



**Submission No 5**

**Inquiry into Australia's aid program in the Pacific**

**Name: Mr Peter Vail**

# **Submission to the “Inquiry into Australia’s aid program in the Pacific”**

## **Summary**

The major point that I would like to make is that there will be no stability in the Pacific until the underlying causes of the problems are addressed. The key issue is that over 80% of the population of countries such as Solomon Islands and Papua New Guinea live in the rural areas. These people have seen their living standards decline and services disappear over the past 20 years. This has been the major factor in the concentration of young unemployed in the region’s capitals.

It is essential that Australia implement policies that are focused on producing real and sustainable development and deliver services on an ongoing basis to the rural areas. This is fundamental to each of the terms of reference of this inquiry, and the Australian aid program must recognise this and create broad guidelines and specific actions to address this. Current country strategies do pay lip service to these principles but the implementation is disjoint and the results to date have been very poor.

## **Background**

In countries such as Solomon Islands, Papua New Guinea and East Timor the Australian intervention has been significant and far-reaching. Unfortunately the goodwill gained by the peace missions in Solomon Islands and East Timor has been allowed to dissipate by policies that have been almost totally focused on the mechanisms of centralised government.

There has been virtually no development in the rural areas. There are a few mining projects with limited positive impact and varying results. The logging companies have not only caused great destruction, but rarely deliver even what they promise. This destruction has been both of the forests and of the communities. The latter have been deliberately divided in order to get the “signatures” to permit logging. It is hard to find any similar country where such resource projects lead to any significant development or lasting improvement in the lives of the local people.

The young people are aware of the wealth and opportunities that the outside world offers, and often have a very inflated view of the benefits. The only option they perceive is to go to the capital and compete for the available jobs. The living conditions there are cramped and harsh and the opportunities few. This leads to a large number of people existing “on the edge”. Some drift into a life of crime and there is great potential for the unscrupulous to incite trouble. This will have significant effect on the law and order situation for many years to come.

## **Australian Aid in Solomon Islands and elsewhere**

In Solomon Islands the Australian aid effort, and particularly the top-heavy manner in which the current fad of “good governance” has been implemented, has exacerbated these problems. The financial commitment has been almost entirely concentrated in Honiara. This includes the flood of highly paid advisers, together with the police and military.

The short-term law and order issues did need to be solved, and the corruption and mismanagement by the centralised Public Service addressed. However, the 30 years since independence have shown that, even with the best will in the world, services will simply not be delivered to the rural areas. This is because money will always be short and the rural people will always be the lowest priority. A centralised Public Service based on Australian principles will never have any understanding of rural needs unless it is forced to by strong and persistent demands from the rural people themselves. Transport and communications make this very difficult and expensive.

I was impressed to see the “Peace, Community Empowerment and Disaster Response” program for Solomon Islands on the AusAID website. \$32M over 5 years is a very significant amount in the context of rural Solomon Islands. What is far less impressive, however, is the total lack of detail on the AusAID website as to what is underway and planned. Furthermore there is virtually nothing on what has been achieved by previous aid projects. It is almost as if there is a complete embargo on what has been done in the past. FOCUS is a well-produced glossy publication, but by its nature will only give a superficial and sanitised overview.

## **Some directions for Australian Development Assistance**

Some form of overall strategy is needed to address the lack of development in the rural areas. This is a significant challenge and requires innovative thinking. However, considering how poor the results have been from the policies followed to date, there is much scope for improvement. I can only offer some thoughts, addressed to some of the Terms of Reference for the Inquiry:

### **Government Accountability**

At the moment government is largely seen as irrelevant and useless to people in the rural areas. This can principally be addressed by facilitating development and delivering services to them. However accountability can be improved by encouraging rural people to state what they want and giving them ideas how they can have an influence. Due to the nature of the societies this will largely need to be face to face. Democracy remains very weak in these countries because it has delivered so little. The people are aware which politicians, businessmen and public servants are corrupt, but are very reluctant to speak out both for cultural and other reasons.

### **Strengthening law and justice**

As we have found recently, when it comes to countering illegal activities by logging companies, the law is completely inaccessible and irrelevant to local people. One wonders how many of the recent rioters in Honiara have had their traditional forests illegally destroyed by foreign logging companies. Some other thoughts on bringing the law to the people - some resources to local traditional courts, some travelling village awareness, campaigns about domestic abuse and how to gain access to redress for logging injustices.

### **Improving Economic Management and Community Development**

Measures are needed to facilitate and encourage small-scale economic activity in the rural areas. There is very little rural infrastructure (e.g. transport, telecommunications, power) and apparently no strategy in place to facilitate this. Other possible approaches suggested to me are for Ministry of Commerce to run travelling book-keeping courses, furniture making courses, how to run a freezer, how to safely store food, how to hold community meetings, how to transparently report community finances, etc. These should be conducted at the basic level where people live, by people who live there.

### **The aid process**

Donor organisations (such as AusAID) must find ways to go out and find what is needed. Small aid interventions can often produce valuable results. However the program needs to be conducted in a methodical and organised fashion, and to include on-the-spot monitoring. It should be fair and be widely publicised and submissions from rural and remote communities need to be encouraged. It is not acceptable for people to need to go to Port Moresby or Honiara (or even Mt Hagen or Gizo) to make a submission. The diasporas in the capital can be encouraged to aid in the publicity and to assist. However methods must be found to give rural people the idea that aid is accessible to them without them needing to go to the capital.

Peter Vail

