



Ministerial Submission

For: MR SMITH (ACTION) MR MCMULLAN (THROUGH) MR KERR (THROUGH)

From: Scott Dawson (DDG PPD; ext 4004) Contact Officer: Simon Dawkins (PAC; ext 4709)

Subject: ANSWERS TO QUESTIONS ON NOTICE FROM SENATE COMMITTEE INQUIRY INTO PNG AND THE PACIFIC 02 JUN 2009

Urgency: By 10 June 2009, in order to meet Senate tabling deadlines.

Key Issues:

AusAID gave evidence at the 12 March 2009 hearing of the Senate Foreign Affairs, Defence and Trade Committee *Inquiry into the economic and security challenges facing Papua New Guinea and the island states of the southwest Pacific*. Three questions were taken on notice at the hearing. This submission seeks your (Mr Smith's) approval of AusAID's proposed responses.

Recommendations:

That you:

- (a) Approve the proposed response to question on notice 1 at Attachment A
- (b) Approve the proposed response to question on notice 2 at Attachment B
- (c) Approve the proposed response to question on notice 3 at Attachment C

Decision:

~~Approved/Not~~
Approved

~~Approved/Not~~
Approved

~~Approved/Not~~
Approved

~~Please Discuss~~

Action

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Stephen Smith
05/06/09

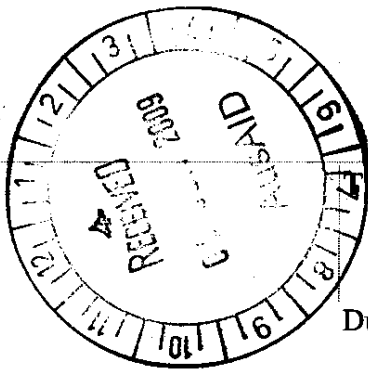
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Bob McMullan
/ /09

Duncan Kerr
/ /09



Scott Dawson
Scott Dawson, Deputy Director General
Pacific and Papua New Guinea Division

Consultation: DAFF

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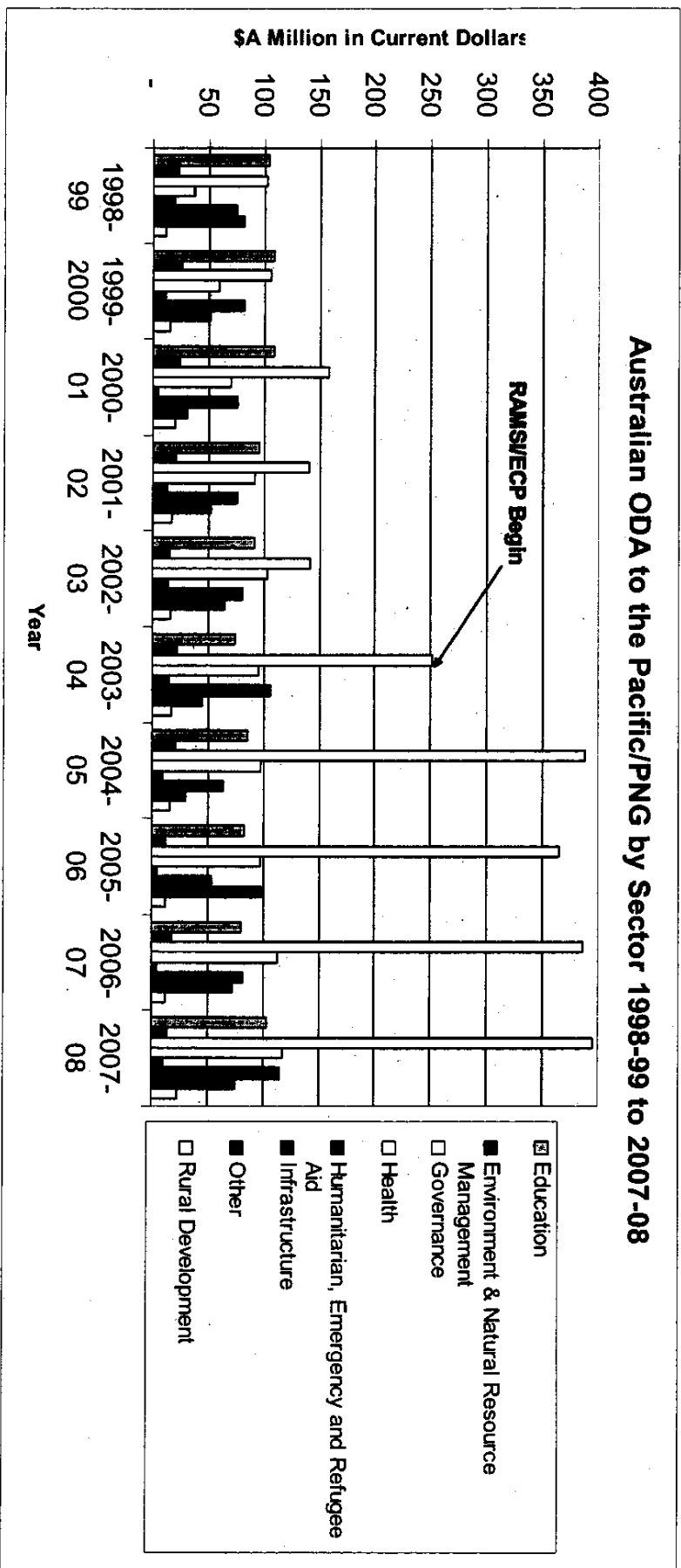
QUESTION ON NOTICE 1: AUSTRALIAN ODA TO PACIFIC/PNG BY SECTOR

Q: “Can you take on notice giving us a sectoral breakdown on the same basis as in the 2008-09 budget papers of Australia’s ODA for the past 10 years so we can see what has happened there in a trend sense?”

Australian ODA by Key Sector to the Pacific/PNG, 1998-99 to 2007-08, in Current Dollars										
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Education	103,691,568	109,162,710	109,021,821	94,898,928	90,881,178	73,211,265	85,512,552	82,304,488	79,231,923	102,575,291
Environment & Natural Resource Management	22,410,838	25,464,356	23,321,864	20,768,385	15,081,811	21,179,902	20,250,512	11,744,340	17,775,769	13,528,498
Governance	102,134,419	106,271,494	157,603,502	140,443,977	141,066,277	252,112,239	388,586,365	364,992,358	385,947,354	395,287,186
Health	36,307,487	59,139,112	69,499,731	90,848,618	102,510,887	95,259,850	96,829,078	97,394,834	112,552,324	118,063,726
Humanitarian, Emergency and Refugee Aid	18,434,030	11,005,281	3,469,921	13,194,309	13,955,353	14,556,908	8,840,334	3,444,601	3,676,535	9,524,228
Infrastructure	74,632,381	81,573,519	75,682,108	75,702,761	80,203,366	105,658,096	63,252,431	52,893,796	81,181,145	114,342,299
Rural Development	10,789,302	14,772,000	19,186,863	16,692,833	15,990,840	16,821,013	16,036,851	11,419,619	11,462,533	22,799,414
Other	80,948,236	51,226,712	30,858,007	51,634,590	64,902,716	44,426,665	29,132,848	99,390,324	71,455,014	74,706,050
Grand Total	449,348,261	458,615,184	488,643,816	504,184,401	524,592,428	623,225,940	708,440,973	723,584,361*	763,282,596*	850,826,693*

* In some case total sectoral ODA in this table may differ from Pacific and PNG ODA reported in yearly Ministerial Statements on Australia’s International Development Assistance Program. Differences may be due to a number of factors, including the apportioning of some global program expenditure to PNG and the Pacific, which is not reflected in the data included above.

Australian ODA to the Pacific/PNG by Sector 1998-99 to 2007-08



Note: The Regional Assistance Mission to the Solomon Islands began in mid-2003, while Australia and Papua New Guinea agreed to the Enhanced Cooperation Program (ECP) — now known as Strongim Gavman Program — in December 2003.

QUESTION ON NOTICE 2: AUSTRALIAN GOVERNMENT INVOLVEMENT IN PNG AND THE PACIFIC

Q:

“Can you take on notice whether there are other agencies or departments you are engaged with? Please provide a brief written overview of their work and the role they are undertaking on your behalf?”

A:

The following is a list of Australian Government agencies that are engaged with the Australian Agency for International Development in PNG and the Pacific and the programs in which they are involved in delivering official development assistance (ODA). Broadly, Australian agencies provide expert public sector advice and foster institutional linkages, including through the Strongim Gavman Program (SGP) in PNG, the Regional Assistance Mission to Solomon Islands (RAMSI), twinning programs and the International Seminar Support Scheme (ISSS). Coordination mechanisms are in place where a range of agencies contribute to a particular country or sector; for example, the PNG and Pacific Law and Justice Steering Group. There are also instances where agencies are directly appropriated ODA funding to implement development assistance activities – for example, Australian Federal Police support to RAMSI and Department of Environment, Water Resources, Heritage and the Arts management of the Kokoda Development Program.

Attorney-General's Department

- PNG: - Strongim Gavman Program
Pacific: - Tonga Police Development Program
- Legal drafting, including on Public Service Act and Fisheries Act (Kiribati)
- Library twinning
- Financial Intelligence Unit (Micronesia)
- Transaction Tracking Unit (Tuvalu)
- Tuvalu Law Revision Project.

AUSTRAC

- Pacific: - Pacific Regional Financial Intelligence Unit Capacity Building

Australian Broadcasting Corporation

- PNG: - Media Development Initiative
Pacific: - Pacific Media Assistance Scheme
- Developing a community of practice in corporate governance of Pacific media organisations

Australian Bureau of Statistics

- Pacific: - Vanuatu National Statistics Office
- Strengthening the Pacific Islands Countries' National Statistical Systems

Australian Centre for International Research

- PNG: - ACIAR - AusAID Partnership for Agricultural Research

Australian Customs Service

- PNG: - Strongim Gavman Program
- PNG-Australia Customs Twinning Scheme
- Pacific: - Regional Trade Facilitation Program (through Oceania Customs Organisation)
- Economic Governance Pillar of the RAMSI Development Program
- Pacific Customs Management Program
- Fiji Textile, Clothing and Footwear Training and Productivity Support Program

Australian Electoral Commission

- PNG: - PNG Electoral Commission (PNGEC) and Australian Electoral Commission (AEC) twinning to support implementation of PNGEC's corporate plan.
- Pacific: - Pacific Island and New Zealand Electoral Administrators Network
- Melanesian Voter Registration Working Party
- Generic Voter Registration Party
- Election support (Fiji)

Australian Federal Police

- Pacific: - Vanuatu Police Force Capacity Building Project
- Nauru Police Capacity Building Program (funded and managed by AFP, but covered by the same MOU as AusAID programs)
- Samoa Law and Justice Sector engagement
- Tonga Police Development Program

Australian Fisheries Management Authority

- PNG: - PNG Officer Exchange

Australian Human Rights Commission

- Pacific: - Progressing disability issues in the Pacific

Australian National Audit Office

- PNG: - Strongim Gavman Program
- PNG-Australia Audit Office Twinning Scheme

Australian Office of Financial Management

- PNG: - Strongim Gavman Program
- Pacific: - Economic Governance Pillar of the RAMSI Development Program

Australian Prudential Regulation Authority

- Pacific: - Pacific Prudential Supervision Project

Australian Public Service Commission

- PNG: - Twinning scheme under development with PNG public service

Australian Quarantine and Inspection Service

- PNG: - Twinning program with NAQIA

Australian Taxation Office

- PNG: - Strongim Gavman Program
- PNG-Australia Tax Office Twinning Scheme

Bureau of Meteorology

Pacific: - Cyclone Warning Services

Commonwealth Director of Public Prosecutions

Pacific: - Pacific Prosecutors Forum

Commonwealth Ombudsman

PNG: - Twinning scheme with the PNG Ombudsman

Pacific: - Pacific Island Ombudsman regional support mechanism

Commonwealth Scientific and Industrial Research Organisation

Pacific: - Safe Movement of Tree Germplasm

Department of Agriculture, Fisheries and Forestry

Pacific: - Pacific Fisheries program

Department of Climate Change

Pacific: - Pacific Fisheries Program

Department of Defence

PNG: - Strongim Gavman Program

Department of Environment, Water, Heritage and the Arts

Pacific: - Pacific Fisheries Program

- Streamlining Reporting by Pacific Island Countries to Multilateral Environment Agreements

Department of Finance and Deregulation

PNG: - Strongim Gavman Program

- PNG-Australia Finance Twinning Scheme

Pacific: - Nauru Economic Advice and Governance Assistance program (EAGAP)

- Economic Governance Pillar of the RAMSI Development Program

Department of Foreign Affairs and Trade

PNG: - Strongim Gavman Program (coordinator)

Pacific: - Pacific Seasonal Worker Pilot Scheme

- Regional Trade Facilitation Program (through Oceania Customs Organisation)

- Marshall Island Diplomacy Training

Department of Health and Ageing

PNG: - Laboratory and Clinical Capacity Building Package of Measures in Western Province

Pacific: - Pacific Senior Health Officials Network

Department of Immigration and Citizenship

PNG: - Strongim Gavman Program

Department of Infrastructure, Transport, Regional Development and Local Government

PNG: - Strongim Gavman Program

Pacific: - Financial Management of Pacific Aviation Safety Office

- Aviation Security Officer Exchange Tonga

Department of Innovation, Industry, Science and Research

Pacific: - Fiji Textile, Clothing and Footwear Training and Productivity Support

Department of the Treasury

PNG: - Strongim Gavman Program

- PNG-Australia Treasury Twinning Scheme

Pacific: - Nauru Economic Advice and Governance Assistance program (EAGAP)

- Economic Governance Pillar of the RAMSI Development Program

Federal Court of Australia

Pacific: - Promoting Mediation in the Pacific

Geosciences Australia

PNG: - Twinning scheme for the Rabaul Volcanological Observatory

Pacific: - Continental Shelf Delineation

Government Skills Australia

PNG: - Twinning scheme under development with PNG public service

National Archives of Australia

Pacific: - Recordkeeping Train-the-Trainer Course

NSW Attorney General's Department

Pacific: - Vanuatu Legal Sector Strengthening Program

Queensland Department of Education Training and the Arts

Pacific: - Development and implementation of facilities management plan for Kiribati Ministry of Education

QUESTION ON NOTICE 3: PACIFIC FISHERIES

Q:

Part 1: "Could I ask you to give us a status report on the pilot program [of the Forum Fisheries Agency]"

Part 2: "Could I ask you to give us a breakdown of core and additional financing for priority programs ... What assistance, if any, does Australia provide to Pacific Island countries to assert their interest in relevant international fora to protect their own interests in terms of access to the stock, control of the stock, and licence fees et cetera?"

A:

Part 1

Status report - aerial surveillance trial conducted by the Forum Fisheries Agency

The Australian aid program provided \$500,000 supplementary funding to the Pacific Islands Forum Fisheries Agency to develop a Regional Monitoring, Control and Surveillance Strategy. The first stage in the development of this strategy is currently underway, involving a number of short term trials, audits and assessments. As part of this process, the Forum Fisheries Agency conducted a trial to assess the viability of using commercial aerial surveillance resources and systems to enhance maritime surveillance activities in the Southwest Pacific.

The Forum Fisheries Agency contracted aerial surveillance equipment and personnel from an Australian commercial surveillance provider, Surveillance Australia. The aircraft used for the trial was a Reims-Cessna F406 twin turboprop aircraft fitted with a range of surveillance equipment and it was operated from Rabaul, Papua New Guinea. The trial clearly supported the concept of using purpose fitted commercial aircraft for maritime surveillance.

The trial outcomes for the aircraft and systems included:

- The aircraft and systems are *suitable to highly suitable in terms of system operations and coordination* in a regional centre in the Southwest Pacific and are interoperable with regional operations and systems including the Pacific Class Patrol Boats;
- The aircraft and systems *performed highly* in terms of system reliability and surveillance coverage, flexibility, communication and the quality of evidence packs; and
- The aircraft represented *excellent cost-effectiveness* per square nautical mile of surveillance.
- *Drawbacks identified* in the trial included i) the potential transit costs to more distant areas in the Pacific region, and ii) issues with the range of the Reims-Cessna F406 that would limit its use throughout the Southwest Pacific to mid-range distances.

In summary, the Surveillance Australia Reims-Cessna F406 proved to be a capable and cost effective inshore and mid-range surveillance aircraft (see Annex A for further details).

Recommendations arising from the trial were that:

1. The concept of using commercial aircraft for maritime surveillance be accepted as a viable option for some areas in the Southwest Pacific.
2. The Reims-Cessna F406 aircraft be considered suitable for inshore and mid-range surveillance operations in relatively close proximity to Australia (i.e. PNG, Solomon Islands, Vanuatu) due to potential transit costs.
3. A second, comprehensive trial be conducted in 2009 using aircraft more suitable for working over longer distances and in remote operating areas to further test the concept of commercial aerial surveillance for the region.

Annex A

Assessment Checklist:

Suitability	Highly Suitable	Suitable	Satisfactory	Below Needs	Not Suitable
Deployment arranged with minimal input and resources from contracting party	√				
Base of operations meets both surveillance system and operational needs		√			
System operators arrange necessary approvals and clearances with minimal involvement from contracting party		√			
System operators arrange necessary administrative and logistic needs with minimal involvement from contracting party		√			
System proved to be self sustaining during transit	√				
System proved to be self sustaining during operations	√				
Operators adapted to fit with national / regional operational models		√			
Daily flights coordinated easily and effectively	√				
Post flight information received at national / regional HQ's quickly and in appropriate format		√			

Performance	Highly Suitable	Suitable	Satisfactory	Below Needs	Not Suitable
Aircraft arrived / departed on time	√				
Aircraft, sensors and personnel performed reliably with no defects		√			
Sensors performed to the accepted level (detection range, image quality, etc)	√				
Flight planning / conduct corresponded with HQ objectives and direction	√				
System proved able to cope with short notice and in flight tasking changes		√			
Aircraft communicated effectively with PPB's and other surveillance assets (Primary - HF/VHF voice)	√				
System operators able to communicate with regional HQ for tasking / post flight reporting / etc		√			
Evidence packs, including imagery and statements, produced efficiently to support enforcement action		√			

Part 2

The Department of Agriculture, Fisheries and Forestry (DAFF) leads the Australian Government's role in international fisheries fora, such as the Western and Central Pacific Fisheries Commission (WCPFC). The WCPFC is the central decision making body for management of tuna fishing in the region. DAFF works closely with other members of the Pacific Islands Forum Fisheries Agency to pursue the interests of coastal states in the Western and Central Pacific Ocean for the sustainable management of tuna species. Member countries, including Australia, meet regularly through the year to develop mutually-supportive and common positions to take into broader negotiation forums including the WCPFC.

The Australian aid program also provides annual core funding contributions of \$2.3 million to the Forum Fisheries Agency and \$10.5 million to the Secretariat of the Pacific Community. These organisations enhance the capacity of Pacific island countries to engage effectively in meetings of the WCPFC. Support is provided in the following ways:

- The Forum Fisheries Agency implements a range of fisheries development and management activities, primarily related to tuna fisheries, as well as coordinating subregional workshops and preparatory meetings to increase the national capacity and regional solidarity of Pacific island countries at the annual WCPFC meeting.
- The Secretariat of the Pacific Community provides development and training assistance on coastal fisheries and a broad range of technical services to support accurate stock assessments for effective implementation of the WCPF Convention and sustainable fisheries management by member countries.

The Australian aid program has also supported the attendance of some Pacific island nationals at WCPFC workshops and will support some of the travel costs of the incoming Pacific Islands national Chair of the WCPFC.

Australian ODA expenditure on governance in the Pacific

The following provides a breakdown of Official Development Assistance (ODA) expenditure in the governance sector. The breakdown has been calculated in terms of 'non-security-related' expenditure and 'security-related' expenditure.

For the purposes of this answer funding for non-security related governance expenditure includes: capacity building for public service; electoral reform; government oversight - accountability and transparency etc.

For the purposes of this answer security related governance expenditure includes: legal and judicial development programs; police force capacity building; corrections services capacity building; some assistance for customs services and border management; and some defence cooperation activities etc.

Please note that figures provided are estimates only.

Australian ODA for Governance Sector in the Pacific and PNG (1998-1999 to 2007-2008), Broken Down into Security/Non-Security Related Expenditure										
Year	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total Governance Expenditure	102,134,419	106,271,494	157,603,502	140,443,977	141,066,277	252,112,239	388,586,365	364,992,358	385,947,354	395,287,186
Security Related Expenditure	39,597,118	33,021,491	71,738,483	68,862,136	83,988,212	147,589,314	238,766,409	212,718,489	205,896,787	246,875,592
Non-Security Related Expenditure	62,537,301	73,250,003	85,865,019	71,581,841	57,078,065	104,522,925	149,819,956	152,273,869	180,050,567	148,411,594

**Australian ODA for Governance Sector in the Pacific and PNG (1998-1999 to 2007-2008),
Broken Down into Security/Non-Security Related Expenditure**

