

Dissenting report by Coalition Senators

1.1 Australia has a complex, wide-ranging and cooperative relationship with Papua New Guinea (PNG), including through the Australian aid program. The committee's inquiry into the delivery and effectiveness of the Australian aid program has been a valuable opportunity for those affected to raise issues during a period of significant reform.

1.2 Unfortunately, Coalition Senators cannot agree with all the recommendations made in the majority report. In particular, Recommendations 1 and 2 which relate to the funding levels and priorities of the aid program. The difficult decisions made by the Coalition Government to reduce the rate of growth in spending on Australian aid have been a consequence of the deteriorating budgetary situation caused by the previous government. Nonetheless, Australia will provide an estimated \$3.8 billion in total Official Development Assistance (ODA) in 2016-17. This makes Australia approximately the 12th largest donor in the OECD.

1.3 The Australian aid program in PNG – Australia's largest bilateral country program – is designed to help PNG reduce poverty and achieve sustainable growth.

1.4 A stable and prosperous PNG is in Australia's interests, but PNG still faces significant development challenges. Traditional approaches to aid are no longer good enough. Aid alone is not a panacea for reducing poverty. The most effective and proven way to reduce poverty is to promote sustainable economic growth.

1.5 Australia's aid program recognises that the private sector is the engine room of economic growth and job creation and essential to promoting sustainable poverty reduction. Thirty per cent of the PNG aid program focuses on private-sector led growth and aid for trade, increasing effective partnerships with the private sector, expanding support for women's empowerment, and increasing the program's focus on Bougainville.

1.6 The Australian Government is focused on leveraging Australian expertise to support infrastructure investments across a range of sectors including health, education and transport. This reflects the role of infrastructure in enabling economic growth and poverty reduction. Infrastructure can enable greater connectivity between businesses, improving economic integration and growth. Improved infrastructure also ensures that households, including women and girls, can access the services they need to improve their lives. This commitment also recognises Australia's considerable experience and expertise in PNG's infrastructure sector, particularly in relation to road rehabilitation and maintenance.

1.7 Australia is continuing to invest in health, education and law and justice outcomes in PNG. Recognising the sovereign responsibility of PNG to deliver basic services for all of its citizens, Australian aid is increasingly focused on building PNG's own capacity to deliver such services, including to the most remote communities. Evidence presented to the Committee highlighted that partnerships between the PNG

government and NGOs which combined service delivery with training and capacity building of PNG people and facilities provide effective governance and outcomes. In particular, Coalition Senators support the main committee report observations regarding the very effective work of YWAM Medical Ships Australia.

Increasing our aid program in PNG

1.8 The continuing importance of the Australian aid program to PNG has been recognised in the 2016-17 Budget. For PNG, bilateral aid funding will be maintained at \$477.3 million in 2016-17.

1.9 The Labor Government took \$5.7 billion from the aid program over the final 18 months of Government. During this time, their target of 0.5% of the aid budget as a percentage of GNI was repeatedly delayed.

1.10 The total PNG aid program has been increased in the 2016-17 aid budget, from \$554.5 million to \$558.3 million. PNG continues to be Australia's largest bilateral aid program.¹

1.11 The Australian Government's aid program in PNG was reviewed in 2014 and the Australian and PNG government's developed a new partnership model that reflects the growing maturity of the relationship between these two near neighbours. The program more closely aligns with the development objectives of the PNG government and respects the sovereignty of PNG.

1.12 Coalition Senators note that total Australian Official Development Assistance (ODA) to PNG has increased by over 10 per cent under the Coalition Government.

2016-17 aid program to PNG

1.13 The 2016-17 aid program to PNG will focus on promoting effective governance, including strengthening public sector leadership, performance and accountability, sub-national service delivery, community engagement, electoral reform, combatting corruption, strengthening access to justice, and assisting the Government of PNG to build an effective public service through the Pacific Leadership and Governance Precinct.

1.14 The aid program will continue to enable economic growth, through promoting private sector growth, support for infrastructure, developing the workforce, and investments that lower the costs of doing business, reducing risk and improve productivity; assisting the Government of PNG to deliver its road maintenance programs and improving aviation and maritime safety and security.

1.15 Australia's aid program will enhance human development by assisting PNG to develop its own capacity to deliver services. Health investments will target maternal

1 DFAT, *Australia Aid Budget Summary 2016-17*, May 2016, p. 11.

and child health and communicable disease control and support key areas of the health system, including workforce, infrastructure and financing. Australia will assist to redevelop the Lae ANGAU Memorial Hospital in collaboration with the Government of PNG.

1.16 The program will support more students to enrol in and complete school, further their education, and to enter the workforce with the skills they need. Australia will improve access and learning outcomes for girls and boys in primary schools by building and furnishing classrooms and teachers' houses, and providing training on good water, sanitation and hygiene practices.

1.17 Coalition Senators note that the Australian Government continues to promote sustainable economic growth through private sector led growth and aid for trade initiatives.

Results of Australia's aid program

1.18 The Australian Government has designed a program that is supporting the PNG Government promote sustainable economic growth and human development and Australia's aid program has achieved impressive results in PNG.

1.19 In 2014-15 almost 20 per cent of Australia's development assistance to PNG was invested in health.

1.20 In 2014-15, with Australia's support, 75 per cent of the 16 national priority roads in PNG were maintained in good condition. Five hundred and sixty (560) police recruits (including 83 women) were trained to an improved curriculum and graduated from the police college in 2014, up from 229 in 2013.

1.21 Over 2014-15, 992 village court officials across PNG were provided with improved training, enabling about 459,000 people to access better standards of justice.

1.22 Australia's education assistance in PNG supports the delivery of the National Education Plan 2015-20 and the National Training and Higher Education Plan 2015-19. The completion of quality assessment processes for six universities was a significant achievement, representing a key step in improving the quality of PNG higher education. Australia, working with the Department of Education, also built 80 double classrooms, 40 teacher houses and 48 ablution blocks, to help meet critical infrastructure gaps; and supported 5000 student teachers to improve English language competency. As a result of targeted outreach and support, over half (55 per cent) of Australia Awards scholarships were awarded to women.

1.23 In PNG, progress is slow and uneven. Australian support continues to contribute to more midwives being trained and registered, with an increase of 128 per cent in registered midwives compared to 2012.

1.24 Australia continues to play a leading role in promoting gender equality in the Pacific. In PNG, Australia promoted women's economic empowerment through investments in the private sector and rural development. Cash-cropping opportunities for women were opened up in the Eastern Highlands Province, with over 2,000 extension workers, farmers and family members trained on gender equity and diversity, family business management, and training and facilitation skills.

1.25 Australia is helping survivors of violence. For example, by June 2015, Australia had supported PNG to establish 15 Family and Sexual Violence Units and four Family and Sexual Violence Desks in police stations across the country. Since 2010, over 35,800 survivors of violence, mostly women, have received support from these units. In 2014, 11,272 (mostly female) survivors of violence received services, up 20 per cent from 2013.

1.26 Australia's aid program to PNG promotes gender equality and disability inclusion. The aid program has played a leading role in promoting gender equality in PNG, including by supporting around 35,800 survivors of domestic violence and Family and Sexual Violence Units and four Family and Sexual Violence Desks in police stations across the country.

1.27 Australia has helped to facilitate inclusive development across the Pacific. In PNG, through the Strongim Pipol Strongim Nesen program, Australia provides grants to lead disability organisations such as the National Orthotics and Prosthetics Service (NOPS) and Motivation Australia who distribute assistive devices. In 2014, key results included the distribution of 400 wheelchairs including technical fitting and training by Motivation Australia, NOPS and PNG Assembly of Disabled Persons; and the distribution of 8,000 assistive devices.

1.28 Coalition Senators note the ongoing commitment of the aid program to inclusive and equitable development in PNG, including disability-inclusive development.

1.29 A more stable and prosperous PNG is in the interests of a secure Indo-Pacific region and Australia's national interests.

Recommendations

Recommendation 1

1.30 That the Australian Government continues to recognise and support the important role played by the churches, NGOs, and other civil society organisations working in PNG.

Recommendation 2

1.31 That the Australian Government continues to encourage the building of new partnerships between these organisations and the PNG Government and seeks to build local capacity to tackle development challenges.

Recommendation 3

1.32 That the Government continues to fund cooperative efforts such as the partnership between Youth with a Mission (YWAM) medical ships organisation, the Australian Government and PNG Government entities in the effective delivery of health care and medical training services in remote and isolated regions of PNG.

1.33 There are a number of recommendations in the majority report that Coalition Senators can support. These include:

- that the key policy documents of the PNG aid program articulate how development objectives align with the Sustainable Development Goals (Recommendation 4);
- the examination of an expanded program to link institutions in Australia and PNG for the purposes of capacity building (Recommendation 7);
- an assessment of cross-border initiatives between Australia, PNG and Indonesia (Recommendation 8);
- increased support for measures to prevent the spread of tuberculosis in the Western province and funding for new tuberculosis treatments suitable for developing countries (Recommendation 10);
- a new program to reduce childhood malnutrition and stunting and including this indicator as a performance benchmark of the Australian aid program (Recommendation 11);
- increased support for the training of primary school educators in PNG (Recommendation 12); and
- coordination and support for programs focused on cultural change regarding gender inequality and gender based violence (Recommendation 13).

Senator Chris Back
Deputy Chair

Senator David Fawcett

