

Pacific Buzz (December 20): PNG political impasse | Vanuatu's risky budget | Seasonal Worker Scheme now permanent | French Polynesia off the map?



by Development Policy Centre

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A roundup of development policy issues in the Pacific by the [Pacific Institute of Public Policy](#) and the [Development Policy Centre](#).

Political impasse in PNG captures the world's attention

PNG was plunged into political turmoil on 12 December after the 3-2 Supreme Court ruling that Peter O'Neill's election as prime minister on 2 August was invalid. [This article by Anthony Regan on the Conversation](#) provides background to the events that led to the court's ruling and the subsequent claims by both Mr O'Neill and Sir Michael Somare to be the country's legitimate leader.

Heading into the second week, the crisis is not yet resolved, but it appears that Peter O'Neill has [consolidated](#) his claim, with support from the Governor General, the public service, and the police.

As reported in the [Economist](#), it was social media and bloggers that brought the world 'a blow-by-blow account of the Byzantine political thriller' as events unravelled at breakneck-speed. The [#PNG hashtag](#) registered on the [Twitter Trendsmap](#) for the first time, and the Facebook group [Sharp Talk](#) saw a spike in membership.

Amidst the current political stalemate, Facebook and Twitter users have also

canvassed a range of views on corruption, the national budget, women in parliament, land, the resource boom, health care and education. With only seven months until the next general election, expect to see the online population increasingly [speaking up](#) on important national issues.

Vanuatu's risky 2012 budget

The Parliament of Vanuatu passed the [VUV 16.2 billion 2012 budget](#) on 13 December. Successive governments over the past five years have failed to balance the budget, and the forecast is for yet another deficit to be financed by domestic borrowing (VUV 1.5 billion) and donor budget support (VUV 700 million) from China and the EU. Government expenditure is set to increase significantly due to provincial and national elections to be held in 2012 as well as Port Vila hosting the annual meeting of the [African, Caribbean and Pacific – European Union \(ACP-EU\)](#) group.

The medium term growth prospects presented by the [finance minister](#) seem strong due to what appears to be record levels of public investment – most of which will be donor financed. However, there are concerns whether all of the intended projects can or even should be implemented. The country has never before managed public investments of the magnitude proposed, and there are concerns about the impact on social sector spending and domestic prices. The large increases in domestic borrowing by the state have already led to [relatively high interest rates](#), and it looks like this pattern is set to continue into 2012.

The Vanuatu budget documents have not yet been posted online. As noted in [this article by Anna Naupa](#), Vanuatu is witnessing a rise in social media commentary and debate. Follow the [Devpolicy](#) blog and [PiPP](#) website for further analyses of the Vanuatu budget.

Fears climate change will wipe French Polynesian islands off the map

Tahiti hosted a conference on the effects and impacts of climate change on the French territory, which raised concerns that some of the [islands will be uninhabitable or disappear](#) due to sea level rise.

[Pacific environmentalists](#) are only cautiously celebrating the [Durban Climate Change \(COP 17\)](#) deal, recognising that it falls short of ensuring sea temperatures do not rise above 2 degrees, which may render some islands uninhabitable, including in French Polynesia, Kiribati, Marshall Islands and Tuvalu.

Also in Durban, the Chair of the powerful [Alliance of Small Island States \(AOSIS\)](#) grouping passed from Grenada to [Nauru](#).

Australia's Pacific Seasonal Worker Program made permanent

The Australian Government has announced that its seasonal workers pilot will become a **permanent fixture** of Australia's horticulture sector from 1 July 2012.

In addition, the government announced a three-year small-scale trial for seasonal workers for Australia's tourism industry, which is also facing **labour shortages**. Cotton and cane growers will also be included in the trial.

Minister for Employment, Workplace Relations, Financial Services and Superannuation, Bill Shorten MP, Minister for Tourism, Martin Ferguson AM MP, and Foreign Minister, Kevin Rudd, **jointly announced** the permanent funding of the program on 19 December.

Australian employers will be able to hire seasonal workers through the scheme from East Timor, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Employers will need to contribute to the cost of travel and meet all Australian employment conditions.

Pacific scholars discuss political issues at 12th PIPSA conference

The **Pacific Islands Political Studies Association (PIPSA)** biennial conference was held at the University of the South Pacific, Alafua Campus in Apia on 8-9 December. The theme this year was 'Pacific Politics, Pacific Communities'. Presentations covered a wide range of imminent political issues in the region, including: reforming democratic institutions, regime change, law and order, regional politics, conflict, corruption, peace building, identity, constitutional reform, youth, gender and participation. PiPP Communications Officer, Frida Bani, presented the institute's discussion paper *Youthquake: will Melanesian democracy be sunk by demography?* and emphasised the role of the region's young people engaging in discussions about the future of the Pacific.

In brief:

- **Samoa's** membership of the World Trade Organisation (WTO) has been approved.
- More Pacific Island countries have ratified the **UN Convention against Corruption (UNAC)**.
- The **World Bank** has provided a grant of USD\$62 million to improve aviation in the Pacific.
- Police in the **Marshall Islands** launched an investigation after complaints of irregularities during the November elections.

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- A wage deal has been reached to end a three-month strike at the giant **Freeport-McMoRan** gold and copper mine in West Papua.

*This roundup of development policy issues in the Pacific is a joint venture of the **Pacific Institute of Public Policy** and the **Development Policy Centre**. Editorial content is the responsibility of Derek Brien, PiPP Executive Director, and Stephen Howes, Devpolicy Director.*

This is our final edition of Pacific Buzz for 2011. We wish all our readers a very merry and safe Christmas and a happy new year. The Pacific Buzz will return in February 2012.

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The Development Policy Centre is part of the Crawford School of Public Policy under the College of Law, Governance and Policy at The Australian National University.

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