

# Chapter 4

## Improving progress

### Introduction

4.1 This chapter will consider development issues in specific sectors of the aid program to PNG. In particular, it will focus on the five key areas listed in term of reference (f): governance; health and education; law and justice; and gender equality.

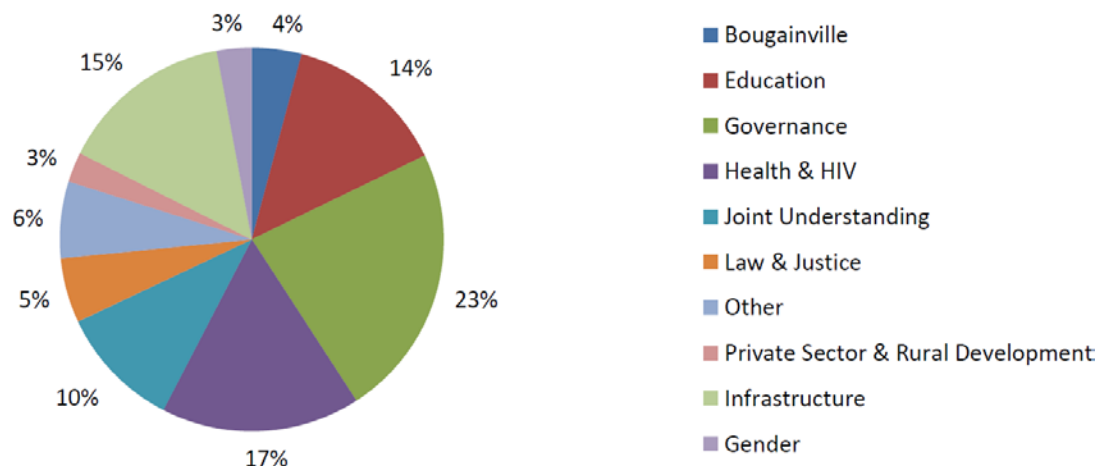
4.2 Some considered the Australian aid program to PNG had been increasingly consolidated. Mr Kimberley from DFAT described how the sectoral focus of Australia's PNG aid program has 'changed considerably' over the past 40 years:

[W]e have gone from supporting a very wide range of very worthy projects in many different sectors to focusing on support where we feel we can make the most difference. This has meant making hard decisions about where we focus our aid and, in close collaboration with the PNG government, we have chosen to focus on health, education, transport infrastructure and law and justice. Support for governance and gender equality cut across all of our programs.<sup>1</sup>

4.3 The *Aid Investment Plan* outlined the expected areas of bilateral program expenditure in 2015-16 (extracted below).

**Figure 2. Sectors of bilateral program expenditure<sup>2</sup>**

### Expected bilateral program expenditure 2015-16



1 *Committee Hansard*, 27 November 2015, p. 19.

2 DFAT, *Aid Investment Plan: PNG 2015-16 to 2017-18*, p. 9.

4.4 However, Dr Howes from the Development Policy Centre held the view that Australia's aid to PNG continues to have a wide sectoral spread. He noted that the 2010 *Review of the PNG-Australia Development Cooperation Treaty* had concluded that 'over time, as the aid program has become a smaller part of the PNG economy, it has been spread so thinly that its impact has become hard to discern'. This fragmentation was 'not only across but within sectors'.<sup>3</sup>

## Governance

4.5 During 2014-15, Australia's support for strengthened governance in PNG totalled approximately \$112 million. This support was delivered through a number of programs which focused on 'macroeconomic stability; professionalisation of the PNG public service; improved public financial management; decentralised public administration; democratic elections; even greater private sector development; and service delivery through churches and civil society'.<sup>4</sup>

4.6 Governance is the largest area of the Australian aid program and was the most frequently mentioned issue during the inquiry. For example, CARE Australia told the committee:

Poor governance underpins most development problems in PNG and governance indicators show governance has been declining. Weak governance and institutions are a key constraint on sustainable and inclusive economic growth. Service delivery is undermined by funding issues, corruption and a lack of transparency, accountability and oversight.<sup>5</sup>

4.7 However, it appeared that there has been limited improvement in governance issues in PNG. For example, Mr Flanagan pointed to research which concluded that the data suggested there 'has been little if any improvement in PNG governance over the last 15 years'. This included that the World Bank's Worldwide Governance Indicators show all six categories of governance are currently worse than they were in 1996.<sup>6</sup>

4.8 The PNG Government's District Services Improvement Program (DSIP) was often used as an example of poor governance frameworks which could undermine development efforts. Dr Standish told the committee this program allocated 'roughly A\$9 million' to each MP each year:

That is about \$900 million a year for the entire parliament. MPs, however, cannot design projects, mostly, or use these funds in sustainable services. They do not have the staff capacity in most of the districts, according to recent research...Meanwhile, crucial access roads are not maintained,

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3 *Submission 42*, p. 20, 26.

4 DFAT, *Aid Program Performance Report 2014-15: PNG*, November 2015, p. 13

5 *Submission 28*, p. 2.

6 *Submission 43*, pp 5-6.

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schools and health services are run-down. There is next to no evaluation of these funds...These arrangements severely weaken the very services which aid programs seek to influence.<sup>7</sup>

4.9 The PNG Auditor-General found a number of problems with DISP including 'a pervasive breakdown in the DSIP governance framework' and 'ineffective spending of DSIP grants including potential misuse of DSIP funds'.<sup>8</sup>

4.10 DFAT described 'good governance as 'fundamental to PNG's stability and growth'. It noted that, while Australia had sought to assist the PNG Government improve the effectiveness of its state institutions over many years, 'this effort must be strengthened'.<sup>9</sup> Mr Kimberley from DFAT argued that it was important to recognise that 'the reform of institutions and the focus of government work takes a very long time':

According to the quality of governance measure it takes states with low capacity a very long time to evolve to the lowest OECD levels—on average, 100 years. The 40 years that PNG has had are simply not enough and we must be prepared to support them in the long term.<sup>10</sup>

4.11 A recent Australian aid supported initiative to promote governance is the Pacific Leadership and Governance Precinct in Port Moresby. This project is intended to strengthen the capacity of the PNG public sector leadership.<sup>11</sup> This was launched by the Foreign Minister on 6 November 2015.<sup>12</sup> This PNG-led Australian supported initiative is intended to encourage the development of expertise and drive cultural change through 'delivering a wide range of executive-level public sector ethic and leadership courses; certificates, diplomas and undergraduate programs in public administration management; in-service training; and applied research'.<sup>13</sup> The University of PNG's School of Business and Public Policy and the PNG Institute of Public Administration 'will provide education and training to improve public policy development and its implementation, promote national development and strengthen a culture of integrity in the PNG public service'. The Precinct is intended to 'promote values-based decision making among leaders, engendering a culture of accountability and integrity, and encouraging the highest standards of professional conduct'.<sup>14</sup>

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7 *Committee Hansard*, 27 November 2015, p. 3.

8 PNG Auditor-General Office of PNG, *District Services Improvement Program*, Report 3, February 2014, p. 12.

9 *Submission 26*, p. 6.

10 *Committee Hansard*, 27 November 2015, p. 18.

11 *Foreign Affairs and Trade, Portfolio Budget Statements 2015-16*, p. 15.

12 The Hon Julie Bishop MP, Foreign Minister, 'Papua New Guinea: Pacific Leadership and Governance Precinct launch', *Media release*, 6 November 2015.

13 Mr Mat Kimberley, DFAT, *Committee Hansard*, 27 November 2015, pp 19, 27.

14 DFAT, 'Pacific Leadership and Governance Precinct', tabled on 27 November 2015.

4.12 DFAT noted that the current Australian-funded governance programs in PNG will end in 2015-16 and that a suite of new programs were being developed.

New investments will respond to the Australian aid policy and the recommendations of the PNG aid assessment. These include stronger investments in public sector strengthening and the enabling environment for the private sector, and initiatives that build demand for ethical leadership and good governance. An enhanced focus will be given to investments that empower women and youth for public and private sector leadership positions.

The programs will be delivered under a new umbrella initiative – the PNG Governance Facility. The Facility will bring greater coherence and increased efficiencies to the way we deliver governance investments in PNG in the future. Australia will apply innovation and engage the private sector directly in the delivery of these programs wherever possible.<sup>15</sup>

4.13 Mr Flanagan from the Development Policy Centre considered that '[g]overnance assistance should be the primary pillar in our aid program with PNG – this is the means of helping PNG spend its own resources more effectively and to pursue policies that foster inclusive growth'. He noted that 'international experience suggests that support for good governance can be the most effective form of aid assistance'.<sup>16</sup>

4.14 The NGOs which contributed to the inquiry broadly supported more 'bottom-up' programs to support better governance in PNG. For example, Save the Children observed:

Australia does not have enough resources, influence or power to dramatically change the nature of governance in PNG. Sustainable governance changes will take time and cannot be imposed but have to be demanded by Papua New Guineans. Formal and informal institutions of governance need to be built and owned by Papua New Guineans themselves.<sup>17</sup>

4.15 Similarly World Vision stated:

While the Australian aid program has done good work in many aspects of governance strengthening, a significant amount of funding is focused on technical assistance programs aimed at improving public administration and service delivery by seconding Australian officials to partner government agencies to serve as advisers and trainers. While assessments of these programs have been generally positive, they are also identified as among the most costly aid investments. These programs have also traditionally emphasised a 'trickle-down' approach to governance, which assumes that improvements in service delivery will eventually be achieved 'through the

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15 *Submission 26*, p. 30.

16 *Submission 43*, p. 4.

17 *Submission 41*, p. 17.

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broad strategies of developing skills across the public sector, improving the management of public financial resources and facilitating information flows'. This approach has been criticised for relying on assumptions rather than evidence, and is incompatible with the urgency with which service delivery problems in PNG need to be addressed.<sup>18</sup>

4.16 CARE Australia noted that changes to sub-national governance arrangements over time have seen greater decentralisation of powers to the districts including through District Development Authorities.<sup>19</sup> In this context, it argued there was an opportunity for the Australian aid program to increase its engagement 'with these local governance dynamics at the provincial level and below'. It noted that most of Australia's aid program has supported governance and service delivery at the national level with only a smaller portion allocated to local governance.

Overall, there is room to provide more support for strengthening the interaction between citizens and local government through building community demand and government responsiveness.<sup>20</sup>

4.17 CARE Australia recommended 15 to 20 percent of DFAT's aid allocation for PNG be spent 'on local governance to enable better service delivery and development. This spending should be in addition to support for community resilience'.<sup>21</sup> It noted that:

NGOs can play an important role is in building demand for good governance. The best way to achieve accountability in a sustained way is to build demand for governance...Local NGOs need support to interpret and advocate on public expenditure and service delivery.<sup>22</sup>

4.18 World Vision also considered that '[e]fforts to foster social accountability are particularly well-placed to support sustainable improvements to governance in PNG, as they strengthen communities' understanding of their own roles in influencing local-level decision making; a critical task among communities who have become disengaged and distrustful of governments over time.<sup>23</sup>

4.19 ACFID recommended investment in social accountability programs to increase public demand for good governance.<sup>24</sup> It stated:

Improving the capacity of PNG's government to deliver basic services is key to addressing the constraints to growth presented by PNG's poor health

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18 *Submission 32*, p. 9.

19 *Submission 28*, p. 4.

20 *Submission 28*, p. 4.

21 *Submission 28*, p. 7.

22 *Submission 41*, p. 20.

23 *Submission 32*, p. 9.

24 *Submission 22*, p. 2

and education outcomes. However there is low demand from the community for good governance and service provision in PNG. Social accountability programs (such as community scorecards and local level advocacy programs) that work with the intended recipients of services and local level government to improve service delivery are an effective approach for ensuring that government funds invested in public services result in these services being delivered and improved.<sup>25</sup>

4.20 One of the 'lessons learned' which DFAT identified in the governance sector was that '[t]op-down governance solutions in isolation have not delivered sustainable benefits for PNG citizens: assistance must operate in different governance domains (national, sub-national and community) to address the difficult task of establishing a clear line of sight between the citizen and various levels of government'.<sup>26</sup>

## Health

4.21 In 2014-15, Australia invested approximately \$100 million to improve health outcomes in PNG, through five initiatives: financing; procurement; capacity development and service delivery; multilateral partnerships; and in-country scholarships. However, it appears access to basic health services in PNG is getting worse. The *Lost Decade* report of primary health services between 2002 and 2012 found that the average health clinic in PNG saw 19 per cent fewer patients and 10 per cent lower drug availability. 41 per cent of clinics received no external funding or in-kind support and 22 per cent relied on user fees to cover operational costs. Only 20 per cent of health clinics had beds with mattresses.

4.22 While the importance of health services to human development was consistently advocated during the inquiry, there was less consistency in the areas for improvement. For example, the Burnet Institute emphasised that '[o]ne of the major constraints to poverty alleviation is poor health and, therefore, health development efforts need to be targeted explicitly to the very poor'. It noted that the Copenhagen Consensus Centre in 2013 had identified ten health interventions in the 16 most cost-effective solutions to major development challenges:

The top five value-for-money investments are fighting malnutrition; malaria medicines; expanded childhood immunisation coverage; deworming treatments for children; and expanded TB treatment. We believe that a focus by the Australian aid program on strengthening systems to efficiently deliver these highly ranked health interventions will have a major impact on the health and well-being of the people of PNG, and contribute to poverty reduction.<sup>27</sup>

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25 *Submission 22*, p. 15.

26 *Submission 26*, pp 55-56.

27 *Submission 10*, p. 11.

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## ***Health systems***

4.23 Save the Children was concerned that investment in health would not be maintained under the PNG aid program in the future. It noted that the two MDGs where PNG is most off-track compared to its Pacific neighbours are maternal and child health.<sup>28</sup> Save the Children supported the Australian Government's investment in robust health systems in PNG.

[These] will benefit women and children who are high users during pregnancy, childbirth and the early years. Strong health systems also reduce the risk of inappropriate drug administration, incomplete treatment and poor drug quality, all of which serve to drive development of antimicrobial resistance, and enable early identification and response to disease outbreaks.<sup>29</sup>

4.24 World Vision also argued that due to the critical and immediate threat to maternal and neonatal health strengthening of PNG's health systems must be a priority for Australian aid investments in infrastructure. It recommended this 'should include the provision of functioning and accessible delivery facilities and trained skilled birth attendants, support for the strengthening of PNG's health and birth registration systems, and interim investment in family- and community-level health care through a village health volunteer (or similar) model'.<sup>30</sup>

## ***Visual impairment***

4.25 Refractive error is the most frequent cause of vision impairment in PNG (47 per cent).<sup>31</sup> Vision2020 observed that 'vision impairment is both a cause and consequence of poverty'. It noted there were direct links 'between vision impairment and lack of access to opportunities (such as education, employment, and social inclusion) and to basic needs (such as health services, good nutrition, safe housing and clean water and sanitation)'. Vision2020 argued that interventions for eye health and vision care in developing countries represent excellent value for money with research suggesting that eye health and vision care programs can provide an economic return of \$4 for every \$1 invested.<sup>32</sup>

## ***Tuberculosis, malaria and HIV/AIDS***

4.26 The Burnet Institute warned that the Australian aid program in PNG needed to be flexible enough to effectively respond to 'emerging health threats, such as multi-drug resistant tuberculosis, malaria and unanticipated epidemics'.<sup>33</sup> Despite the shift

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28 *Submission 41*, p. 12.

29 *Submission 41*, p. 13.

30 *Submission 32*, p. 5.

31 *Submission 21*, p. 9.

32 *Submission 21*, p. 4.

33 *Submission 10*, p. 3.

away from recurrent financing for health operations in the Australian aid program, DFAT noted that where 'there remains an immediate public health threat, for example tuberculosis (TB) in Western Province and the National Capital District (NCD), and HIV in most-at-risk populations, Australia will continue with direct service delivery support'.<sup>34</sup>

### *Tuberculosis*

4.27 The threat of the spread of TB in the Western Province brought the committee's attention for a wide range of submitters. Professor Toole described an effective response to the TB problem in Western province as 'of utmost importance'.<sup>35</sup> The Gizra Tribe of the South Fly Electorate, Western Province stated:

Health is a major concern of the Western Province as a whole. Right now we are sitting on a time bomb with the increase in the number of TB cases and the deadly drug resistant TB which is spreading in an alarming rate especially on Daru Island which is also our Provincial capital.<sup>36</sup>

4.28 Despite Australia's push for PNG to take ownership and deliver its services for its population, because of the geographic proximity of Western Province to Australia, DFAT takes a different approach. This includes directly funding a number of positions to ensure they are fully staffed.<sup>37</sup> Mr Kimberley from DFAT noted that one of the challenges was the response of the PNG Government to support the full implementation of TB programs:

We have \$60 million invested in tuberculosis in Papua New Guinea over 2011 to 2017. The PNG government had committed at cabinet level to release \$20 million to also support that. That funding remains unreleased.<sup>38</sup>

4.29 Dr Moran from Policy Cures emphasised the need for new treatments for TB that were suitable for the conditions in PNG. She described the reasons why the current two-year treatment for multidrug resistant TB was inappropriate:

Patients have to be put in an isolation ward in hospital for many months because they have to have injections so it is not an all-oral treatment. Being put in hospital and in an isolation ward means they cannot work. If you are a woman, you cannot look after your family. Your family probably cannot come to see you because an isolation ward is probably somewhere remote.

[B]eing whisked off to some district hospital to be incarcerated in isolation to have injections is what they need to do to cure their TB but it completely does not work from the point of the patient, the economy and the family. The death rate in PNG from drug resistance is one in three. That two-year

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34 *Submission 26*, p. 18.

35 *Committee Hansard*, 21 September 2015, p. 29.

36 *Submission 3*, p. 2.

37 *Committee Hansard*, 27 November 2015, p. 22.

38 *Committee Hansard*, 27 November 2015, p. 22.



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treatment has an over 50 per cent failure rate so it is not that it is a great treatment. It is very expensive and it is also very toxic.<sup>39</sup>

4.30 The treatment regime for extensively drug-resistant TB was considerably worse. It involved a more toxic cocktail of drugs, two-years in isolation and a treatment failure rate of 84 per cent. Dr Moran advocated for a modest increase in Australian aid funding that would support the development of two new TB drugs which would be more effective treatments and more appropriate to delivery in PNG:

The amount we would need to finish those drugs would be \$5 million a year...We have analysed what is out there and these are the front-runner drugs. What is needed is \$5 million a year for two years to finish the regimen for drug resistance and \$3 million to \$5 million a year for three years to finish the regiment for drug sensitive.

4.31 In relation to these drug trials, DFAT noted that the 'Australian Government is providing \$10 million over three years from June 2015 to the TB Alliance. The funded activities include the STAND and Nix-TB trials'.<sup>40</sup>

### *Malaria*

4.32 While there has been progress against malaria in other developing countries in the Pacific, PNG has not shared this success. Ms James from the Medicines for Malaria Venture noted that PNG experiences 98 per cent of the malaria burden in the Pacific. In PNG, there were 46 malaria deaths per 100,000 in 2010 compared with 24 in the Solomon Islands.<sup>41</sup> She noted that Australia has adopted a regional leadership role in guiding and supporting malaria eradication initiatives in Asia and the Pacific, particularly through the Asia Pacific Leaders Malaria Alliance.

4.33 In 2013-2014 the previous Australian Government announced a \$10 million program support Product Development Partnerships, including \$2.5 million to support MMV's portfolio of drug development. In March 2015, the Minister for Foreign Affairs and Trade announced a further \$10 million over three years.<sup>42</sup>

4.34 Ms James described the need for new antimalarial drugs as urgent as 'emerging strains of the parasite [are] now showing resistance against the best available drugs'.<sup>43</sup> She stated:

MMV would recommend a continued focus on malaria in the context of the post-MDG era and support to ensure malaria remains on the agenda for sustainable development. This is critical in the context of PNG, where

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39 *Committee Hansard*, 21 September 2015, p. 29.

40 DFAT, response to question on notice from hearing on 27 November 2015.

41 *Submission 19*, p. 3.

42 *Submission 19*, p. 6.

43 *Committee Hansard*, 21 September 2015, p. 32.

Malaria remains endemic and the foundations for malaria control and pre-elimination strategies are still under development.<sup>44</sup>

### *HIV/AIDS*

4.35 The contribution to the response to HIV/AIDS in PNG was characterised as one of the successes of the Australian aid program. Mr Kimberley from DFAT noted that almost 20 years of Australian support against the spread of HIV has contributed to successfully arresting 'what could have been a catastrophic medical emergency on our border'.<sup>45</sup>

4.36 However, other stressed the need for continuing action. ChildFund Australia noted that '[a]round 75 per cent of pregnant women living with HIV in PNG do not receive treatment to prevent mother-to-child transmission, compared to 25 per cent of women in Kenya'.<sup>46</sup> The Australian Federation of AIDS Organisations (AFAO) stated that, while DFAT had a clear policy framework for HIV-related work in PNG, recent actions have not been consistent with these policy statements. These actions include 'massive funding cuts' to local HIV organisations by 50 per cent 'which suggest an abandonment of DFAT's previous commitment to supporting the community response to HIV in PNG'. AFAO stated:

Leaders of Igat Hope, Kapul Champions and Friends Frangipani have expressed their deep disappointment regarding DFAT's recent funding decisions. Programs are being wound down, staff are being released and regional offices are being closed. The autonomy of the organisations representing the communities most affected by HIV will be lost, and the capacity of the organisations to effectively contribute to PNG's HIV response will be significantly diminished.<sup>47</sup>

### *Nutrition and stunting*

4.37 ACFID highlighted that the 'prevalence of stunting in children at 35.5 per cent in urban areas and 50 per cent in rural areas' were both 'well above the global average'. It urged support for PNG's National Nutrition Strategy.<sup>48</sup> It noted that improvement in nutrition would have a range of benefits. It stated:

Investments in nutrition improve health outcomes by reducing pressure on health care systems and by contributing to economic growth by enabling children to reach their cognitive potential and allowing more people to fully participate in education and the workforce.<sup>49</sup>

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44 *Committee Hansard*, 21 September 2015, p. 31.

45 *Committee Hansard*, 27 November 2015, p. 22.

46 *Submission 16*, p. 5.

47 *Submission 51*, p. 13.

48 *Submission 22*, p. 14.

49 *Submission 22*, p. 14.

4.38 The Burnet Institute considered that reducing the high rate of child undernutrition should be a major objective of the Australian health sector aid to PNG. It recommended this be achieved through 'multi-sectoral programming (health, agriculture, water and sanitation, and education)'.<sup>50</sup> It considered that nutrition had been 'a blind spot in the Australian aid program in PNG despite the prevalence of stunting'. However, the Burnet Institute welcomed attention to the issue in the Australian aid program including recent membership of the Scaling Up Nutrition Movement.<sup>51</sup>

4.39 World Vision highlighted the long term consequence of high rates of childhood stunting:

With stunting rates at around 47 per cent, this is not a mere health problem confined to childhood; stunting has serious implications for adult health, with malnourished children highly susceptible to non-communicable diseases such as heart disease, diabetes and obesity in adulthood. Stunting is also accompanied by implications for mental development, and is a significant factor limiting educational outcomes for youth in PNG.<sup>52</sup>

4.40 Mr Mat Kimberley from DFAT described stunting rates in PNG as 'unacceptably high':

Childhood stunting generally occurs before the age of two. It is an outcome of maternal undernutrition and inadequate feeding in infancy and early childhood... It varies considerably throughout PNG—in the Highlands it is as much as 60 per cent and in the island regions it is lower, but it is still 38 per cent.

Analysis indicates that stunting is a result of the complex intersection between economic and behavioural issues. It is not just due to food availability and food security. Therefore, our work in PNG to support economic growth will not alone address stunting. In many low- and middle-income countries it has been demonstrated that economic growth contributes very little, actually, to the reduction of undernutrition. Targeted and coordinated policies and programs that deal with household poverty, agricultural productivity, health services, water and sanitation and education are all required to translate to success in this area.<sup>53</sup>

### ***Family planning and maternal health***

4.41 World Vision identified a need for a greater commitment in relation to family planning in PNG and the broader Pacific region. Investment in advancing women's and girls' sexual and reproductive health rights is invaluable not only for delaying pregnancy and averting significant health risks, but also for enabling girls to continue

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50 *Submission 10*, p. 3.

51 *Submission 10*, p. 12.

52 *Submission 32*, p. 5.

53 *Committee Hansard*, 27 November 2015, p. 19.

their education and women to access economic opportunities. It recommended the Australia Government explore 'culturally-appropriate means of empowering women to control their sexual and reproductive health, including through supporting facilities as well as community- and home-based delivery of information and services'.<sup>54</sup>

4.42 ACFID noted that there was a 30 per cent unmet need for family planning adversely affecting women's choices and circumstances:

Increasing access to family planning is also crucial to enabling women's empowerment in PNG. It is estimated that every one dollar spent on family planning services generates a saving of four dollars in other health spending.<sup>55</sup>

4.43 Professor Brassil from NSW Family Planning considered there has been almost no investment in family planning in PNG. She argued that in order to empower PNG women, they should be given 'the fundamentals to control their body and control their choices'.<sup>56</sup>

4.44 The Burnet Institute drew the committee's attention to a *Lancet* paper focused on advancing social and economic development by investing in women's and children's health. It stated:

The core recommended interventions include prevention of unintended pregnancy and birth through contraception and reproductive health and effective care during pregnancy, birth and the postnatal period. Reducing unintended pregnancies and maternal mortality can greatly increase the quality of life for the women of PNG and improve their education and economic potential.<sup>57</sup>

## **Education**

4.45 In 2013-14, Australia invested nearly \$75 million in programs to support PNG's basic, secondary, technical and higher education. A broad range of suggestions were made in relation to the focus of the Australian aid program in relation to education – from early childhood education to post-graduate opportunities. The value of better education in poverty reduction was repeated emphasised. ChildFund Australia stated:

Education has an intergenerational impact, with educated women more likely to send their children to school and for longer periods of time with each successive generation. It has also been found that women and girls

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54 *Submission 32*, p. 10.

55 *Submission 22*, pp 17-18.

56 *Committee Hansard*, 21 September 2015, p. 26.

57 *Submission 10*, p. 12.

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who earn an income reinvest 90 per cent of it into their families. Education is a powerful tool in poverty reduction, particularly for women.<sup>58</sup>

### ***Early childhood***

4.46 Save the Children agreed investments in vocational skills and literacy were important but argued for greater investment 'in early childhood education which delivers some of the best value for money'. It noted that interest in childhood education by the PNG Government meant that there was 'a window of opportunity for the Australian Government to capitalise on this momentum and establish a strong platform for early childhood development'.<sup>59</sup>

### ***Primary***

4.47 Research on the performance of primary schools in PNG between 2002 and 2012 found that an average school had 59 per cent more children enrolled (144 per cent more girls), 22 per cent more teachers and 21 per cent more classrooms. The average school had more text books, better quality classrooms but larger class sizes. In 2012, the PNG Government introduced a Tuition Fee Free policy and net enrolment rate for basic education has reached 79 per cent. While this fell short of the MDG of universal access, it marked important progress against PNG national targets.<sup>60</sup>

4.48 An identified problem was that the focus on quantity (in terms of access to primary education) has potentially led to shortfalls in quality.<sup>61</sup> The *PNG Attitude* joint submission described many teachers at the primary level as 'barely literate themselves' and 'passing on their ignorance to generation after generation of students'.<sup>62</sup> The World Bank described the quality of education as a 'concern'. It stated that '[a]ttention must turn to ensuring that the quality of education is keeping pace with the impressive growth in student numbers'.<sup>63</sup>

4.49 ChildFund Australia noted:

While more children are now attending primary school, the government is struggling to meet capacity, with shortages in school infrastructure, staff, teacher quality and educational equipment. Today, the average adult in PNG has only experienced around four years of formal schooling.<sup>64</sup>

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58 *Submission 16*, p. 6.

59 *Submission 41*, p. 11.

60 *Submission 26*, p. 24.

61 For example, Save the Children, *Submission 41*, p. 10.

62 *Submission 1*, p. 3.

63 World Bank, *Submission 4*, pp 13-14.

64 *Submission 16*, p. 5.

4.50 The PNG National Research Institute observed:

About thirty percent of school aged children do not enter first grade of school, of those that do, more than half drop out before they leave the final grade of school. The quality of learning is so poor that of those that do complete primary schooling, as many as fifty percent are illiterate. The net result is that possibly less than fifty percent of school aged children have access to quality education and less than fifty percent literacy rate within the wider population.<sup>65</sup>

*Secondary/vocational*

4.51 The importance of vocational education to improve movement to formal employment was also highlighted.<sup>66</sup> For example, the PNG Attitude submission recommended:

Australian aid funds should be spent to bring large numbers of Papua New Guinean students to Australia for secondary and tertiary education. More Papua New Guinean teachers and nurses can be trained in Australia, lifting the standards of those professions.<sup>67</sup>

*Tertiary*

4.52 Mr Pryke from the Lowy Institute characterised the tertiary sectors as areas of neglect in the aid program and emphasised the importance of PNG 'being able to train the next generation of competent technocrats and mid-level people in the bureaucracy'.<sup>68</sup> The Lowy Institute argued that Australia's provision of scholarships for post-graduate and some under-graduate students through the Australia Awards scheme as 'extraordinarily valuable':

According to the DFAT website, Australian aid is currently supporting 328 postgraduate study awards in Australia and 505 study opportunities in Papua New Guinea...This scheme gives the brightest Papua New Guinean students opportunities to obtain a high quality Australian degree but just as importantly to build networks with Australians.

4.53 It suggested the Australian aid program could build on the success of the scholarship scheme by integrating a wider internship or work experience element into all scholarships and by extending such a program to young Papua New Guineans not eligible for scholarships but who could benefit from work experience opportunities.<sup>69</sup>

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65 *Submission 5*, p. 5.

66 For example, Mr O'Callaghan, Church Agencies Network, *Committee Hansard*, 21 September 2015, p. 21.

67 *Submission 1*, p. 3.

68 *Committee Hansard*, 22 September 2015, p. 33.

69 *Submission 14*, p. 3.

However, Dr Howes noted that scholarship students from PNG can struggle in Australia. He proposed a number reforms:

The PNG scholarship program should be overhauled to increase the quality of the intake. This could be done by reducing the government quota, running a series of standard tests which scholarship candidates have to undertake, and dropping the work experience requirement. Living allowances to those on leave from government should be adjusted to take into account the fact that they are on leave with pay. Reliance on short-courses should be minimized and restricted to specific technical areas or skills.<sup>70</sup>

4.54 Dr Standish described the tertiary sector as 'severely under-resourced, and finds it difficult to retain qualified and experienced national and foreign staff'. He suggested:

PNG universities would be strengthened by a long-term program of attachment by Australia scholars who could help encourage and sustain the PNG national staffers. Furthermore, Australia's own skill set would also benefit greatly from more of our own people having increased experience working in this challenging environment.<sup>71</sup>

### ***Emerging leaders***

4.55 Others highlighted the importance of supporting the emerging leaders in PNG. In particular, the Lowy Institute conducts an Emerging Leader Dialogue program as part of its management of the Australia-Papua New Guinea Network:

The Dialogue brings together 20 emerging young leaders from a variety of sectors in both countries to share ideas and discuss priority national issues for both Papua New Guinea and Australia. The 2013 and 2014 Dialogues both featured highly talented young people who are very likely to go on to leadership positions in their professions, in government and possibly in political life. The majority of them have established their own community based organisations focused on delivering social goods.<sup>72</sup>

4.56 The Lowy Institute argued that the 'Emerging Leaders Dialogue model demonstrates that there is significant value to be gained from individual people-to-people contacts between Australians and Papua New Guineans'. It considered the expansion of existing professional and government-to-government networks assisted by the Australian aid program could 'multiply the contributions that individuals can make to both government and small community development initiatives'.<sup>73</sup>

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70 *Submission 42*, p. 40.

71 *Submission 25*, p. 2.

72 *Submission 14*, p. 3.

73 *Submission 14*, p. 3.

## Law and justice

4.57 The crime rate in PNG is considered among the highest in the world and is a key challenge to development. For example in Lae the homicide rate in 2010 was 66 per 100,000 persons (nine times the global average).<sup>74</sup> Many submitters emphasised that effective law and order mechanisms were essential to PNG's development and economic growth.<sup>75</sup>

4.58 DFAT noted that \$23.6 million was spent on Law and Justice in the 2013-14 Australian aid program. Mr Mat Kimberley from DFAT outlined the broad number of initiatives in this area:

In the law and justice sector we helped finalise new infrastructure at the police centre in Lae, a new police station on Manus Island, 28 separate individual police projects supporting Bougainville, and securing the site and the design for the new magisterial services headquarters in Port Moresby. We trained 1,175 police, 19 per cent of whom were women; 2,906 other law and justice officials in various police management and training programs; and 560 new recruits, 83 of whom were female, graduated from the Bomana police training college—that increased from 299 the year before. We have supported 11,272 survivors of violence, through the 14 family and sexual violence units we have established across Papua New Guinea. The number of dispossessed and completed interim protection order applications increased to 849, up from 687. We also supported over 35,800 survivors of violence, mostly women, to receive support from those family and sexual violence units. We provided counselling and medical referrals and also prosecutorial support for the 11,000 survivors.<sup>76</sup>

4.59 In particular, the PNG-Australia Law and Justice Partnership (PALJP) was a \$150 million program that operated from 2009 to June 2014. The Australian aid program continued this with the PALJP – Transition Program. The Victorian Bar told the committee that, as part of the PALJP, it has conducted advocacy skills workshops for PNG lawyers and officials including the national lawyers of the Papua New Guinea Public Prosecutor's Office, the Public Solicitor's Office and others. It has also received funding for a mentoring program for female participants of the Legal Training Institute of PNG.<sup>77</sup>

4.60 The broad benefits for an effective legal profession as an enabler of sustainable economic growth and as a mechanism to reduce poverty in PNG were emphasised by the Law Council of Australia. It noted there could be scope to support developing appropriate legal training programs for practising lawyers through the

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74 Sadaf Lakhani and Alys Willman, 'Trends in Crime and Violence in PNG', World Bank report, May 2014, p. 3.

75 For example, Victorian Bar, *Submission 12*, p.7.

76 Mr Mat Kimberley, DFAT, *Committee Hansard*, 27 November 2015, p. 21.

77 *Submission 12*, pp 4-5.



Pacific Leadership and Governance Precinct. The Law Council also drew the committee's attention to the PacLII website which provides access to electronic records of key legislation, cases and treaties from across the Pacific. While existing funding support for PacLII appeared to be ending, the Law Council believed it was 'essential to support this key service which is vital to the work of lawyers across the Pacific including PNG'.<sup>78</sup>

4.61 As part of the Joint Understanding on Further Bilateral Cooperation on Health, Education and Law and Order in 2013, 50 Australian Federal Police officers were deployed to PNG. DFAT noted that Australia has substantially increased its support to the Royal Papua New Guinea Constabulary (RPNGC) with the deployment of 73 AFP staff – 60 in Port Moresby and 13 in Lae.

The reshaped AFP engagement in PNG is increasing the professionalism of the RPNGC. AFP officers are being deployed in core advisory and mentoring roles, and we are expanding training opportunities for RPNGC members in Australia.<sup>79</sup>

## Gender inequality

4.62 Gender equality in PNG is currently among the worst in the world. In its 2014 HDR report on PNG, the UN Development Programme particularly noted 'the very poor indicators relating to gender disparity and inequality, with women in Papua New Guinea having consistently lower education and health indicators, and being subject to high levels of gender-based violence'.<sup>80</sup> CARE Australia noted:

Women have high workloads and are largely responsible for PNG's annual food production but hold only half the number of formal sector jobs that men do. Women experience some of the highest maternal mortality rates in the world, women and girls have lower literacy rates than men and boys and are subjected to high levels of family and sexual violence. Women occupy very few formal leadership positions from the village level upwards.<sup>81</sup>

4.63 The International Women's Development Agency (IWDA) recommended that Australia's bilateral program specifically consider the needs, concerns, interests and priorities of women at every stage – in consulting stakeholders, developing strategy, designing and implementing programs, assessing impact and learning, and iterating improvement. The IWDA argued:

Persistent, profound, and widespread gender inequality, formal and informal discrimination, multiple systemic barriers to women's civil, political and economic participation and an epidemic of violence against women exists in Papua New Guinea. Unless Australia reflects the

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78 *Submission 39*, p. 10.

79 *Submission 26*, pp 27-28.

80 UNDP, *2014 National Human Development Report: Papua New Guinea*, p. 3.

81 *Submission 28*, p. 2.

significance of this situation through a concerted effort to address it in our bilateral aid program, it is effectively accepting and potentially reinforcing ongoing human rights violations and structural impediments to PNG's social, political and economic development.<sup>82</sup>

4.64 DFAT stated that '[g]ender equality and women's empowerment are vital to PNG's economic and human development'. It noted that the Australian Government has set a target requiring that at least 80 per cent of Australian aid investments, regardless of their objectives, will effectively address gender issues in their implementation.<sup>83</sup> Australia's aid program would continue to invest in:

- women's voice in decision-making, leadership, and peace-building;
- women's economic empowerment; and
- ending violence against women and girls.

4.65 However, ACFID noted that Performance of Australian Aid 2013-14 report found that investments across the Pacific performed below average on addressing gender, with 67 per cent of programs effectively addressing gender compared to a global average of 74 per cent – well below the target of 80 per cent across Australia's aid program.<sup>84</sup>

4.66 Coffey advised that it could be difficult to develop a consistent approach in PNG 'because of tensions associated with ownership of gender and women's issues'. It noted that '[p]rograms often have to be delivered in an environment where responsibilities are contested by various agencies'. It noted this creates tensions and 'donors need to carefully deal with the politics around these responsibilities'.<sup>85</sup>

4.67 Providing higher level skills opportunities for women was also perceived as important. For example, Advance Cairns suggested that Australian organisations which support the career of women, such as Women on Boards, who provide a range of programs preparing women for board roles in Australia, could be utilised as a vehicle for senior PNG women to forge relationships and develop skills for future board and other leadership roles.<sup>86</sup>

### ***Gender based violence***

4.68 Gender based violence is a significant constraint to women's social, economic and civic participation and to development in PNG. The committee received evidence regarding a range of programs to reduce gender based violence in PNG and the need for more resources to support victims.

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82 *Submission 29*, p. i.

83 *Submission 26*, p. 35.

84 *Submission 22*, pp 15-16.

85 *Submission 24*, p. 6.

86 *Submission 36*, p. 3.

4.69 ChildFund Australia noted that the typical barriers to preventing the abuse of women and children include the fact that family violence is usually a hidden crime, occurring in family homes and behind closed doors. In PNG, cultural norms mean that too often family violence is not seen as a crime but as a normal part of family life, and those tasked with law enforcement are reluctant to intervene in what is seen as a private matter. Traditional practices such as early marriage, dowry systems, beliefs in sorcery and a lack of education for girls exacerbate the problem.<sup>87</sup>

4.70 ACFID recommended that the Australian aid program invest in programs targeting cultural attitudes towards family and gender based violence, which engage all sections of the community in behaviour and attitude change. Additionally, women's access to law and justice services should be strengthened, including through programs with a focus on support for female [police] officers.<sup>88</sup>

4.71 The Church Agencies Network highlighted the effectiveness of churches in shifting cultural attitudes in PNG in relation to gender based violence and discrimination.<sup>89</sup> It noted that through the PNG Church Partnership Program (CPP), 'church leaders clearly recognise that they have been part of the problem, and therefore it is essential they are part of the solution':

CPP churches are now working together to develop a Theology of Gender Equality and a gender strategy that all participating churches in PNG can use as a tool to improve gender outcomes throughout the entire program. This strategy will provide a mechanism of working from the hierarchy to the grassroots of the seven PNG mainline churches, and will contribute to attitudinal change and a reduction in violence for women and children.<sup>90</sup>

### ***Child protection***

4.72 Save the Children welcome the gender measures in the Australia aid program but argued there was minimal attention directed towards tackling the inter-related issue of child abuse. It advocated for Australian Government support of a Child Protection Policy for the PNG Government. The establishment of a 'specialised unit to assist aid partners to implement DFAT Child Protection Policy' and support to adequately fund and strengthen the PNG Department of Community Development were also recommended.<sup>91</sup>

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87 *Submission 16*, p. 7.

88 *Submission 22*, p. 17.

89 Mr O'Callaghan, Church Agencies Network, *Committee Hansard*, 21 September 2015, p. 17.

90 *Submission 23*, p. 3.

91 *Submission 41*, p. 15.

## Committee view and recommendations

4.73 Poor governance underpins many of the development problems in PNG. The committee is concerned that the governance indicators for PNG do not appear to be significantly improving over time. Given the large portion of the Australian aid program devoted to supporting better governance in PNG, the committee supports the proposals made for social accountability programs to bolster the capacity of local PNG communities to demand better services. For the committee, this was best illustrated in the findings of the *A Lost Decade* which highlighted the important role of local governance of schools to successful development outcomes.

### Recommendation 9

**4.74 The committee recommends that the Australian Government's Governance Facility include a social accountability program to support local communities in Papua New Guinea demand better services.**

4.75 As indicated by the Burnet Institute and others, the health sector contains a large number of cost-effective areas of intervention. The committee will focus on several specific areas.

4.76 The committee was convinced by the evidence regarding the urgent need to develop new drugs to treat multi-drug resistant and extensively drug resistant TB. New drugs and treatments not only need to be effective, they need to be suitable for use in countries like PNG, which have limited health infrastructure. This appears to be an area where a relatively small investment could have a large impact particularly in PNG and other developing countries.

4.77 The Australian Government has committed significant resources to combat the suffering caused by tuberculosis (TB) in PNG. The Partnership Arrangement signed in March 2016 reaffirmed the commitment of both governments to increase efforts to address TB in PNG. Nonetheless, the committee considers the seriousness of this issue is still underestimated. This is a policy area where prevention is much better than a cure. The importance of effective measures to prevent TB have recently been emphasised by the establishment of the cross-party Australian TB Caucus chaired by the Hon Warren Entsch MP and Mr Matt Thistlethwaite MP.

4.78 Some progress has been made in building the capabilities of PNG in responding to TB. Nonetheless, recent reports of PNG government funding shortfalls to the Department of Health in relation to the spread of drug-resistant TB are concerning. Medical researchers, Dr Jennifer Furin and Dr Helen Cox, reporting on the outbreak of multi-drug resistant tuberculosis on Daru Island, have described it as 'alarming' and called for more resources to assist PNG to manage the crisis. This should continue to be an area for urgent attention for the Australian aid program. This is not a distant concern. In 2013, a PNG national, Ms Catherina Abraham, died of drug resistant tuberculosis in a Cairns hospital.

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**Recommendation 10**

**4.79 The committee recommends that the Australian Government increase:**

- **its support for measures to prevent the spread of tuberculosis in the Western Province of Papua New Guinea; and**
- **funding for the development of new treatments for tuberculosis suitable for development countries.**

4.80 The committee was shocked by the continuing high rates of childhood malnutrition and stunting in PNG. This will have an ongoing impact on development outcomes in PNG for decades. This appears to be a persistent problem in need of an urgent response. The committee is not satisfied with the current response of the Australia aid program to this issue. DFAT has suggested a multi-sector approach, drawing on experience of the aid programs to Timor Leste and Indonesia, which could be progressed with ACIAR and the main food suppliers to PNG.<sup>92</sup> The committee calls on the Australian Government to prioritise a new program to reduce childhood malnutrition and stunting and track its progress as an indicator of the overall success of the aid program to PNG.

**Recommendation 11**

**4.81 The committee recommends the Australian Government prioritise a new program to reduce childhood malnutrition and stunting in Papua New Guinea and track childhood malnutrition and stunting as a human development performance benchmark of the Australian aid program.**

4.82 The accessibility of elementary education appears to have gradually improved in PNG, but concerns were raised regarding the quality of education. The Australian aid program is already involved in the training of teachers and this appears to be an obvious area where Australia can add value.

**Recommendation 12**

**4.83 The committee recommends that the Australian Government increase the support for the training of primary school educators in Papua New Guinea.**

4.84 The committee supports the emphasis placed on gender equality and women's empowerment in the Australian aid program. In particular, gender based violence inhibits the human development of PNG. The committee was impressed with the broad range of Australian aid programs attempting to effect cultural changes in communities on these issues. However, these programs did not appear to be coordinated or have mechanisms for sharing resources and materials. In the view of the committee, this could act to support and enhance the impact of these programs.

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92 *Submission 26*, p. 59.

**Recommendation 13**

**4.85 The committee recommends that the Australian Government investigate options to coordinate and support aid programs focused on cultural change in gender inequality and gender based violence.**