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The Parliament of the Commonwealth of Australia

# Australia's aid program in the Pacific

Joint Standing Committee on Foreign Affairs, Defence and Trade

September 2007  
Canberra

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## Foreword

Australia's aid program focuses on assisting countries in the Asia-Pacific region. A considerable proportion of our aid goes towards assisting our Pacific Island neighbours. In the 2007-2008 financial year \$872.5 million will be disbursed in the Pacific, with the majority directed to assist citizens of the Solomon Islands and Papua New Guinea. Each of the Pacific Island states has different development needs – some more complex than others – and the Australian aid program seeks to address a wide range of them. The Australian Government does so in partnership with, principally, national governments; but also other donors, non-government organisations and local communities.

In the course of the inquiry, the Committee heard from a wide range of government and non-government stakeholders with an interest in development in the Pacific – Australians and Pacific Islanders alike.

A key theme to emerge throughout the inquiry was the need for strong people-to-people links between Australians and Pacific Islanders – not only for development reasons but also to promote a deeper understanding and better appreciation of our respective cultures.

Concerns were raised by some that the people-to-people links between our nations (be they government-to-government, business, civil society or educational) have reduced in recent years. However, the Committee learnt that many opportunities for engagement exist and that these are increasing. For example, Australia is expanding its scholarship assistance through the Australian Scholarships Program and will double the total number of education awards offered to the region to over 19,000.

It was with their benefits in mind that the Committee recommends that the Australian Government consider establishing a Pacific Island Youth Ambassador Scheme (similar to and possibly linked with the Australian Youth Ambassador Scheme or AusAID Development Scholarships), whereby young skilled Pacific Islanders can apply for placements in an Australian host organisation workplace for the purpose of work experience and cultural exchange. It is the Committee's view that an exchange such as this will build further personal contacts and – in time – boost cooperative networks in Australia and the Pacific.

On behalf of my Committee colleagues I wish to thank all those who took part in the inquiry process, from providing written submissions and/or oral evidence at public hearings to meeting with the Committee on other occasions. The Committee valued the candid discussions it had with witnesses, who shared many anecdotal experiences and insights.

Aid and development is a complex area in which to work. The Committee acknowledges the efforts of Australians seeking to make a difference in this field, be they AusAID officials or public servants seconded to the Pacific from other government departments and agencies such as the Attorney-General's Department, Customs, Defence and the Australian Federal Police; church groups; non-government organisations; academics; volunteers or private citizens.

All are collaborating on a daily basis with counterparts in the Pacific, working towards common goals. In some parts of the region it is more a work in progress than in others – but their efforts to promote and enhance human rights and security in the region are something that Australians can be proud of and should continue to support.

Senator M A Payne  
Chair, Human Rights Sub-Committee





## Membership of the Committee

Chair Senator M A Payne (*from 15/08/07*)

Senator A B Ferguson (*until 15/08/07*)

Deputy Chair Hon. G J Edwards, MP

Members	Senator Bartlett ( <i>from 09/12/05</i> )	Hon B G Baird, MP
	Senator P M Crossin ( <i>from 28/12/05</i> )	Mr P A Barresi, MP
	Senator A Eggleston	Mr M Danby, MP
	Senator S Hutchins	Mrs T Draper, MP
	Senator L J Kirk	Mrs J Gash, MP
	Senator the Hon. J A L (Sandy) McDonald ( <i>from 08/02/07</i> )	Mr S W Gibbons, MP
	Senator C M Moore ( <i>from 23/06/05</i> )	Mr B W Haase, MP
	Senator M A Payne	Mr M J Hatton, MP
	Senator N Stott Despoja	Hon. D F Jull, MP
	Senator R B Trood ( <i>from 23/03/07</i> )	Hon. J E Moylan, MP
	Senator R S Webber ( <i>from 23/06/05</i> )	Hon. G D Prosser, MP
	Senator M Fifield ( <i>from 17/08/07</i> )	Hon. B C Scott, MP
		Mr R C G Sercombe, MP
		Hon. W E Snowdon, MP

Dr A J Southcott, MP (*from 08/02/06*)

Mr C P Thompson, MP

Ms M Vamvakinou, MP

Mr B H Wakelin, MP

Mr K W Wilkie, MP



## Membership of the Sub-Committee

Chair            Senator M A Payne

Deputy Chair   Ms M Vamvakinou, MP

Members	Senator A Bartlett ( <i>from 09/12/05</i> )	Hon. B G Baird, MP
	Senator P M Crossin ( <i>from 28/12/05</i> )	Mr M Danby, MP
	Senator L J Kirk	Hon G J Edwards, MP ( <i>ex-officio</i> )
	Senator C M Moore ( <i>23/06/05</i> )	Mr R C G Sercombe, MP
	Senator N Stott Despoja	Dr A J Southcott, MP ( <i>from 02/05/07</i> )
	Senator R B Trood ( <i>from 23/03/07</i> )	Mr C P Thompson, MP
	Senator M Fifield ( <i>from 17/08/07</i> )	

## Committee Secretariat

Secretary	Dr Margot Kerley
Inquiry Secretary	Ms Sara Edson
Administrative Officers	Ms Jessica Butler
	Ms Emma Martin



## Terms of reference

The Human Rights Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade will review the impact of Australian aid to the Pacific in promoting and enhancing human rights and security in the region.

The inquiry will 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.



## List of abbreviations

AAAPS	Australian Association for the Advancement of Pacific Studies
ABD	Asian Development Bank
ABV	Australian Business Volunteers
ACF	Australian Conservation Foundation
ACFID	Australian Council for International Development
ACPACS	Australian Centre for Peace and Conflict Studies
ACROD	Australian National Industry Association for Disability Services
ADB	Asian Development Bank
ADDC	Australian Disability and Development Consortium
ADF	Australian Defence Force
ADS	Australian Development Scholarships
AFP	Australian Federal Police
AGD	Attorney-General's Department
ANU	Australian National University
APBC	Australia Pacific Business Council
APBCA	Asia-Pacific Business Coalition on AIDS
APEC	Asia-Pacific Economic Cooperation

APF	Asia Pacific Forum of National Human Rights Institutions
APTC	Australia-Pacific Training College
ASPI	Australian Strategic Policy Institute
AusAID	Australian Agency for International Development
AUSTRAC	Australian Transaction and Analysis Centre
AVI	Australian Volunteers International
AYAD	Australian Youth Ambassador for Development
CDI	Centre for Democratic Institutions
CIMIC	Civil Military Cooperation Unit
CUF	Credit Union Foundation
DEST	Department of Education, Science and Training
DFAT	Department of Foreign Affairs and Trade
ECF	Enterprise Challenge Fund
ECP	Enhanced Cooperation Program
EITI	Extractive Industries Transparency Initiative
FaCSIA	Department of Families, Community Services and Indigenous Affairs
FDC	Foundation for Development Cooperation
HRSC	Human Rights Sub-Committee
ICEAPS	International Centre of Excellence in Asia-Pacific Studies
IDG	International Deployment Group
IFC	International Finance Corporation
IMF	International Monetary Fund
JSCFADT	Joint Standing Committee on Foreign Affairs, Defence and Trade

MOU	Memorandum of Understanding
NGO	Non-government organisation
ODA	Overseas Development Assistance
ODE	Office of Development Effectiveness
ORG	Operational Response Group
PBP	Patrol Boat Program
PCRF	Primary Casualty Reception Facility
PIF	Pacific Islands Forum
PITIC	Pacific Investment and Trade Investment Commission
PMCF	Pacific Media Communications Facility
PMI	Pacific Media Initiative
PNG	Papua New Guinea
PNGDF	Papua New Guinea Defence Force
PPD	Political Party Development
PPF	RAMSI's Participating Police Force
RAMSI	Regional Assistance Mission to Solomon Islands
RAN	Royal Australian Navy
TI	Transparency International
VIDA	Volunteering for International Development from Australia





## List of recommendations

### 3 Improving economic management and public accountability institutions

#### Recommendation 1

The Committee notes the importance of financial services in the development of Pacific Island economies, and recommends that the Australian Government develop a focused strategy to encourage financial services development, including microfinance.

#### Recommendation 2

The Committee recommends that the Australian Tax Office, in conjunction with AusAID, consider and report on the merits and practicalities of Mr Roland Rich's proposal to amend the Australian tax rules to encourage companies to become directly involved in building private sector capacities in developing countries in the Pacific by allowing them to deduct from their taxable income the full costs incurred in providing such assistance.

#### Recommendation 3

The Committee notes the evidence of the importance to Pacific Island economies of access to developed economies for seasonal workers, and recommends an active and serious evaluation by the Australian Government of the possibility of such a scheme.

### 4 Maintaining access to basic services (especially health)

#### 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.

## **6 Supporting peace-building and community and civil society development**

### **Recommendation 5**

The Committee recommends that the Australian Government consider establishing a Pacific Island Youth Ambassador Scheme (similar to and possibly linked with the Australian Youth Ambassador Scheme, or AusAID scholarships), whereby young skilled Pacific Islanders can apply for placements in an Australian host organisation workplace for the purpose of work experience and cultural exchange.

