experience. That experience is relatively recent in history and many of the sensitivities linger. Despite a commitment by Australia to the development of the region, the perception of Australia as 'big brother' in a lopsided partnership is too often ignored by Australian policy makers.

Australia's efforts would be more effective if we displayed more appreciation of our historical associations with the region, and stopped trying to project our own pattern of development and view of the world, and sought rather to establish a South Pacific community of diverse states, in what is really the only sub-regional grouping, apart from ANZAC, to which we naturally belong. Such an evolution would not compromise but strengthen our wider economic and strategic links and ambitions.²³

6.33 In many ways, these comments were reflected in the discussions the Committee had with Pacific islanders throughout its visit to the region. Such sensitivities should be at the forefront of Australia's communications with PNG and the Pacific and a conscious effort should be made to ensure that they are addressed. The Committee is of the view that Australia should assiduously cultivate its relationships with individual countries in the Pacific and with the region generally—as it does other international relationships—on the basis of an equal partnership.

21 See *Submission 36*, p. 4 (Mr Hank Nelson and Mr David Hegarty)

22 *Submission 15*, p. 6 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council). See also, *Committee Hansard*, 20 February 2003, p. 321 (Australia Papua New Guinea Business Council)

23 *Submission 11*, p. 1 (Mr John Piper). See also, *Submission 66*, p. 10 (Dr Jo Herlihy); and *Committee Hansard*, 20 February 2003, p. 288 (World Vision Australia)

6.34 It is the view of the Business Councils that with the exception of the Minister for Foreign Affairs (Mr Downer), the current government and successive parliaments have failed to provide leadership in matters of Pacific engagement. In evidence to the Committee, the Government was criticised for its lack of bilateral contact with the Pacific at the Prime Ministerial level:

...it is a very long time since an Australian Prime Minister made a bilateral visit to any Pacific Island country, with the exception of Papua New Guinea. Any Prime Ministerial visits have been associated with a regional or multilateral meeting, and provide much less scope for the development of political relationships and understanding of issues in the country concerned, and for the development of a meaningful relationship with political leaders.²⁴

6.35 The Business Councils acknowledged that Foreign Minister Downer has taken a strong interest in Pacific Island affairs since his appointment in 1996, noting that he has travelled more widely in the region than most, if not all, of his predecessors.²⁵ The Business Council also noted that the Minister, his department and officials are very accessible and business representatives are included in a number of bilateral forums.

The absence of the Prime Minister at regional meetings

6.36 As outlined above, the Pacific Islands Forum is the annual meeting of Heads of Government of the Pacific Island countries, together with Australia and New Zealand.

6.37 On this basis, the Business Councils consider the annual Forum meeting as “the principal opportunity for the Australian Government to show its commitment to the region through attendance at the highest level of government”.²⁶ The Prime Minister was criticised for having only attended three of the six Pacific Island Forum meetings (at the time of submission) since his government was first elected in 1996. The Business Councils believe that no other Australian Prime Minister in the last 25 years has attended just 50 per cent of possible meetings but rather, during the 13 years prior to the election of Mr Howard, the Australian Prime Ministers of the day

24 *Submission 15*, p. 6 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council). See also, *Committee Hansard*, 20 February 2003, p. 316 (Business Councils); and *Submission 66*, p. 10 (Dr Jo Herlihy). Dr Herlihy also acknowledges that there is a generally high regard for Minister Downer in the region.

25 *Submission 15*, p. 6 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

26 *Submission 15*, p. 6 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council). See also *Committee Hansard*, 20 February 2003, p. 317 (Business Councils)

had missed just one or two Forums.²⁷ The Committee notes that the Prime Minister did attend the Forum Meeting in 2002.

6.38 This criticism was supported by Dr Max Quanchi, stating that the dominant attitude among Pacific Islander leaders is that Australia has little regard for the opinions expressed within the region and this negative attitude may be traced to the non-appearance of the Prime Minister at Pacific Forum meetings:

Pacific Island leaders have seen a distinct decline in Australian–Oceania relations... This negative attitude could be alleviated in part by a regular touring program around the states and territories of Oceania by the Minister for Foreign Affairs and the compulsory attendance and fulsome engagement by the Prime Minister at Forum meetings.²⁸

6.39 Further, Dr Quanchi stated that “in cultures where status, recognition and the conventions of identity are of paramount importance, the non-appearance of the Australian Prime Minister is a direct insult”.²⁹

6.40 The Committee notes these comments and has gained a strong understanding of the importance for Pacific island countries of the attendance of the Prime Minister at these meetings from its discussions during its visit to the region. The attendance of the Prime Minister acknowledges the importance of the region to Australia. It would appear to the Committee that this is the first political relationship that requires more attention.

Recommendation 27

The Committee recommends that the highest priority be given by the Prime Minister of the day to attend all Pacific Forum Meetings.

Other Ministers and Members of Parliament

6.41 The Forum Economic Ministers Meeting (FEMM) is held on an annual basis and is a supplementary ministerial meeting to the Pacific Islands Forum. Membership comprises the senior economic minister of each Forum country and the FEMM first met in 1995. This meeting is considered to be the main driver of the economic reform and management program in the region.³⁰

6.42 In addition to the attendance of the Prime Minister at Forum Meetings, the Business Councils noted that notwithstanding the importance of the FEMM to

27 *Submission 15*, p. 6 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council). See also *Committee Hansard*, 18 February 2003, p. 162. (Dorney)

28 *Submission 12*, pp. 6–7 (Dr Max Quanchi)

29 *Submission 12*, p. 6 (Dr Max Quanchi)

30 *Submission 15*, p. 7 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

Australia's interests in the region, prior to the FEMM in Port Vila in July 2002, the Australian Treasurer has not attended a FEMM since its meeting held in Cairns in 1997. The Business Councils suggested that the Treasurer should make an ongoing commitment to this forum.³¹ Criticism was also made of the tepid involvement of other ministers in the Pacific and their general lack of ministerial visits except "to pursue specific narrow policy interests such as the establishment of offshore processing centres" or trying to "hose down global warming issues".³²

6.43 However, the Committee is pleased to note that the Minister for Trade, the Hon. Mark Vaile, recently made his first visit to Fiji and New Caledonia, being the first Australian Trade Minister since 1993 to make a bilateral visit to any country in the region other than Papua New Guinea and the first Australian Trade Minister to visit New Caledonia.³³

6.44 Evidence to the Committee suggested that visits to the Pacific by Members of Parliament and Presiding Officers should be made in addition to the current program of ministerial visits and parliamentary delegations and should be specifically targeted at supporting the development of strong parliamentary institutions.³⁴ It was also suggested that a review of the process used for ministerial and parliamentary visits to the Pacific should be conducted to better reflect Australia's proximity. It is considered desirable to encourage more Australian parliamentarians to engage with the Pacific without losing parliamentary entitlements to overseas travel. Arrangements and entitlements should be as flexible as for parliamentarians travelling within Australia and should not require the same approval process as for all other international travel.³⁵

6.45 It was considered that the long term benefit to such a system would be an improvement of relations with the countries of the Pacific and a demonstration of leadership by Australia through greater bilateral and ministerial and parliamentary contact.³⁶ In addition, it was suggested that efforts in relation to development

31 *Submission 15*, p. 7 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

32 *Submission 15*, p. 7 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

33 *Submission 15*, p. 7 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

34 *Submission 15*, p. 7 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

35 *Submission 15*, p. 8 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

36 *Submission 15*, p. 8 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council)

assistance may be diluted if the Government does not show more interest and re-evaluate its approach to such visits.³⁷

6.46 During the visit to the region, the Committee was both pleased and surprised at the accessibility of prime ministers and senior ministers and suggests that Australia should seriously consider the reciprocation of this privilege. The Committee also encourages the Australian Parliament to review its process for parliamentary travel to the Pacific island countries. It may be feasible for a certain number of visits to be made to the region annually (supplementary to Parliamentary delegations) by individual parliamentarians, through a ballot system which does not affect parliamentary entitlements.

Recommendation 28

The Committee recommends that the Presiding Officers of the Commonwealth Parliament develop modified travel guidelines to facilitate the involvement of Australian parliamentarians in bona fide training and exchange programs with parliaments of the Pacific Island countries.

Australia's immigration policies

The 'Pacific Strategy'

6.47 The majority of evidence to the Committee recommended an end to the Government's policy of processing asylum seekers offshore, colloquially known as the 'Pacific Solution'.³⁸ The Government refers to the policy as the 'Pacific Strategy'. The Committee's primary focus is on the impact of the design and implementation of the 'Pacific Strategy' rather than the circumstances that led to the development of the policy.

Background

6.48 DFAT was responsible for the development and negotiation of agreements with Nauru and Papua New Guinea in relation to the offshore asylum seeker processing with the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) providing advice on the draft agreements prior to finalisation.

6.49 The processing centre in Nauru was established on 10 September 2001 following the signing, on that day, of an Administrative Agreement and Statement of Principles. The agreement provided for Nauru to accommodate up to 800 asylum

37 *Submission 15*, p. 8 (Australia Fiji Business Council, Australia Pacific Islands Business Council and Australia Papua New Guinea Business Council). See also, Chapter Four in relation to institutional strengthening for parliaments.

38 See for example, *Submission 2*, p. 6 (Australia West Papua Association—Melbourne Inc and Global Justice Inc); *Submission 19*, p. 5 (OXFAM); *Submission 11*, p. 4 (Mr John Piper); *Submission 37*, pp. 2–3 (ACFOA)

seekers for processing until 1 May 2002. A Memorandum of Understanding (MOU), replacing the Administrative Agreement, was signed on 11 December 2001.³⁹

6.50 The MOU with PNG was finalised on 12 October 2001 and guaranteed that all persons entering PNG will have left after six months of entering, or as short a time as is reasonably necessary. Australia undertook to bear all reasonable costs incurred by PNG and a trust fund of \$1 million, administered by both Australia and PNG, was established. However, in mid-January 2002, the Papua New Guinean government agreed that 1,000 asylum seekers may enter PNG under the MOU. The period of operation of the MOU was also extended to ensure that the processing facility would operate until October 2002.

6.51 A facility was established in the Lombrum Naval Patrol Boat Base on Los Negros Island, Manus Province, to accommodate and process asylum seekers. This required significant work to develop the physical infrastructure necessary and to ensure that sufficient health facilities and utilities were available. DIMIA advised the Committee that many of the improvements to the health services and utilities have also improved services to the local community and provided an enduring community legacy. Improvements to infrastructure also include upgrading electricity, water and sewerage systems, improvements to the base hospital and Papua New Guinean Defence Force buildings on the base.

6.52 In addition to the bilateral agreements, Australia has implemented new legislation underpinning the Pacific Strategy Offshore processing centre arrangements. The management of the offshore processing centres is conducted by the International Organisation for Migration (IOM).⁴⁰

6.53 Nauru is not a signatory to the 1951 UN Convention on Refugees and 1967 Protocol relating to the Status of Refugees. PNG is a signatory State. The Committee was advised that Australia has provided assurances to each country that persons taken there and assessed against the Refugees Convention criteria will not remain once the assessment and resettlement processes have been completed. However, as a signatory to the Refugee Convention, PNG is obliged to consider providing protection to any person seeking asylum there, although to date, none of those who have been processed in Manus Province has sought Papua New Guinea's protection. Australia has

39 See *Submission 44*, p. 31 (Department of Immigration and Multicultural and Indigenous Affairs (DIMIA)). Key provisions of the MOU include: up to 1,200 asylum seekers to be accommodated on Nauru at any one time; asylum seekers to be processed within six months of their arrival in Nauru, or as short a time as is reasonably necessary for implementation of the MOU; all persons processed in Nauru to have departed Nauru within this six month period or as short a time as is reasonably necessary for implementation of the MOU; and continuation of the MOU until terminated by either party. DIMIA advised that it is understood that the date for termination will be mutually determined to allow for an orderly termination of activities.

40 See *Committee Hansard*, 27 March 2003, p. 362 (DIMIA)

implemented mechanisms to train PNG officials in refugee status determination matters should there be any requests for asylum in Papua New Guinea.⁴¹

6.54 At 28 June 2002, the total number of asylum seekers in Manus was 340. This number comprised 318 Iraqis, six Turks, six Bangladeshis, four Iranians, two Pakistanis, two Syrians and two Palestinians. Of the total population, 116 were minors. Four persons from Manus had returned home voluntarily.⁴²

6.55 At 28 June 2002, there were 1,084 asylum seekers in Nauru. This number comprised 745 Afghans, 291 Iraqis, 27 Palestinians, 15 Iranians, five Sri Lankans and 1 Pakistani. Of the total population, 227 were minors. Fifty-nine persons were transferred from Nauru to New Zealand on 9 May. Ten persons from Nauru have returned home voluntarily, including seven under the re-integration package arrangements, and 17 had been offered temporary protection in Australia.⁴³

6.56 On Nauru, processing of refugee status determination has been conducted by both UNHCR and DIMIA. On Manus, it has been conducted by DIMIA only. As of 28 June, protection claims for some 1,479 asylum seekers on Manus and Nauru had been decided. Twelve persons in total were still awaiting decision. As at 28 June, there were 515 approvals and 964 refusals:

- 432 Iraqis, 55 Afghans and 28 from other nationalities had been found to be refugees; and
- 214 Iraqis, 697 Afghans and 53 others had been found not to be refugees.

6.57 The Australian Government and the United Nations High Commissioner for Refugees (UNHCR) are in discussion with possible resettlement countries on behalf of persons found to require protection. It is not possible to say how long this process will take. Australia has indicated it will take its fair share and 17 persons from Nauru have now been provided with temporary protection in Australia.

6.58 New Zealand transferred a total of 59 persons from Nauru on 9 May. As of 28 June, New Zealand is considering a further 130 persons from Manus and Nauru for their September 2002 intake. UNHCR has also referred 25 Afghan refugees to New Zealand and referred nine people with Canadian links to Canada. UNHCR is proposing to refer 14 people with Nordic links and two Afghan refugees to Nordic countries and 3 people with US links to the US.

6.59 Persons found not to be refugees have the opportunity to seek a review of that decision. If they are still found not to be refugees, they will be expected to leave as soon as circumstances permit. There have been fourteen voluntary returns to date and interest shown by others. A reintegration package for returning Afghans was announced on 23 May. The package is also available to asylum seekers of other

41 *Submission 44*, pp. 32–33 (DIMIA)

42 *Submission 44*, p. 33 (DIMIA)

43 *Submission 44*, p. 33 (DIMIA)

nationalities in Manus and Nauru who are undergoing assessment of protection claims or who have received negative decisions. Seven Afghans have left Nauru under the package arrangements and an additional 27 persons have signed voluntary reintegration papers.

6.60 The total cost of third country offshore processing for 2001–02 was around \$80m. In the 2002–2003 Budget, \$430 million was allocated over the next four years for offshore processing centres in the Pacific. DIMIA advised the Committee that this amount was appropriated directly to the Department and is in addition to the aid budget.⁴⁴

Reception and processing of asylum seekers at offshore locations (third countries)

Expenses (\$m)

Financial year	2002–03	2003–04	2004–05	2005–06	Total
DIMIA	129.3	99.3	100.5	101.7	430.8

6.61 The large majority of expenditure is reimbursement of IOM costs in managing the centres. Of a total expenditure of \$77.9 million in 2001–02, \$55.6 million was for this purpose. Other major expenditure included approximately \$2.2 million for travel, \$1.5 million to UNHCR, \$1.0 million to Australian Protective Service, \$1.0 million to the PNG Government Trust Fund and \$0.9 million for interpreting and translating services.⁴⁵

6.62 The Department was unable to provide a comparison of the cost of processing and accommodating asylum seekers onshore and offshore on the basis that any comparison would not take into account avoided costs through the implementation of the strategy. However, the Department stated:

For the purposes of this question we have analysed various components of the onshore and offshore costs for 2001–02. At the very simplest level, the general point can be made that costs to accommodate and process an equal number of unauthorised boat arrivals when calculated on a per capita basis were lower offshore than onshore. Were total costs included for the offshore centres for the initial set up phase, then overall costs on a per capita basis in 2001–02 were higher for the offshore centres. It would not be reasonable to include capital costs for onshore purposes; hence, this is not a like-with-like comparison.

For 2002–03 (to end January 2003), costs are distorted by reduced populations in detention facilities and in offshore processing centres. Smaller populations have resulted in increased daily costs for both onshore

44 *Committee Hansard*, 27 March 2003, pp. 362, 364 (DIMIA). See *Submission 10*, p. 3 (National Council of Churches). The National Council of Churches expressed concern that funding for the ‘Pacific Solution’ was the result of cuts to bilateral and regional programs.

45 *Answer to question on notice*, p. 5 (DIMIA)

and offshore. However, comparing the centres most similar in population during this period, Woomera and Manus, Manus' daily costs were slightly lower than Woomera's. Comparing again with Manus, costs in Port Hedland were lower but significantly higher on Christmas Island. There is currently no comparison with Manus given that the population there has reduced to three persons.

Indicative figures for the same period show Nauru daily costs to be below those of onshore Immigration Reception and Processing Centres.⁴⁶

6.63 The Committee notes the recent announcement by the Minister for Immigration of the wind down of the offshore processing centre at the Lombrum Naval Base in Manus Province. However, the Committee also notes that the centre will be maintained in a secure state so as to be ready to be reactivated at short notice.⁴⁷

Issues of concern

6.64 A number of submissions were opposed to this immigration policy. OXFAM Community Aid Abroad considers the 'Pacific Solution' to be the most recent example of Australia's attitudes to the Pacific being overshadowed by a concentration on our own interests in the region.⁴⁸ OXFAM expressed a number of specific concerns in relation to the 'Pacific Solution'.

6.65 Firstly, OXFAM was concerned that the 'Pacific Solution' fed the perception within the region that Australia's domestic political considerations were more important than broader regional issues, thereby impacting upon Australia's image and reputation within the region. Then President Rene Harris was reported in May 2002 as referring to the policy as a 'Pacific nightmare'.⁴⁹

6.66 The lack of transparency and uncertainty about the length of stay of the people in Nauru and Manus was also of concern, particularly the extent to which the uncertainty was impacting on political stability in an already unstable region.⁵⁰ There have been reports of significant political pressure on the Nauruan Government over negotiations and particularly the length of stay of the unlawful arrivals.⁵¹ Similarly, OXFAM highlighted the potential political instability in Papua New Guinea where Papua New Guinea Foreign Minister John Pundari was allegedly sacked in 2001 for

46 *Answer to question on notice*, pp. 3–4 (DIMIA)

47 The Hon. Philip Ruddock MP, "Pacific Strategy Success", *Media Release*, 28 July 2003.

48 *Submission 19*, p. 5 (OXFAM). See also, *Submission 10*, p. 3 (National Council of Churches); *Submission 66*, p. 10 (Dr Jo Herlihy); *Submission 11*, p. 4 (Mr John Piper); *Committee Hansard*, 18 October 2002, p. 19 (McCall); *Committee Hansard*, 18 October 2002, p. 69 (ACFOA); *Committee Hansard*, 25 October 2002, p. 130 (Maclellan); *Committee Hansard*, 18 February 2003, p. 162 (Dorney); *Committee Hansard*, 19 February 2003, p. 215 (Leavey)

49 See *Submission 19*, p. 6 (OXFAM)

50 See for example, *Submission 24*, p. 9 (Sister Carmel Leavey)

51 See *Submission 19*, p. 6 (OXFAM)

refusing to accept an increase in numbers and an extension of time for processing at the Manus Island detention centre.⁵²

6.67 The Secretary-General of the Pacific Islands Forum Secretariat, speaking at CHOGM in March 2002, expressed concern that the burden being placed on small island states may cause political and social problems if the issue dragged on:

The political fabric of many of our countries is pretty fragile. If you allow these people to stay longer, under the Convention... the state is obligated to give them services and the services would not be in proportion to what they give to its own people. And then you are likely to create a situation where the people become restless and complain that as taxpayers, they're not being looked after by their governments.⁵³

6.68 OXFAM also noted that, in a radio interview in March 2002, Nauruan Member of Parliament, Anthony Audoa, stated that the presence of the detention centres in Nauru was causing "division and resentment" at a time of ongoing economic problems for the country. He added:

The Nauruan people to this date as we speak are continuing to have their electricity cut off, water is not there. For the last four weeks, I myself as a Member of Parliament have not received any allowance, and the people who are staying at Topside—the refugees—are getting a good deal. In fact they're living better than the Nauruans themselves.⁵⁴

6.69 Similar concerns were expressed in Manus Province where Church leaders also expressed concerns over the longer term social impacts caused by the presence of the detention centre. Bishop Kiapseni stated:

Has anyone given serious thought to the social consequences of the 'gift' of the asylum seekers? The very rapid and furious work being undertaken at the Base has meant the employment of a lot of people, including many from outside of Lorengau, as local expertise apparently is not enough. Local reports say that prostitution has increased, as has the drugs trade. We all know that these activities inevitably lead to a rise in the incidence of sexually transmitted diseases and the deadly AIDS virus.⁵⁵

6.70 OXFAM considered the cost of the 'Pacific Solution' to be a particular issue and that the policy undermined the aims of Australia's aid program, namely poverty reduction, promotion of good governance and regional collaboration.⁵⁶

52 See *Submission 19*, p. 7 (OXFAM)

53 See *Submission 19*, p. 7 (OXFAM)

54 See *Submission 19*, p. 8 (OXFAM)

55 See *Submission 19*, p. 9 (OXFAM). See also, *Submission 30*, p. 12 (Mr Nicholas Maclellan)

56 See also, *Submission 37*, pp. 2–3 (ACFOA); and *Submission 28*, p. 8 (Australian Volunteers International (AVI))

6.71 A supplementary issue to the perception that Australia's domestic interests are more important than those of the region, was the blurring of the lines between Australia's foreign policy and its development cooperation objectives, notably the connection made between the taking of asylum seekers by the region and the provision of aid. This was discussed by OXFAM and Australian Volunteers International:

One of the consequences of this approach is that Australian involvement in the region is not always perceived as modelling good governance despite the emphasis that it receives in the development cooperation program. As part of the region, Australia must be seen to continue to enhance rather than reduce its outreach and support into the Pacific. This is particularly important in view of the apparent emergence of other key donors such as Japan, China and Taiwan in the region. This shift in dynamics further complicates Australia's relationships within the region.⁵⁷

6.72 Another issue raised with the Committee included the constitutionality of the arrangements in PNG—whether detention of asylum seekers was lawful under the PNG constitution:

Section s.42(2) of the Papua New Guinea Constitution, states that a person who is detained “shall be given adequate opportunity to give instructions to a lawyer of his choice in the place in which he is detained, and shall be informed immediately on his arrest or detention of his rights under this subsection.” Yet asylum seekers on Manus Island have not been given access to independent lawyers for detailed legal advice about their rights under Australian immigration and refugee law.⁵⁸

6.73 The Committee is also particularly concerned about the cost of the policy. As noted by one submission, the cost of the policy exceeds the total aid program in the Pacific. This should be a concern for the Government, both in terms of the use of Australian taxpayers funds and the underlying message this sends to Pacific.

6.74 OXFAM Community Aid Abroad made a number of recommendations relating to these issues which were broadly supported by other submissions that addressed this issue. This also included the need for the Australian Government to upgrade political representation to Pacific forums such as the South Pacific Forum on the basis that Australia needs to recognise the cultural importance placed upon personal ties and face-to-face personal engagement, and the historical importance of transcending the legacy of colonialism and demonstrating a commitment to an equal relationship.⁵⁹

57 *Submission 28*, p. 8 (AVI)

58 *Submission 19*, p. 10 (OXFAM). See also, *Submission 31*, p. 6 (Papua New Guinea Solidarity Action); *Submission 30*, p. 12 (Mr Nicholas Maclellan); *Committee Hansard*, 25 October 2002, p. 131 (Maclellan); and *Committee Hansard*, 29 February 2003, p. 201 (National Council of Churches)

59 *Submission 19*, p. 10 (OXFAM)

6.75 OXFAM also recommended:

- an end to the 'Pacific Solution';
- an increase in support to address the situation of refugees and internally displaced people in West Papua, Bougainville, Solomon Islands, Fiji and Papua New Guinea; and
- support for Pacific Island governments to sign and ratify the 1951 Convention on the Status of Refugees, the 1967 Protocol and other relevant human rights instruments, including assistance to fully meet the relevant obligation.⁶⁰

6.76 The Committee is concerned that, not only did this policy accentuate the perception that Australia tends to take advantage of Pacific island countries, it fuelled distrust amongst the Pacific island countries over Australia's mixed signals in relation to the duration of the policy in the Pacific.⁶¹

6.77 The Committee considers this policy in relation to Nauru and Manus Province to have been detrimental to Australia's relations in the region, not adequately taking into account the potential for adverse effects in Nauru and Manus Province.

Recommendation 29

The Committee recommends that the Australian Government consider modifying the operation of its Pacific Strategy which would allow for the removal of Nauru and Manus Province in Papua New Guinea as refugee processing destinations.

Environmental refugees

6.78 The issue of the possibility of environmental refugees was raised with the Committee, particularly in relation to the approach from the Government of Tuvalu to the Australia Government in 2001 requesting special immigration provisions to assist the people of Tuvalu to migrate to Australia. With the highest point above sea-level being just five metres and a population of approximately 12,000 people, Tuvalu is concerned that a combination of global warming affecting sea-level rise and cyclones may submerge their homeland.

6.79 DIMIA advised the Committee that, whilst Australia is committed to fulfilling its humanitarian obligations as a member of the international community, Australia's priority is with those that require assistance immediately whereas the threat to Tuvalu is more long term (30–40 years), and it is not one that requires urgent action.⁶²

60 *Submission 19*, p. 10 (OXFAM). See also, *Submission 30*, p. 12 (Mr Nicholas Maclellan)

61 See for example, *Submission 30*, p. 12 (Mr Nicholas Maclellan). Mr Maclellan stated that Australian government has repeatedly said that the processing of asylum seekers in Nauru and Papua New Guinea is a temporary measure but the government had budgeted for the next four years for offshore processing in Pacific island countries.

62 *Submission 44*, p. 39 (DIMIA); and *Committee Hansard*, 27 March 2003, p. 371 (DIMIA)

6.80 The Committee accepts that the situation in Tuvalu may not be urgent but the issue appears more to be related to Australia's attitude as this is undoubtedly coupled with Australia's refusal to ratify the Kyoto Protocols. The Committee did not receive enough specific information with respect to this issue. However, the Committee suggests that the Australia Government could revisit this issue with the Government of Tuvalu and restate Australia's assurances that it will assist Tuvalu when the need arises.

Visa processing

6.81 Informally, the Fiji Labour Party raised the issue of the processing of visa applications with the Committee. The Fiji Labour Party explained the difficulties for Fijians in obtaining short term visitor visas. The Committee acknowledges that Fiji, Samoa and Tonga are currently on the Risk Factor List and that refusal rates for Fijian citizens are high relative to most other countries in the Pacific.⁶³ However, the Fiji Labour Party suggested that given the expense involved in applying for a visa (approximately \$78 Fiji Dollars), a system may be established whereby applications are briefly scrutinised prior to the payment of the fee to determine the likelihood of a successful application. If it is possible the applicant may be granted a visa, the fee is paid and the application proceeds. However, if it is likely that a visa will be refused, the applicant is at no loss.

6.82 The Committee is not fully aware of the administration involved in visa processing. However, the Committee suggests that DIMIA note this concern and assess whether such a preliminary system of visa processing is feasible for developing countries.

The issuing of travel advices in the region

6.83 The Committee received some evidence on the effect of Australian travel advices for particular countries in the region in terms of tourism and investment. The Business Council of PNG and the Institute of National Affairs in PNG questioned whether PNG required a 'warning status' for travellers.⁶⁴ Similarly, representatives of the business community in Fiji advised the Committee of the detrimental effect of Australia's travel warning for Fiji following the 2000 coup. Australia's travel warning allegedly exacerbated the effect on tourism and investment in Fiji because the warning was generic to the country as a whole. Business representatives argued that, if a warning was necessary, it should have only applied to Suva where the coup took place rather than to the country as a whole.

6.84 This view was supported by the Business Councils in Australia:

More damaging was the travel advice which advised against all travel to Fiji. This was not seen by the Australian government as a trade sanction, but

63 See *Submission 44*, pp. 23–24 (DIMIA)

64 *Submission 75*, p. 11 (Business Council of Papua New Guinea and Institute of National Affairs)

its effect was the same as one. It was a significant factor in the decline in tourist arrivals in Fiji, led to economic hardship in Fiji, and damaged Australian business interests.

The Australia Fiji Business Council made representations to the Government about the sweeping nature of the advice recommending against all travel to Fiji at a time when the turmoil was restricted to a limited geographical area well away from most tourist areas. We appreciated the opportunity for discussions on our different points of view with the Minister, Mr Downer, during this period.

Fiji's economic contraction in the aftermath of the coup would have been less if the travel advice had been particularised to those areas where the trouble was actually occurring.⁶⁵

6.85 In its submission, DFAT acknowledged that the coup had an impact on business and investor confidence and brought about a drop in tourist levels.⁶⁶ However, it seems to the Committee that the point the Fijian business representatives were trying to make was that, because of this fact, Australia could have assisted by informing the Australian public that the issues were specific to Suva only. DFAT quite rightly stated that Australia's response to the coup was influential in shaping other international reactions.

6.86 The Committee does not seek in this inquiry to investigate the process for determination of travel advices for Australians. However, the Committee suggests that DFAT note the concerns in PNG and Fiji regarding assessments for the purpose of travel advisories and where possible, in the development of travel advisories, identify specific concerns.

65 *Submission 15*, p. 18 (Australian Pacific Islands Business Council, Australia Fiji Business Council and Australia Papua New Guinea Business Council). In relation to the Solomon Islands, see also, *Committee Hansard*, 19 February 2003, p. 222 (Leavey)

66 *Submission 33*, p. 9 (DFAT)

