



## **Inquiry into New Zealand's relationship with the Kingdom of Tonga**

Report of the Foreign Affairs, Defence  
and Trade Committee

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Forty-seventh Parliament  
(Hon Peter Dunne, Chairperson)  
August 2005

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*Presented to the House of Representatives*

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## Contents

Summary of recommendations	5
<b>1 Terms of reference</b>	<b>7</b>
Background	7
<b>2 Conduct of the inquiry</b>	<b>10</b>
Submission process	10
Travel to Tonga	10
<b>3 Parliamentary and diplomatic relations with Tonga</b>	<b>11</b>
Contact with Tongan monarchy and senior officials	11
<b>4 Trade and economic development</b>	<b>13</b>
Background	13
Trade liberalisation	13
Trade development	14
Private sector trade	15
Tongan access to the New Zealand fresh produce market	16
Corruption affecting trade	17
<b>5 Official Development Assistance</b>	<b>19</b>
Introduction	19
Strategic framework of aid programme	19
Engagement process for strategic framework	20
Committee's concerns with strategic framework	20
Submitters' concerns	21
NZAID funding for education and training	22
NZAID funding for health	24
NZAID funding for good governance	25
Possible aid targets for NZAID	26
Partnership with the New Zealand Tongan community	26
<b>6 Issues regarding the Tongan Government and monarchy</b>	<b>28</b>
Submitters' concerns	28
Constitutional amendments	29
New Zealand support for reform	30
New Zealand First minority view	31

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<b>7</b>	<b>Defence cooperation</b>	<b>32</b>
	History of defence relations	32
	Mutual Assistance Programme	32
	Regional peacekeeping	32
	Submitters' concerns	32
	Green Party and Progressive Party minority view	33
<b>8</b>	<b>Immigration</b>	<b>34</b>
	Background	34
	Current New Zealand immigration scheme for Tongans	34
	Submitters' concerns	35
<b>9</b>	<b>Tonga's changing bilateral relations</b>	<b>38</b>
	Background	38
	Tonga's bilateral partners	38
<b>Appendices</b>		
A	Committee procedure	41
B	List of submitters	42
C	Tonga/NZAID bilateral ODA programme 2004/05	44



# Inquiry into New Zealand's relationship with the Kingdom of Tonga

## Summary of recommendations

The Foreign Affairs, Defence and Trade Committee makes the following recommendations to the Government:

- 1 That New Zealand would welcome Tonga establishing a High Commission in Wellington.
- 2 That a parliamentary friendship group should be set up to facilitate contact between New Zealand and Tongan Ministers and members of Parliament.
- 3 That contacts between the New Zealand judiciary and their Tongan counterparts should be fostered.
- 4 That the Ministry of Foreign Affairs and Trade, the New Zealand Agency for International Development, New Zealand Trade and Enterprise, the Pacific Islands Trade and Investment Commissioner, and the New Zealand Pacific Business Council should work together to develop Tonga's capacity to trade, and seek out trade opportunities and joint ventures with the private sector to ensure that Tonga is well placed to participate in the international economy.
- 5 That additional assistance should be provided by the Ministry of Foreign Affairs and Trade, NZAID, New Zealand Trade and Enterprise, the Pacific Islands Trade and Investment Commissioner, and the New Zealand Pacific Business Council to build capacity and capability in Tonga for negotiating access to other markets including those for its fresh produce.
- 6 That New Zealand should assist Tonga in developing and promoting its service sector which remains underdeveloped.
- 7 That the Pacific Island Trade and Investment Commissioner should play a proactive facilitating and coordinating role in helping expand Tonga's markets.
- 8 That NZAID provide assistance for measures to strengthen customs procedures to prevent corruption in Tonga.
- 9 That the New Zealand Ministry of Agriculture and Forestry and NZAID should work with the Tongan Ministry of Agriculture, Forestry and Food to ensure the continuing viability of the High Temperature Forced Air Facility, and they should look at how such facilities are run by cooperatives in Fiji, Vanuatu, and the Cook Islands.

- 10 That Tongan Ministry of Agriculture, Forestry and Food officers and trade negotiators should be offered secondments to the New Zealand Ministry of Agriculture and Forestry to develop their skills in market access negotiations.
- 11 That NZAID must shift its emphasis to include assistance to Tonga in developing its capacity to trade, and promoting economic reform.
- 12 That an annual outcomes-based needs assessment report should be conducted and published by NZAID, along with quarterly updates, to ensure that aid is producing beneficial outcomes.
- 13 That NZAID work with the Tongan Advisory Council to set up a framework for ongoing engagement with the New Zealand Tongan community that is open, transparent and inclusive, in order to consult widely and develop programmes that are beneficial to Tonga.
- 14 That NZAID continue to provide assistance for public sector reform initiatives at the request of the Tongan Government.
- 15 That NZAID send out quarterly newsletters to New Zealand Tongan community organisations to inform them of the progress of aid projects in Tonga.
- 16 That the New Zealand Government work alongside the Tongan Government in a supportive role to facilitate change towards representative democracy by supporting the Tongan judiciary, Legislative Assembly, and public service.
- 17 That the New Zealand Government continue to support the work of Department of Labour Pacific Relationship Managers, who travel to Tonga along with New Zealand employers to recruit from Pacific Access Category balloted people, matching them with opportunities in the New Zealand labour market, in order to ensure that the Pacific Access Category quota is filled each year.
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# 1 Terms of reference

In November 2003 we resolved to conduct an inquiry into New Zealand's relationship with the Kingdom of Tonga in respect of the following areas:

- diplomatic relations
- parliamentary relations
- official development assistance
- defence cooperation
- trade
- any other matters the committee wishes to draw to the attention of the House.

The purpose of our inquiry is to make recommendations in our report to the House about opportunities to enhance and deepen the relationship.

During the lengthy submission process our attention was drawn to other matters of significant concern to the Tongan community:

- concerns regarding the Tongan Government and monarchy, specifically issues of accountability, representation, and recent changes to the Tongan constitution
- Tongan immigration to New Zealand
- Tonga's bilateral relations, including those with China.

This inquiry was initiated in response to concerns raised by members of the Tongan and New Zealand communities about the situation in Tonga, especially the issue of democratic reform, with members of the committee. We concluded that an inquiry into New Zealand's relationship with Tonga was an appropriate way to address these concerns. We want this inquiry to help strengthen the relationship between New Zealand and Tonga.

## Background

This inquiry took place against a background of significant issues for Tonga. These issues included changes to the Tongan constitution made by King Taufa'ahau Tupou IV removing press freedom, pressure by many Tongans for democracy in Tonga, concern about the use of overseas aid in Tonga, and the political and economic rule of Tonga by a small elite group.

We see the core principles and values of the relationship between New Zealand and Tonga as mutual respect between sovereign neighbours. New Zealand has a long-standing historical relationship with Tonga. Relations between the two countries are underpinned by a common Polynesian heritage and extensive person-to-person links built on strong family, educational and religious ties. New Zealand's military relationship with Tonga dates back to World War II, and diplomatic links were established in 1970 when Tonga became fully

independent following the revision of its Treaty of Friendship with Britain. Many Tongan leaders are New Zealand-educated, and migration has resulted in a significant Tongan population in New Zealand. Approximately 40 percent of Tongan people live in New Zealand.

Tonga is a conservative society with a strong sense of cultural cohesion centred on the monarchy under King Taufa'ahau Tupou IV, and a keen awareness that Tonga, alone in the region, managed to avoid colonial rule. Tonga has been relatively stable politically, and has had a reasonable standard of living for most of its citizens. Migration has eased employment problems and created overseas communities who send remittances. However, Tonga's economy is weakening, unemployment is rising, and the deep political divisions are under scrutiny. Tonga's leadership is openly criticised and there is a growing debate about the country's direction. Remittances and external aid are now critical to living standards in this small, vulnerable economy, and many people are reverting to subsistence living.

Evidence was placed before us that all significant political and economic power is concentrated around the royal family, and that social, political and economic reform that could benefit the people of Tonga is stifled. In early 2003 constitutional changes were mooted by the Government to subject the media to governmental control, and to prevent the courts from judicially reviewing decisions of the King. This provoked large protest demonstrations in Tonga. These demonstrations also raised questions about corruption, the lack of democracy in Tonga, and the material poverty and poverty of opportunity of the ordinary Tongan. In October 2004 the Supreme Court of Tonga found that law changes aimed at controlling the media were unconstitutional and that the King's decisions could be judicially reviewed. The banned *Taimi 'o Tonga*, the newspaper at which the constitutional amendments were apparently aimed, appeared again throughout the country.

The impoverishment and powerlessness of ordinary Tongans was also the subject of a report from the then New Zealand High Commissioner to the New Zealand Minister of Foreign Affairs in September 2001, later reprinted in full in the *New Zealand Herald*. In it the High Commissioner said

The [Royal] family has held on to absolute power and privilege for far longer than most other royal lines. Unlike monarchies elsewhere there has been no evolution over time. The royals show no inclination to hand over to people. Democracy is a foul word in this Kingdom ... The King, the rest of the Royal family and the nobles sit at the pinnacle of this system and understandably want to stay there. The puzzle is why the public let them get away with it – particularly in this day and age, with experience of overseas liberties and with such clear evidence of corruption and mismanagement ... From a socialist perspective the system is anathema. It involves redistribution from the poor to the rich.<sup>1</sup>

His analysis was endorsed by many of the submitters, including seven of the nine elected parliamentary representatives of the Tongan people, whose leader, Akalisi Pohiva, came to Wellington to give evidence to the committee.

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<sup>1</sup> Brian Smyth, High Commissioner to Tonga 1999 to Sept 2001, letter to the Minister of Foreign Affairs and Trade, September 2001.



However, changes have been occurring in Tonga during the duration of this inquiry. In the March 2005 election, only candidates who supported establishing a democratic parliamentary system were elected to the nine democratically-elected seats of the Tongan Parliament. The Tongan Government conceded to the pressure for change and a reform has been introduced to allow two of the nine elected members to enter the Cabinet.

### **Poverty and social problems**

Hardship and poverty have traditionally been uncommon in Tonga, but they are now becoming daily concerns for many. This is mainly due to the increasing need for cash, migration from the outer islands to urban areas and overseas, and crowded conditions in some urban areas. External influences are changing people's attitudes and aspirations, straining the traditional Tongan social system in which everyone's needs are met by the community as a whole.<sup>2</sup>

To address these significant problems income-generating skills are needed by landless people, especially in the areas of agriculture, fishing, marketing, and business management. Tonga needs to improve access to and the quality of basic services, particularly power, water supply, health, education, and roads.

According to the former New Zealand High Commissioner's report

Social problems in Tonga are building - youth unemployment, drugs, crime, suicide, traffic accidents and prostitution. We are trying to help through our aid programme in areas such as drug education and family violence, but the only long term solution is the creation of a society where people have a say in their own future and can work for their own betterment ... One area where New Zealand could make a real contribution is in improving the quality of policing. There are reports of beatings, even torture by Tongan police and prison officers. I hope that the impediments to creating a Police Mutual Assistance Programme can be cleared away soon as it would further mutual interests and help to promote stability in the region.<sup>3</sup>

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<sup>2</sup> Asian Development Bank, *Priorities of the People-Hardship in Tonga*, May 2004.

<sup>3</sup> Brian Smyth, High Commissioner to Tonga, 1999 to Sept 2001, letter to the Minister of Foreign Affairs and Trade, September 2001.

## **2 Conduct of the inquiry**

### **Submission process**

We sought submissions from interested parties in New Zealand and in Tonga. We had the terms of reference translated into Tongan by the Tongan Advisory Council, and with their support promoted the inquiry via Tongan media. Community meetings also afforded opportunities to inform the Tongan community of the terms of reference and the procedure for making a submission. This process allowed widespread participation in the inquiry by the New Zealand-based Tongan community and generated significant interest. We received 80 submissions, a large proportion of them from the Tongan community in New Zealand who wanted to express their views and concerns regarding their home country and its relationship with New Zealand. We heard evidence from May through to September 2004 in Wellington, Christchurch, and Auckland.

### **Travel to Tonga**

We were very keen to travel to Tonga to meet with the Tongan Government and discuss our relationship with them. We made approaches and enquiries through the New Zealand High Commission in Tonga and through informal contacts. We were advised that the Tongan Government was not willing to accept our request to visit. We pursued other options such as a Parliament-to-Parliament visit facilitated through the respective Speakers, but it has not been possible to organise such a visit before the conclusion of this report.

### 3 Parliamentary and diplomatic relations with Tonga

New Zealand needs to take a consistent and stable position regarding our parliamentary and diplomatic relationship with Tonga. More high-level interaction between Tongan parliamentarians and their New Zealand counterparts would offer opportunities for New Zealand to encourage a more open relationship, and would strengthen inter-country links. Tongan Ministers have less contact with New Zealand today than their predecessors a decade or so ago. A parliamentary friendship group might be an appropriate vehicle for fostering high-level interaction; and support networks between Tongan ministries and their New Zealand counterparts might also help build capacity in the Tongan public service. New Zealand politicians should take more advantage of the frequent passage of Tongan Ministers and senior officials through Auckland to strengthen New Zealand's links with Tonga.

Contact between the judiciaries of the two countries might also provide significant benefit. Secondments, mentoring and peer support for deputy-level Tongan magistrates by New Zealand judges and lawyers would encourage respect for the rule of law in the next generation. The Tongan judiciary has demonstrated its independence, and it currently plays an influential role in Tonga.

Akilisi Pohiva, an elected member of the Tongan Parliament, and secretary and founding member of the Tongan Human Rights and Democracy Movement, came to Wellington to address our committee on behalf of seven of the nine elected members of Parliament in Tonga. Mr Pohiva was first elected to the Tongan Legislative Assembly in 1987 and has served as the number one people's representative for Tongatapu since 1990.<sup>4</sup> He welcomed our inquiry and was in favour of Tongan members of Parliament establishing closer links with New Zealand politicians.

#### **Contact with Tongan monarchy and senior officials**

Interaction between New Zealand and Tongan senior officials has diminished over the past decade. Historically there have been more visits from Tonga to New Zealand than vice versa as Tongan Ministers and senior officials take advantage of transit through New Zealand when travelling overseas.

King Taufa'ahau Tupou IV last made an official visit to New Zealand in November 2000. A Tongan parliamentary delegation came to New Zealand in November 2003 to look at the work and procedures of the New Zealand Parliament. Seven Tongan Ministers have made official visits to New Zealand between 2000 and 2004.

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<sup>4</sup> For a detailed description of the Tongan Parliament see page 28.

The Governor-General of New Zealand visited Tonga in July 2003 for the 85<sup>th</sup> birthday celebrations of King Taufa'ahau Tupou IV. The Prime Minister last visited Tonga in June 2001, and three Ministers have visited Tonga in an official capacity between 2000 and 2005.

### **Recommendations**

- 1 That New Zealand would welcome Tonga establishing a High Commission in Wellington.
  - 2 That a parliamentary friendship group should be set up to facilitate contact between New Zealand and Tongan Ministers and members of Parliament.
  - 3 That contacts between the New Zealand judiciary and their Tongan counterparts should be fostered.
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## 4 Trade and economic development

### Background

Tonga's economy is small with a narrow export base in agricultural goods. An estimated 70 percent of the population depends at least in part on agriculture for their livelihood, and agriculture makes up some 35 percent of GDP. Tonga imports a large proportion of its food, mainly from New Zealand, and depends on external aid and remittances to offset this substantial trade deficit. In the year ended December 2004, New Zealand exported NZ\$51 million of goods to Tonga, and imported NZ\$4 million of goods from Tonga. Remittances to Tonga from New Zealand are estimated at around NZ\$11 million per year, excluding remittances in kind, which are reported to be increasing significantly. Tourism is the second largest source of earnings after remittances.

As a small island economy Tonga is subject to seasonal and external factors over which it has little control, resulting in high inflation. Real GDP growth recovered from a period of negative growth in the late 1990s to peak at 6.2 percent in 1999/2000, but dropped sharply in 2000/01. It is currently running at about 2.8 percent. The trade deficit continues to grow and Tonga's currency has depreciated steadily over several years.

Some economic comparisons with other Pacific countries are set out below.<sup>5</sup>

	Tonga	Samoa	Fiji
Population	102,000	179,000	848,000
GNI per capita \$US	1,490	1,600	2,360
Annual real GDP growth rate	2.8%	3.2%	2%

### Trade liberalisation

Tonga applied for membership of the World Trade Organization in June 1995, and has concluded bilateral accession negotiations with Australia, Canada, New Zealand, Japan, Panama, China and the European Union. Work is in progress to finalise negotiations with the United States, Honduras, and the Dominican Republic. Tonga should be in a position to join the WTO as a developing State member in late 2005. The accession process included capacity-building and policy assistance funded by Britain's development agency.

The accession process has been lengthy as Tonga has to bring its trade rules and regulations into conformity with WTO rules in the key areas of trade in goods and services, intellectual property, investment, sanitary and phytosanitary issues, technical barriers to trade, and customs. Changes to its border protection regime are linked with the objectives of Tonga's Economic and Public Sector Reform programme. The duty and tax changes involved are neutral as regards government income. By lightening the direct burden on the business sector they will provide significant stimulus to the economy including the key

<sup>5</sup> The World Bank, *Regional Engagement Framework FY2006-2009 for Pacific Islands*, 3 May 2005.

tourism sector, which has been assessed as having considerable potential for creating employment.

### **Submissions**

Both sides of the free trade versus fair trade debate were reflected in submissions. In general, non-governmental organisations argued the negative effects of trade liberalisation, including Tonga's WTO accession bid, on Tonga's economy. Submitters from the Tongan community emphasised the benefits for poorer Tongans arising from, for example, access to more affordable goods. Many Tongans, particularly the young, aspire to the material goods associated with a modern urban lifestyle, most of which would be uneconomical to manufacture locally. Remittances estimated to be at least T\$150 million per year are fuelling this demand for imports. Tonga has clearly articulated its interest in joining the rules-based international trading system and assessed that, on balance, doing so advances its interests as WTO rules will aid Tonga's own economic development.

### **Trade development**

We recognise that a robust and vibrant private sector is vital for Tonga's long-term economic growth and quality of life, and the sustained reduction of poverty. Many opportunities arguably lie in strengthening and enlarging the domestic market, which entails fewer risks and needs less capital and human resources than exporting. The services sector is underdeveloped yet commands significant promise. To aid Tonga in its bid to enter the international trade market, an organisation aimed at building Tonga's economic infrastructure and encouraging investment could be established and funded by NZAID.

### **New Zealand's role**

New Zealand needs to determine how it can most effectively help increase Tonga's capacity to trade, and to promote the growth of its economy, and in particular its services sector. Investment is required through the private sector or aid programmes to encourage exports. Exporting and business infrastructure networks are needed in Tonga. Small business, farmers and producers need assistance with preparing their product for targeted overseas markets, and developing skills in marketing it strategically. Independence from the political situation needs to be maintained, and public sector red tape needs to be reduced along with other barriers to business in Tonga. Collaboration with regional organisations, quasi-governmental organisations, and non-governmental organisations can be utilised to assist private-sector development.

### **Pacific Islands Trade and Investment Commission**

The Pacific Islands Trade & Investment Commission was set up by the Pacific Islands Forum Secretariat in 1988 as a trade commission to assist the Pacific Island Forum countries in marketing of products in New Zealand, to encourage investment in the Pacific, and to promote Pacific Island tourism. The commission is an agency of the Pacific Islands Forum Secretariat and is funded by the New Zealand Ministry of Foreign Affairs and Trade. NZAID provides \$500,000 per annum for the commission's offices in Auckland.

The aim of the commission is to help establish Pacific products in the New Zealand market. It works to build closer links between the public and private sectors of New Zealand and Pacific Forum countries. The commission works with many products

including fresh produce, commodities, manufactured and processed goods with some success.

The Commission provides financial assistance to the public and private sectors in the Pacific Islands for marketing, technical assistance and market information under the Marketing Support Fund. Assistance is available primarily to small-to medium-sized enterprises wishing to explore export marketing opportunities in New Zealand.

### **Private sector trade**

Foreign investment is generally welcomed into Tonga subject to Government regulations. Foreign investors cannot purchase land, but the Government provides areas of land for approved activities and facilitates leasing arrangements.

There are opportunities for New Zealand exporters to expand the range of products exported to Tonga. Food and beverages, primary products, building and construction equipment, and a broad range of manufactured products present good opportunities. There is also a niche market for education programs for delivery in Tonga and New Zealand, particularly in the agricultural sector.

Exported New Zealand agri-technology is used to grow Tonga's largest agricultural export crop, buttercup squash. Tonga in effect acts as a contract grower for New Zealand exporters. Other opportunities for joint ventures with New Zealand lie in exporting alternative agricultural crops to north Asian markets. Fishing options have declined due to difficulties in sourcing the once abundant tuna.

In March 2005, New Zealand Trade and Enterprise became a member of the Tonga Chamber of Commerce and the Tonga New Zealand Business Council which meets regularly to provide a conduit to Government and the private sector through the Tongan Chamber of Commerce. This initiative is designed to improve commercial intelligence flows, which should help New Zealand Trade and Enterprise to facilitate business interaction. There may also be opportunities for involvement in strategic projects to the economic benefit of both countries, such as buttercup squash exports to Japan.

New Zealand companies and New Zealand-connected companies are key drivers of the Tongan economy. New Zealand companies such as Fletcher Construction and Forum Shipping Agencies are dominant in their market segments and play a key role in developing economic opportunities for New Zealand suppliers which also boost the Tongan economy.

Regular contact between Government agencies is important to monitor trends and opportunities in this area. The Tonga New Zealand Business Council does not have a New Zealand counterpart, and therefore does not hold an annual conference. The Tongan Fiji Business Council has been approached by the Tongan Government to help arrange an economic summit for later this year.

### **New Zealand Pacific Business Council**

The New Zealand Pacific Business Council was formed in early 2005 with the goal of facilitating trade, investment, technical and economic cooperation, and tourism between New Zealand and Pacific countries. The Council has already attracted considerable

membership from New Zealand's business community, and aims to set up reciprocal arrangements with business councils in most Pacific nations.

Organisations such as this build on the historical links and goodwill between New Zealand and the Pacific. There are significant business opportunities in the Pacific for private New Zealand businesses to capitalise on, resulting in benefits for New Zealand and the Pacific.

The New Zealand Pacific Business Council, the Pacific Islands Trade & Investment Commission, New Zealand Trade and Enterprise, NZAID, and the Ministry of Foreign Affairs and Trade need to work together to address the pressing issue of trade development in Tonga. Without this assistance and investment Tonga will continue in its economic decline.

### **Tongan access to the New Zealand fresh produce market**

A large proportion of Tongan submitters commented on the difficulty of gaining access to the New Zealand market for their fresh produce. Tonga has a limited resource base and primary produce is an important means of earning foreign exchange and lessening reliance on remittances. There is a captive market in New Zealand, especially in Auckland which has a large Polynesian population, for fresh produce from the Pacific.

We asked about the reported difficulty of getting Tongan produce into New Zealand. The Minister of Biosecurity informed us that quarantine requirements for products from Tonga vary, depending on the biosecurity risks associated with products, but they are treated no differently from imports from any other country. A biosecurity risk assessment is conducted for each product, and specific quarantine requirements developed to mitigate potential risks. The Minister says, however, that first-time or private importers may experience difficulties if they are unaware of the Ministry of Agriculture and Forestry Quarantine Service's requirements and have not followed correct procedures or supplied documentation.<sup>6</sup>

### **High Temperature Forced Air Facility**

A High Temperature Forced Air Facility was set up in the late 1990s at Fua'amotu International Airport to treat export produce against fruitfly. It was brought to our attention that this facility has been out of operation for 2 years. NZAID informed us that they funded two New Zealand Ministry of Agriculture and Forestry (MAF) biosecurity officers to visit Tonga in 2004 to audit the facility, and the Ministry has now re-certified it. This will address some of the difficulties faced by Tonga in gaining access for fresh produce to the New Zealand market.

Great care needs to be taken to ensure that this facility does not lie idle for long periods to the detriment of Tongan farmers who wish to export produce to New Zealand. If machinery is to be utilised and looked after properly in Tonga, income must be directly related to the machinery; otherwise such donated facilities are unsustainable. NZAID reports that staff of the Tongan Ministry of Agriculture, Forestry and Food who have been trained by the MAF tend to resign from the job after their training, leaving no one capable

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<sup>6</sup> Letter from Hon Jim Sutton, Minister of Agriculture, to Hon Peter Dunne, 23 September 2004.



of running the treatment facility. To ensure this facility is maintained in working order NZAID needs to provide a maintenance budget that can be called upon when required.

### **MAF National Advisor, Fresh Produce, Pacific Island Countries (Plant Imports)**

In the 2003/04 financial year NZAID funded the establishment by MAF of a new position of National Adviser, Fresh Produce, Pacific Island Countries (Plant Imports). The adviser processes Pacific countries' applications for exports of fresh produce to New Zealand. MAF took over funding of this position in the 2004/05 financial year. The adviser is responsible for developing and implementing health standards and technical and operational standards for fresh produce (fruits, vegetables and cut flowers) from Pacific Island countries, including Tonga, and for accreditation and auditing of treatment facilities.

Almost all of the produce in question is free of duty; and Tonga has duty-free access to New Zealand under the South Pacific Regional Trade and Economic Cooperation Agreement. Protocols already exist for most of the fresh products Tonga is likely to export to the New Zealand, but in the event new protocols are required, the MAF National Adviser will facilitate the process. This position has played an immensely valuable role in facilitating the entry of Tongan exports to New Zealand so far.

### **NZAID assistance for agricultural training courses**

NZAID funded several short agricultural training courses in Tonga in 2004. These courses were aimed at upgrading the skills of Tongan farmers and its Ministry of Agriculture, Forestry and Food field advisory officers in such areas as recognising and dealing with agricultural pests and diseases, using fertilisers safely, and the post-harvest handling of produce. NZAID aims to improve the yields and quality of produce, and the prospects for exporting such produce to New Zealand.

### **Corruption affecting trade**

It was alleged by several submitters that there is a considerable amount of corruption at the borders in Tonga, and millions of dollars of Government import tariff revenue are lost through the use of false shipping documents by some importers in Tonga, aided by some New Zealand exporters. It is estimated that at least NZ\$50 million a year is lost through customs corruption. This is an area which the customs authorities and Parliaments of both countries could cooperate to minimize these scams. Despite a major initiative undertaken by the United States, New Zealand and Australian police to destroy a Tongan drug running network in the 1990s the network still operates, though most of the leaders are serving long jail sentences.

We are aware that the Tongan Minister of Finance has asked both NZAID and AusAID to support him in addressing the corruption and performance issues in the Tongan Customs Service. NZAID has sent a senior official from the New Zealand Customs Service to participate in an AusAID-led scoping study in Tonga in June 2005. This study established what assistance is required from Australia and New Zealand to address this problem.

## **Recommendations**

4 That the Ministry of Foreign Affairs and Trade, NZAID, New Zealand Trade and Enterprise, the Pacific Islands Trade and Investment Commission, and the New Zealand

Pacific Business Council work together to develop Tonga's capacity to trade, and seek out trade opportunities and joint ventures with the private sector to ensure that Tonga is well placed to participate in the international economy.

5 That additional assistance should be provided by the Ministry of Foreign Affairs and Trade, NZAID, New Zealand Trade and Enterprise, the Pacific Islands Trade and Investment Commission, and the New Zealand Pacific Business Council to build capacity and capability in Tonga for negotiating access to other markets including those for its fresh produce.

6 That New Zealand should assist Tonga in developing and promoting its service sector, which remains underdeveloped.

7 That the Pacific Island Trade and Investment Commissioner should play a proactive facilitating and co-ordinating role in helping expand Tonga's markets.

8 That NZAID should provide assistance for measures to strengthen customs procedures to prevent corruption in Tonga.

9 That the New Zealand Ministry of Agriculture and Forestry and NZAID should work with the Tongan Ministry of Agriculture, Forestry and Food to ensure the continuing viability of the High Temperature Forced Air Facility, and they should look at how such facilities are run by cooperatives in Fiji, Vanuatu, and the Cook Islands.

10 That the Tongan Ministry of Agriculture, Forestry and Food officers and trade negotiators should be offered secondments to the New Zealand Ministry of Agriculture and Forestry to develop their skills in market access negotiations.

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## 5 Official Development Assistance

### Introduction

Tonga depends heavily for its development on funding from outside the Kingdom. This dependency is not sustainable and the overall aim of New Zealand's aid strategy is to build Tonga's capacity for self-determination and the internal management of its development. To this end, there is a need to strengthen trade, education, training and institutions, and to build the capacity of government and non-governmental organisations and communities to solve their own problems, with assistance that directly promotes self-sufficiency.

Official Development Assistance for Tonga is managed by the New Zealand Agency for International Development. Reflecting the strong ties between the two countries, New Zealand's aid programme with Tonga is among its largest bilateral aid programmes, accounting for NZ\$5.6 million annually for the past 3 years. The overall goal of the programme is "to assist sustainable economic and social development in Tonga, through appropriately targeted interventions in priority sectors."<sup>7</sup> Tonga also benefits from various regional and multilateral official development assistance programmes such as the Pacific Regional Health Programme, and Volunteer Service Abroad.

### Strategic framework of aid programme

The principle guiding document for NZAID's assistance to Tonga is the joint programme strategy, which outlines the priority sectors for New Zealand's engagement with Tonga. This strategy is agreed with the Tongan Government on a 5-yearly basis; the current one was developed in 2001. The strategy is a mutually agreed document signed off by Ministers of both governments. It is developed through a consultative process involving civil society and stakeholders in Tonga. NZAID also undertakes consultation with domestic stakeholders in New Zealand. The strategy is based on Tonga's National Development Plan, Tonga's requests for New Zealand's assistance, and where New Zealand agrees it can make the best impact.

The strategy is a coherent programme of multi-year planned aid projects. It has provided a robust framework to withstand short-term political developments, and allowed the careful planning of development activities to achieve long-term, systemic economic and social benefits.

The strategy targets the following areas:

- education and training
- outer island development
- support for good governance and public sector reform
- community development
- health

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<sup>7</sup> New Zealand Official Development Assistance, *Tonga Programme Strategy Study*, March 2001, p. 13.

The main focus in the programme is on education and training, as New Zealand is the lead donor in this sector. There is also a focus on outer-island development, as New Zealand is the lead donor to two island groups, 'Eua and Nuias'. Assistance with public-sector reform is aimed at improving the efficiency and effectiveness of Tonga's public service. Most of the current allocation is committed to strengthening the capacity of the Finance Ministry's Public Enterprise Unit to monitor and upgrade the performance of public-sector enterprises, and to help upgrade Tonga's customs service. NZAID also helps fund the deputy Chief Justice, who is from New Zealand. NZAID has strengthened its work with civil society in Tonga, working with Tongans on various community development assistance activities, which cost NZ\$650,000 in 2003/04.

The strategy ensures that New Zealand's assistance is primarily focussed on development outcomes with systemic impact, which are best achieved by long-term activities. The programme is flexible to allow funding to be made available should short-term opportunities arise, but not at the expense of long-term interventions aimed at securing sustainable change.<sup>8</sup>

### **Engagement process for strategic framework**

Tonga and NZAID have a number of consultative mechanisms that shape the way New Zealand's aid is delivered in Tonga. Tonga, NZAID and AusAID commenced trilateral development consultations in early 2005 aimed at developing a common understanding of the economic and social context in Tonga, and mutual accountabilities to ensure that New Zealand's aid is effective. NZAID also discusses the development programme annually with Tonga. A mutually agreed Forward Aid Programme sets out indicative allocations at sector and project levels for the next three out-years, and translates the funds available for the Tonga programme into the sectoral priorities agreed in the programming strategy. NZAID staff at the New Zealand High Commission engage frequently with Tongan officials implementing work under the programme.

### **Committee's concerns with strategic framework**

We are very concerned that NZAID's strategic framework is not focused on building Tonga's capacity to trade. We see the ability to trade as fundamental to developing Tonga's economy and reducing their reliance on overseas aid and remittances. Without which Tonga will not develop as a nation and will not advance from third world status. A country needs the ability to trade and expand its economy in order to achieve significant advancements in its social and political arenas.

The Government of Tonga stated in its 2001–2004 Strategic Development Plan that "Tonga also aspires to be among the leaders in the World in terms of economic and social development and in providing a high quality of life and also a high life expectancy for all people of the Kingdom."<sup>9</sup> To achieve this aspiration Tonga needs to refocus its efforts on building its economy through international trade. We believe NZAID should reconsider the overall aim of its aid programme to Tonga, to include a focus on enhancing Tonga's capacity to trade.

<sup>8</sup> Appendix C shows the Tonga/NZAID Bilateral ODA Programme 2004/05.

<sup>9</sup> Tongan Central Planning Department, *Strategic Development Plan 2001–2004*, July 2001, p. 2.

We are also concerned about the way NZAID measures the effects of its aid programmes. We believe that outcomes-based reporting is the appropriate way to gauge how effective NZAID programmes have been, so that each year NZAID can improve its aid programme for the benefit of the Tongan people. By publishing these reports NZAID can show the public of New Zealand, including the New Zealand-based Tongan community, that their taxes are being spent effectively.

### **Submitters' concerns**

Several submitters articulated the perception of a mis-match between what is needed in Tonga and what New Zealand is prepared to fund, resulting from different priorities. Most submitters asked that New Zealand continue to give Tonga aid, and suggested that the amount be increased. Some suggested that a new funding pool, partly funded by the Tongan community in New Zealand, should be established to support community-based projects in Tonga. Requests were made for specific increases in aid for health, social development, economic development and reform, fisheries, and education for the disadvantaged. It was suggested that NZAID and MFAT should consult with the New Zealand Tongan community on the use of aid money. Submitters also asked about the relationship between the Ministry of Pacific Island Affairs, NZAID, and the Ministry of Foreign Affairs and Trade on Pacific issues. We suggest that the Ministry of Pacific Island Affairs could do more to help Tonga.

Submitters expressed concern about disaster relief provided by NZAID to Tonga after events such as cyclones. The New Zealand Tongan community feels that it is putting significant effort and money into relief supplies, and is not receiving enough help from NZAID to get them to Tonga.

Many submitters said that aid money is not reaching the poor and needy in Tonga. They suggested that the New Zealand High Commission in Tonga should administer Official Development Assistance money, which should go to the private sector, individuals and family groups. Submitters suggested a funding pool for development projects in Tonga proposed by Tongans in New Zealand, who would raise half the funds. This proposal would build on existing community energy and development initiatives.

### **Use of New Zealand consultants**

Concern was expressed that a lot of aid money is being spent on New Zealand contractors and consultants and is not benefiting Tongans directly. NZAID informs us that it is correct that some of the service providers employed to help Tonga implement projects under the aid programme are New Zealand-based. But rather than indicating any bias, or an attempt by NZAID to “foist” New Zealand consultants on Tonga, this reflects the fact that the necessary skills are not mostly available in Tonga. Tonga and NZAID consider each funded activity individually to determine the appropriate level of input from New Zealand.

NZAID's large water-supply upgrading projects in Tonga could not be undertaken without the expert technical oversight and guidance of experienced consultant engineers based in New Zealand. However, the project manager and training programme manager for the Tonga Village Water Supply Project on the main island are local Tongans, who are overseeing most of the work. When NZAID must use New Zealand consultants they try to

ensure that Tonga assigns local people to work alongside them, partly as a capacity-building exercise.

NZAID is making greater efforts to use appropriately qualified and skilled local Tongan consultants under the aid programme. For example they are planning to set up an Approved Local Contractor Scheme to allow NZAID staff in Nuku'alofa to contract local Tongan consultants up to a specific financial limit. We suggest that NZAID could also make use of New Zealand-based Tongan consultants who have the appropriate skills and knowledge of the language and customs of Tonga.

### **Accountability**

Submitters urged that a needs-assessment report be commissioned, and suggested that New Zealand should require a regular accountability report from Tonga on the way aid money has been spent, with a follow-up check by the New Zealand High Commission. Tongans want to feel they are getting value for aid money. It was suggested therefore that NZAID should produce a quarterly update paper for the Tongan community in New Zealand, outlining the aid programme and detailing how funds are spent.

In response to this concern NZAID suggested that the existing accountability processes are not fully understood and appreciated. Both NZAID and the Tongan Government have formal processes for approving aid expenditure. Before NZAID provides any assistance, New Zealand and Tonga agree at annual aid consultations on the activities to be funded and on mechanisms and timetables for reporting. NZAID has three staff at the New Zealand High Commission in Nuku'alofa (one seconded and two local appointees) who are involved at every step of this process. In 2003, NZAID strengthened the staffing at the High Commission in Tonga with a second local staff member who works full time on the aid programme. This has meant that the High Commission can devote more time to monitoring and following up NZAID assistance. NZAID has mutually agreed accountability requirements for each project, and the Tongan government is obliged to provide both narrative and financial reports for each project using aid money.

### **NZAID funding for education and training**

Of Tonga's funding partners in the Pacific, New Zealand is the lead donor for education purposes. Support for education and training comprises 40 percent of the Tonga aid programme. NZAID has emphasised consolidating existing educational services and improving the quality of education. Teacher training, the management of schools and systems, improving the language competence of teachers, and developing leadership are high priorities. A second priority is strengthening existing vocational and technical training institutions, and widening access to such training, especially in areas such as agriculture, small business, health, and the environment.

NZAID funded a wide-ranging review of Tonga's education sector in 2002/03. As a result major changes to arrangements with the Tongan Government are being implemented, in efforts to integrate NZAID's educational assistance with Tonga's education resources and contributions from other donors. In 2003/04 NZAID, in conjunction with the World Bank, helped the Government of Tonga plan its education strategy for the next 15 years. With the two donors' help, the Tongan Government has recently developed a national

vision for educational development from 2004 to 2019, entitled the Tonga Education Policy Framework.

Using this framework the Government of Tonga has undertaken a comprehensive reform of education which aims to provide universal access to good-quality basic education (defined as a total of 8 years' primary schooling and junior secondary schooling, for all children) by 2015. The goals of this framework include improving equitable access to and quality of universal basic education for all Tongan children up to Year 8 (age 12/13), improving access to and quality of post-basic education, and improving the management of education and training so that the quality of educational performance is enhanced. The policy framework provides a clear direction for education in Tonga, and forms the basis of proposed support from NZAID and other donors under the Tonga Education Support Programme.

In April 2005 ministerial approval was given for NZAID's involvement in the Tonga Educational Support Programme that involves a funding commitment of \$14 million from 2004/05 to 2007/08. New Zealand's total estimated aid flows to Tonga will increase over the next 3 years, but this increase will be ring-fenced for the Tonga Educational Support Programme. This programme is a comprehensive financing and operational framework designed to support the Government of Tonga's implementation of its Education Policy Framework.

Providers of NZAID-funded support will be directed to use and strengthen local institutions. Opportunities may well emerge for NZAID to do more in the way of supporting technical and vocational education in Tonga. NZAID has recently funded the Tongan Education Ministry to engage the Auckland University of Technology to undertake an independent review of the Tonga Institute of Science and Technology, with the aim of improving the quality and range of its curriculum, teaching, and other services. Training in small business skills would help graduates of this and other technical institutes in Tonga to set up viable small businesses, which in turn could employ future graduates.

NZAID has been addressing the need for scholarships. Currently 33 are provided to a small number of specified secondary and tertiary educational institutions in Tonga. A pilot project has been aimed at students from less advantaged backgrounds. It will be reviewed in 2005 to gauge how well the scheme is meeting its objectives and whether it should be extended to more students and a wider range of institutions.

### **Submitters' concerns**

In commenting on NZAID support for education, several submitters argued that there should be a re-focussing of aid, with more emphasis on technical and vocational training and less on academic education, and more assistance for non-governmental institutions involved in technical and vocational training in Tonga. Training in this area, they contended, would be more likely to result in tangible improvements for Tonga. Several submitters suggested that more of the scholarships provided by NZAID to Tonga should go to students from less advantaged backgrounds. Submitters generally believed that scholarship aid should be directed into primary and secondary education rather than scholarships to foreign universities. Recipients of scholarships are not bringing their knowledge back to Tonga because there are few career opportunities there for well educated people, resulting in a "brain drain" effect. While there is a large investment in

tertiary education there is comparatively little investment in building an infrastructure for educated people to return to. One of the biggest challenges Tonga faces is how to incorporate education, and educated Tongans, into a more productive economy of skilled employment, trade and services, resulting in sustainable economic growth and empowered development.

### **NZAID funding for health**

Although the health sector is not a key focus under the current Overseas Development Assistance strategy, NZAID provides targeted assistance to the sector, and some health-related assistance is provided under other categories in the Tonga programme. Health is the primary focus of the Australian aid programme, with a budget of A\$1.1 million per year. Nevertheless NZAID is the fourth-largest donor to the health sector in Tonga, spending NZ\$700,000 per annum.

New Zealand spends \$350,000 annually on a medical treatment scheme, which provides Tongan patients with access to specialist or emergency health care in New Zealand, or in Tonga by visiting specialists. NZAID has earmarked \$5 million to be spent over four or five years upgrading village water supplies on the main island and on 'Eua. NZAID also provides scholarships and short-term awards tenable at educational and training institutions in the Pacific region and in New Zealand for health-related study and training. There are ten Tongan students studying medical and dental courses at the Fiji School of Medicine at present under New Zealand Regional Development Scholarships. A scoping study has been completed by a New Zealand environmental consultant towards rehabilitating Nuku'alofa's rubbish dump site at Popua.

Tonga also benefits from assistance provided under NZAID's Regional Health Assistance Programme, which covers an extensive range of health-related activities and initiatives. Although it is difficult to quantify precise amounts spent in or on behalf of Tonga under this programme, given its regional nature, the total assistance provided is considerable. The larger regional health programmes Tonga benefits from cover

- immunisation
- prevention of mother-to-child transmission of HIV/AIDS
- youth health and development
- regional capacity for tobacco control
- prevention of blindness
- World Health Organization Non-communicable Diseases Prevention and Control Programme

NZAID intends to facilitate a joint arrangement between the Tongan Ministry of Health and the Counties Manakau District Health Board in 2005/06 which will focus support on a more integrated, developmental approach to specialist care and health workforce capacity building.



**Submitters' concerns**

Concern was raised by submitters that Tongan hospitals are poorly equipped and understaffed with qualified personnel. We were told that the poorer people were not getting adequate healthcare or access to the New Zealand Medical Treatment Scheme. It was suggested that the money allocated for this scheme might be better spent improving the health care services that the majority of Tongans use, instead of favouring a few with treatment in New Zealand.

**NZAID funding for good governance**

Governance is a significant issue for Tonga, and NZAID is endeavouring to ensure that as much help as possible is directed into this area. The Tongan government had proposed public-sector reform for several years, but until recently made little progress in this area.

**Public sector reform programme**

In April 2002 the Tongan Minister of Finance announced a programme of economic and public sector reform.<sup>10</sup> The programme is underpinned by Asian Development Bank financial assistance (US\$10 million), and by New Zealand and Australian aid. This programme is designed to build public-sector capacity and invigorate the private sector, to create an environment where Tonga can prosper and jobs are created to keep educated young Tongans at home. It has four main components: fiscal reform, public-sector reform, financial-sector reform, and private-sector reform.

The public-sector reform component aims to make government practices and service delivery more efficient. The public sector has grown to a point where it dominates resources, and has undermined private-sector activity and export industries. Tonga has about 50 state-owned enterprises, which are subject to weak auditing requirements and return little net revenue. Public-sector overstaffing is widely acknowledged. It will also be important to ensure that any reform takes account of the consequences of unemployment and ensures the provision of adequate services.

A Public Sector Enterprise Unit has been established within the Tongan Ministry of Finance which, with Asian Development Bank and NZAID financial support, is seeking to overhaul the operation of state-owned businesses to ensure that they operate profitably and account properly to the Government. Private-sector reform will concentrate on promoting private investment and creating jobs by correcting excessive and unpredictable government regulation.

The reform process, to which the Finance Minister is committed, has been slow, but is making some progress, with the passage of legislation aimed at encouraging foreign investment, simplifying business licensing, improving the public sector and introducing tax and financial reforms. Commencing in 2005/06 NZAID intends to collaborate with AusAid on an 8-to 10-year programme of assistance for Tonga's Financial and Economic Reform programme, which will include private-sector development and public-sector reform.

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<sup>10</sup> Reform Secretariat, Establishment Division, Prime Minister's Office, *Government of Tonga: Economic and Public Sector Reform Program: Basic Information*, April 2002, p. 24.

### **Possible aid targets for NZAID**

Submitters made several suggestions as to other ways NZAID money could usefully be spent, including

- developing Tonga's capacity to trade
- implementing economic reform
- developing Tonga's tourism capacity
- managing fisheries and protecting them from illegal foreign fishing
- supporting grass-roots business to encourage entrepreneurialism.

We believe that NZAID should take note of these suggestions and assess how they could direct aid into these areas to achieve the best result for Tonga.

### **Partnership with the New Zealand Tongan community**

Nearly every submitter from the Tongan community asked that they be consulted by NZAID and the Ministry of Foreign Affairs and Trade on decisions about the allocation of aid and on policy issues pertaining to Tonga. The Tongan community feels that since they pay taxes in New Zealand they would like a say in how their tax contribution is spent on aid in Tonga.

The submission process has highlighted the New Zealand Tongan community as a valuable resource on Tongan issues. NZAID's bilateral aid relationships are primarily intergovernmental, dealing with sovereign countries rather than with communities of those countries' nationals living in New Zealand. NZAID is committed to developing a mutually agreed programme with the Tongan Government. The programme has the best chance of success if it has the support and ownership of the host government, and is not seen as imposed from outside. NZAID needs to be aware of the resourcing issues involved in setting up regular links with local communities, and also of the sensitivities of the Tongan Government and various communities in Tonga.

The consultative process is a vital ingredient in NZAID's relationship with all its development partners. NZAID consults closely with the Tongan Government regarding the bilateral aid programme, by means of visits from Wellington-based staff, and from the High Commission on a day-to-day basis. NZAID, and more particularly the post, also consults with wider civil society in Tonga to help decide where assistance to non-government and community-based organisations can be appropriately directed.

Greater efforts to harmonise and coordinate New Zealand's development efforts with those of other development agencies has led to stepped-up consultative processes between NZAID and other donors, especially with AusAID. In February this year NZAID, AusAID and the Tongan Government held the first ever three-way formal consultations on the New Zealand and Australian aid programmes with Tonga. Consultation with civil society is also becoming a more frequent feature of the Tongan Government's own consultation process, partly as a consequence of Tonga's signing up to the United Nations' Millennium Development Goals. In the process of reporting Tonga's progress towards these goals, the Tongan Government is obliged to consult with a wide range of stakeholders in Tonga. NZAID will consult with New Zealand domestic stakeholders,

including communities, non-government organisations, and government agencies, during the development of the new programme strategy for 2006–2011.

Care will be needed to ensure that consultation targets appropriate people and that advice is representative. The Tongan Advisory Council could facilitate a consultation process and provide advice on appropriate representatives to consult on particular issues.

### **Recommendations**

- 11 That NZAID must shift its emphasis to include assistance to Tonga for developing its capacity to trade, and for promoting economic reform.
  - 12 That an annual outcomes-based needs assessment report should be conducted and published by NZAID, along with quarterly updates, to ensure that aid is producing beneficial outcomes.
  - 13 That NZAID work with the Tongan Advisory Council to set up a framework for ongoing engagement with the New Zealand Tongan community that is open, transparent and inclusive, in order to consult widely and develop programmes that are beneficial to Tonga.
  - 14 That NZAID continue to provide assistance for public sector reform initiatives at the request of the Tongan Government.
  - 15 That NZAID issue quarterly newsletters to New Zealand Tongan community organisations to inform them of the progress of aid projects in Tonga.
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## 6 Issues regarding the Tongan Government and monarchy

### Submitters' concerns

Concern about the lack of transparent government and democratic process in Tonga was a main focus of a number of submissions, including one from seven of the nine elected members of the Tongan Parliament. Various views were expressed on the extent to which New Zealand should become involved. Some submitters called for New Zealand to apply direct pressure on Tonga to adopt democratic processes and transparent government, for example by tying development assistance to progress towards democracy. Others argued that any such action by New Zealand on issues of democratic reform would breach Tonga's sovereign rights.

The majority of submitters from the New Zealand Tongan community told us that their people in Tonga do not have a right to self-determination or the basic right to elect and change the Government. Prior to the 2005 elections the Tongan Legislative Council was made up of nine members elected by the "commoners", nine elected by the 33 noble families, and 12 appointed by King Taufa'ahau Tupou IV. The Human Rights and Democracy Movement in Tonga held only seven of the nine elected seats in Parliament, and had little influence because the King holds the majority. In March 2005 Tonga held an election for its Legislative Assembly (Falealea). Following this the King, for the first time, appointed two elected nobles and two peoples' representatives to Cabinet. Cabinet now numbers 16, and unlike other Cabinet members, the new nobles' and peoples' Ministers will not serve at the King's pleasure, but only for the duration of the current parliamentary term. In announcing these appointments the Prime Minister HRH Prince 'Ulukalala Lavaka Ata stated that "this day marks a new chapter in our history"<sup>11</sup>; they show that the Tongan Government is gradually making small but significant changes towards a more democratic government.

Since the Cabinet and Privy Council set government policies, and the King has veto powers, this leaves more than 90 percent of Tonga's population with a very limited say in their country's government. While there was no question that Tongans wish to retain their monarchy, many submitters asked that the New Zealand Government encourage the monarchy to form a democratic government that is fully accountable to the people, with all members of Parliament elected by the people, and the Cabinet chosen from these members by the King. A referendum was suggested as a way of ascertaining what kind of government the Tongan people want. We appreciate that the proposed democratic reform is not representative democracy, since it includes the direct executive involvement of the Tongan royal family. The proposal illustrates the complexity of political dynamics in Tonga.

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<sup>11</sup> Press release by the Tongan Prime Minister, HRH Prince 'Ulukalala Lavaka Ata, 10 November 2004.

Several submitters called for New Zealand to express concern at human rights violations in Tonga and recent changes to the Tongan Constitution, and to support the Tongan peoples' right to challenge them. Our attention was drawn to constitutional changes restricting freedom of speech and the freedom of the press, which were said to be against the will of the majority of the population. Submitters argued that, while New Zealand should not interfere with Tonga's internal affairs, human rights are among the fundamental issues that transcend international borders. These issues include interference with basic human rights such as freedom of speech, freedom of the press, and the right to choose and to change one's government through free and fair election. Akilisi Pohiva, member of Parliament, in his submission on behalf of seven of the nine elected members of Parliament, called on New Zealand to encourage and where necessary pressure the Tongan Government to bring about the political reforms necessary for the people to elect all members of Parliament. He said the people's representatives had been unable to achieve these changes by themselves, hence their submission to the committee.

Concern was expressed about the involvement of the royal family in economic matters. One submitter told the committee that in Tonga, public services do not just get privatised and corporatised, they become "royalised", meaning they become the property of the royal family.<sup>12</sup> We were informed that Tonga's royal family now controls most of the big businesses in Tonga, including land ownership and leasing, banking, local and overseas property development, satellite operations, electricity supply, telecommunications, the internet domain, air transportation, and fisheries.<sup>13</sup>

### **Constitutional amendments**

The Constitution of the Kingdom of Tonga, was first granted by His Majesty King George Tupou I, in November 1875. The constitution comprises two major components – the Declaration of Rights and the Form of Government. The constitution instituted three branches of government, the King and Privy Council, the Legislative Assembly, and the judiciary. The constitution is supreme law in Tonga. All other legislation is to be interpreted in a manner consistent with it.

On 3 June 2003 the Tongan Attorney-General submitted a bill to amend Clauses 7 and 103 of the Constitution. The amendment to Clause 7 effectively limits freedom of speech, and the amendment to Clause 103 limits damages arising from breaches of the Constitution to declaratory judgements only. The majority of the Legislative Assembly voted to pass two new media laws, the Media Operator's Act and the Newspaper Act, while the People's Representatives opposed it. The Prime Minister stated that these new laws were required to clearly define defamation and constitutional law. The Civil Law Act was also amended to oust the application of English statutes of general application from Tonga's jurisdiction. This amendment caused concern because it meant Tonga would not have many of the civil

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<sup>12</sup> Kalafi Moala, submission 4.

<sup>13</sup> We were given the example of Tonga's air services where Cabinet apparently decided to limit Tonga's domestic service to one carrier only. After Royal Tongan Airlines went bankrupt, two domestic airline companies started up. Fly Niu was owned and operated by former pilots of Royal Tongan Airlines and had a bigger plane with better service. The other, Peau Vava'u, which flies a DC3, is operated by the Crown Prince. Peau was the company to which Cabinet decided to grant exclusive domestic service. Other similar examples were provided to us.

protections that are granted under English law, as they are not specifically covered by Tongan legislation.

The amendments to Clause 7 were sparked in part by the New Zealand-published Tongan newspaper *Taimi 'o Tonga* which openly criticised the monarchy and Tongan Government. Efforts were made by the Government to ban *Taimi 'o Tonga*, but this was ruled unconstitutional by the Tongan Supreme Court.

On 6 October 2003, 3500 people, ten percent of the population, marched in Nuku'alofa to protest about the changes to Constitution. This was the first time a significant proportion of the population had openly opposed the Tongan Government. Despite this the amendments to the Constitution were passed by the Legislative Assembly on 16 October 2003 with a vote of 16 to 11, and Royal Assent was given on 21 November 2003.

A call for judicial review of the amendments to the constitution and the two media laws was made by several prominent pro-democracy Tongans. In his judgment handed down on 8 October 2004, Justice Webster found that three of the eight new limitations under Clause 7 were void. He also found both media Acts inconsistent with Clause 7 and therefore void in terms of Clause 82 of the Constitution.

### **New Zealand support for reform**

We consider that the impetus for any change must come from within Tonga; it is not New Zealand's role to force change upon Tonga. It is a sovereign country, and changes to meet the aspirations of the Tongan community must be instigated by the Tongan people themselves. However expatriate Tongan communities and the New Zealand Government may play a role in seeking to encourage the rule of law and more open government.

There is growing support for constitutional change in Tonga, driven by generational change (50 percent of the Tongan population is aged under 25 years and reasonably well educated), exposure to political and social ideas, pressure from expatriates, and a developing middle class. Some submitters proposed tying development assistance to government reform. In fact, such a measure would hit the poorest Tongans, whom aid aims to help the most, hardest, while having very limited impact on those in positions of influence.

It was suggested that New Zealand should work alongside Tonga in a supportive role to facilitate gradual change towards representative democracy. New Zealand might, for example, promote an environment conducive to change by supporting institutions and decision-makers. Areas offering the best opportunities for such support are the judiciary, the Legislative Assembly, and the public service. Kalafi Moala, editor of *Taimi 'o Tonga*, submitted that New Zealand should state strongly its support for democratic reform in Tonga. He considered that New Zealand should express its support for democratic reform in Tonga within the framework of the Commonwealth, the United Nations, and the Pacific Islands Forum, as it has done for faraway nations such as Zimbabwe and Nigeria.

### **Supporting an independent judiciary in Tonga**

NZAID's financial assistance to fund expatriate Supreme Court judges and the provision of New Zealand judges for the Tongan Supreme Court and Court of Appeal support the

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independence of the judiciary. The risk that the judiciary could be seen as a “puppet” of New Zealand, can be mitigated by ensuring that the Tongan Government is fully involved in funding and appointment decisions. The Tongan judiciary has already provided protection against certain moves to restrict the constitution and basic freedoms, so New Zealand should focus its efforts in this area to deliver constructive assistance.

### **Supporting the Legislative Assembly in Tonga**

NZAID is already providing assistance to support the functioning of the Legislative Assembly, including the development of a Parliamentary Library to ensure that parliamentarians have access to the resources necessary to perform their roles effectively. The Commonwealth Secretariat helped the Clerk of the New Zealand House of Representatives to travel to Tonga to assist with the development of comprehensive standing orders.

### **Recommendation**

16 That the New Zealand Government work alongside the Tongan Government in a supportive role to facilitate gradual change towards representative democracy by supporting the judiciary, the Legislative Assembly, and the public service.

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### **New Zealand First minority view**

New Zealand First does not support the tenor of this part or the recommendation contained in it which New Zealand First regards as an interference by New Zealand in the affairs of another sovereign country.

## 7 Defence cooperation

### History of defence relations

New Zealand's defence relationship with Tonga is long-standing, dating back to World War II, when New Zealand personnel served in Tonga, and Tongan and New Zealand soldiers fought in the Pacific. The relationship was renewed in 1954 when the Tongan Defence Service was re-established, and a New Zealand officer filled the post of Commander until 1977. New Zealand has extensive responsibilities and obligations for security in the Pacific region including maintaining peace, preserving the environment, and promoting good governance and economic well-being.

Tonga maintains a small military force of approximately 400 personnel, consisting of land and naval forces and an air element. The naval force has three Australian-provided Pacific Class patrol boats, and generally has the largest share of the defence budget. The small air element conducts some maritime surveillance patrols, and search and rescue functions. By regional standards the forces are seen as disciplined and well-managed.

### Mutual Assistance Programme

The Mutual Assistance Programme is central to New Zealand's relations with the Tongan Defence Service, providing much of its training. The focus is on trade training, officer promotion courses, and infantry and seamanship skills. New Zealand has also sponsored university studies in computer engineering for Tongan Defence Service personnel. RNZAF Orion surveillance flights depart from Tonga, and foreign fishing vessels in Tonga's exclusive economic zone are reported to Tongan officials.

The allocation of funds for the 2003/04 Mutual Assistance Programme was NZ\$180,000. The Tongan Defence Service performs a useful role in developing the vocational skill base of the Tongan community. Assistance from New Zealand is carefully targeted to ensure it not only benefits the armed forces but contributes to nation-building as well. The New Zealand Defence Force has a technical advisor in Tonga with responsibility for the trade development of the Tongan forces' engineering personnel. Defence cooperation adds a valuable dimension to New Zealand's relationship with Tonga.

### Regional peace-keeping

With New Zealand's encouragement, the Tongan Defence Service is seeking to deploy personnel on peace support operations. The service made a highly valued contribution to the Solomon Islands Regional Assistance Mission. Training bids from the Tongan Defence Service for 2004/05 focused on the skills required for peace-keeping deployments. Currently 45 Tongan personnel are also contributing to the United States-led force in Iraq.

### Submitters' concerns

Several submitters expressed concerns about the Tongan Defence Service and New Zealand's defence assistance to Tonga. One submitter, Kuli Taumoefolau, a former high ranking Tongan army officer, suggested that the Tongan Defence Service may be used



against the people in the event of a civil disturbance, and therefore New Zealand should not provide further assistance in building up the forces.

Submitters suggested that New Zealand should increase its contribution by helping improve the Tongan Navy's capacity and hydrographic capability in order to protect the Tongan exclusive economic zone. Another suggestion was that a permanent detachment of the Royal New Zealand Air Force should be offered to the Tongan Air Wing to provide training and operational support.

Concern was also expressed regarding Chinese involvement with the Tongan Defence Service.<sup>14</sup> Currently, China provides limited military assistance to Tonga, but it is energising its defence relationship with Tonga providing defence aid and exchanges of personnel on training commitments from both countries. Kuli Taumoefolau suggested that any strong presence of China in the South Pacific, especially in our immediate neighbourhood, poses a potential threat to New Zealand security.<sup>15</sup>

### **Green Party and Progressive Party minority view**

The Green and Progressive members agree that New Zealand should not provide any further assistance in building up the Tongan forces, at least as regards land forces.<sup>16</sup> The two members are not convinced that Tonga needs a land force separate from the Police. They are opposed to New Zealand supporting Tongan Defence Service deployments overseas, which serve only to strengthen the land force which could be used against the people, as seven of the nine elected Tongan members of Parliament, Kuli Taumoefolau, and Kalafi Moala have submitted.

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<sup>14</sup> There is further discussion on China's involvement in Tonga on pages 39-40.

<sup>15</sup> Kuli Taumoefolau, submission 77, p.4.

<sup>16</sup> This was also raised by Brian Smyth, New Zealand High Commissioner to Tonga 1999 - Sept 2001 when he says "The TDS see their primary role as defence of the kingdom (for which read defence of the Monarchy). Some soldiers consider the democracy movement as the 'enemy' ... Our forces could be encouraged to try and impart some values as well as technical skills to the Tongan soldiers they encounter. And we should continue to refrain from supplying weapons to the TDS, as urged by the democracy movement ... were it to come to the crunch, the rank and file would refuse to obey an order to fire on a crowd. But weapons could easily fall into the hands of a few extremists determined to preserve the nobles' privileged position."

## 8 Immigration

### Background

Migration to New Zealand (and Australia and the United States) has for many years functioned as a “safety valve” for Tonga. It has kept the internal population steady and helped reduce the pressure on scarce resources, particularly land. It has provided opportunities for Tongans with internationally marketable qualifications, for which there is limited demand in Tonga, to utilise their skills and pursue rewarding careers. Importantly, it has created a pool of people abroad who send remittances (currently totalling around T\$150 million per year) to support their Tongan families, keeping the country economically afloat.

### Tongan population

There are estimated to be 220,000 Tongans in the world of which approximately 102,000 live in Tonga, 47,000 in New Zealand, 24,000 in Australia, and 47,000 in the United States. Of the 47,000 Tongans in New Zealand, 53 percent were born in New Zealand.

### Current New Zealand immigration scheme for Tongans

There has been a flow of migration to New Zealand by Tongan nationals since the 1970s. Of the several policies under which Tongans can enter New Zealand, the most commonly applied are marriage/partnership policies, Family Sponsored Parent policies, the general skills policy, and the October 2000 Transitional policy. Under this last category the status of well settled overstayers is regularised to allow them to apply for residence.

A new special residence category, the Pacific Access Category, came into effect on 1 July 2002. It allocates 250 places per annum for Tongans to immigrate to New Zealand. The process of selection involves registration of interest, then a ballot to select 250 people who are invited to apply for residence within 6 months of the ballot. To qualify for residence under the Pacific Access Category an applicant must

- be a citizen of Tonga
- be aged between 18 and 45
- have an offer of employment in New Zealand
- meet a minimum English language ability requirement
- meet a minimum income requirement if he or she has dependent children
- meet health and character requirements.

### Changes to the Pacific Access Category

A review of the category in July 2004 resulted in several changes to allow more flexibility. In previous years the quota of 250 was not entirely filled mainly because applicants experienced difficulty in obtaining job offers. The new policy allows unfilled places from

the previous 2 years' ballots to remain available for the following 3 years. Therefore in the 2004 ballot, drawn on 27 September, there were 355 places available. Other changes allow Tongans who are already in New Zealand on a lawful visa to apply, along with those who have previously overstayed and have now regularised their status. The minimum income requirement for applicants with dependent children has also been reduced.

Along with these policy changes, new positions for Pacific Relationship Managers have been established in the Department of Labour to work with Pacific Island communities. These managers travel to Tonga along with New Zealand employers for the purpose of recruiting from the Pacific Access Category balloted people. A key focus of these roles will be ensuring that the full number of places available in the Pacific Access Category quota are filled each year, by matching opportunities in the New Zealand labour market with prospective migrants.

We are concerned that Tongans chosen in the Pacific Access Category ballot are unable to travel to New Zealand and lawfully look for work. Visitor visa policy currently outlines a lawful purpose test for those applying for visitor visas and visits for the purpose of looking for work do not meet this test. Work search visas are not available for Tongan nationals. The Green and Progressive members believe that the New Zealand Government should allow Tongans who have been chosen in the ballot to come to New Zealand on a short-term work search visa in order to look for work so they can complete their residency visa application.

### **Submitters' concerns**

To many Tongans, New Zealand's immigration policies provide the most tangible indication of the way the relationship between Tonga and New Zealand operates. A large proportion of submissions focused on what submitters saw as a restrictive immigration regime in New Zealand, and the ballot scheme was highly criticised. Most submitters saw immigration as an opportunity to provide employment for Tonga's youth, and the resulting remittances as crucial to the economy. There was also, however, concern that the "brain drain" effect was impacting negatively on Tonga. People with internationally marketable skills tend to move around, some eventually bringing home all the experience they have acquired while away; but many find no place for their skills in Tonga.

There is concern that requirements for a certain level of skill for entry to New Zealand and other countries have prevented unskilled Tongans from emigrating. While basic education is good, there are few opportunities for Tongans to gain the vocational qualifications and work experience demanded by immigration criteria. Each year, only around 400 of approximately 2000 school leavers find jobs in Tonga. There is, therefore, a developing pool of relatively well-educated, disaffected youth.

The ballot scheme is criticised for being a "luck-of-the-draw" process rather than a merit-based one. For a Tongan to come to New Zealand a down-payment for a visa (which is not refunded regardless of the outcome of the application) is required along with sponsorship, financial support, proof of lodging and associated paperwork. A New Zealander can easily travel to Tonga without the need for a visa, and this inequality is keenly felt by Tongans.

In the longer term, as ties with the expatriate community fade and there are fewer migrants to New Zealand, the volume of remittances to Tonga is expected to decrease. This has

serious implications for the standard of living of families in Tonga, and for its social stability and economic viability. Many submitters called for New Zealand to adopt innovative policies regarding immigration from Tonga, for example by allowing a flow of controlled immigration from Tonga to meet seasonal labour demands in New Zealand. This, they suggested, would provide work and experience for young Tongans and help New Zealand businesses to address employment problems.

### **Pregnancy testing**

Routine pregnancy testing of Tongan women wanting to travel to New Zealand on temporary visitors' visas caused concern among submitters. The New Zealand Immigration Service confirmed that women may be asked to undertake a pregnancy test before they are granted visas for New Zealand if they are suspected of coming to New Zealand to give birth.

We were told that requests for checks are made only when an immigration officer suspects that a visa applicant might become a burden on New Zealand health services. There is no compulsory, routine pregnancy-testing regime for women from Tonga or any other country. New Zealand Immigration officers at overseas posts are permitted to ask for a test only if they have a significant and specific reason to suspect a visa applicant might be pregnant and planning to have the baby in New Zealand. The New Zealand Immigration Service was concerned to correct a practice in their Tongan office which had stepped outside the policy by requiring compulsory pregnancy tests. Those targeted are supposed to be women who have been to New Zealand before and had a child, married women who have previously had children, or single women who have had a child.

The policy was introduced in 2003 amid concerns about the number of foreign women coming to New Zealand to give birth at no cost. Figures show that about 400 Pacific Island women a year have visited New Zealand and given birth in the past three years. Until 31 December 2005, a baby born in New Zealand is automatically entitled to become a citizen, meaning the child is entitled to stay, go to school and work here, and perhaps later sponsor parents to immigrate. Some women have abused their access to New Zealand to have their baby while on a temporary visitor's visa. Laws have now been changed so that foreign women can be charged for these medical services and babies born in New Zealand of foreign parents are not automatically entitled to citizenship after 31 December 2005.

Tongans with strong Christian beliefs found the tests hurtful, demeaning, discriminating, and culturally insensitive. In 2004, Siosi Cocker Mafi, Governor of the Reserve Bank of Tonga, was subjected to a test, as was Meleseni Lomu, acting secretary for Finance. This caused a significant media scandal, embarrassment to New Zealand, and unnecessary insult to the two women involved.

The Chief Operating Officer of Workforce (Immigration) confirmed to us that no testing has been done since July 2004 in Tonga.

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**Recommendation**

17 That the New Zealand Government continue to support the work of Department of Labour Pacific Relationship Managers, who travel to Tonga along with New Zealand employers to recruit from Pacific Access Category balloted people, matching them with opportunities in the New Zealand labour market, in order to ensure that the Pacific Access Category quota is filled each year.

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## 9 Tonga's changing bilateral relations

### Background

In the decades immediately following World War II key external partners for Pacific Island nations were the United Kingdom, the United States, France, Australia, and New Zealand. Over the last two decades this pattern has changed. Some partners are withdrawing or reducing their Pacific involvement, and new partners have emerged. Besides new country participants, the roles of United Nations agencies, the International Monetary Fund, World Bank, and the Asian Development Bank are also significant. Increases in bilateral and multilateral engagement with Pacific Island countries that contribute to their development and their ability to participate in the global economy are to be encouraged. Issues of concern to the region, such as resource management, trans-national crime, national governance, and HIV/AIDS need multilateral, regional, and bilateral responses. Of the Pacific's traditional partners, the United Kingdom and the United States are increasingly moving their focus away from the Pacific, while Australia, New Zealand, and France have all increased their support.

New Zealand continues to work with other regional partners in the Pacific to support the effective development of Pacific Island countries and their ability to participate in the global economy. New Zealand actively encourages regional partners to remain engaged in the region and encourages other partners to engage and support Tonga in its efforts to improve parliamentary processes, accountability and transparency.

### Tonga's bilateral partners

Tonga's first contacts with the international community were extended through Wesleyan and Catholic missionaries who were active in Tonga from the 1790s. Tonga is the only country in the Pacific that has not been colonised by a European power. However, Tonga was signatory to a Treaty of Friendship and Protection with Great Britain from 1900 to 1970. After 1970, Tonga's protectorate status ended and it became a fully independent state within the Commonwealth.

#### Australia

Australia is the largest aid donor to Tonga and contributes to improved governance, stronger economic growth, and better service delivery. Australia is the lead donor for the health sector in Tonga. Improving the quality of life of the people of the Ha'apai island group is a special focus of the aid program. This aid is directed at improving the quality of life for the islanders by providing a combination of basic infrastructure, training programs and community development activities. Australian aid to Tonga for 2003/04 is estimated at A\$11.7 million.

#### Japan

Japan shares an interest in the stability, security, and sustainable development of the Pacific region, and therefore seeks to strengthen its ties with the region. Japan is not a member of any of the Pacific regional organisations, but is fostering a partnership with the Pacific

Islands Forum, especially on trade development. Japan's annual funding to the Pacific Islands Forum has been around US\$400,000 for the past few years. Japan established diplomatic relations with Tonga in 1970 and has since exchanged frequent high-level political visits.

According to the OECD statistics, Japan was the largest donor to Tonga in 1997. The two vital components of its aid programs are Grant Aid and Technical Cooperation. Japan provides general grant aid to Tonga only for projects in the fisheries and the environmental sectors. Japan also provides grant assistance for a Grassroots Programme for grassroots communities, emergency aid in such cases as natural disasters, and cultural grant aid for maintaining historical sites and promoting education and culture.

The funding ceiling for the Grassroots Program is normally US\$40,000. However, this can be increased to US\$400,000 in special cases. A total of 123 projects to the value of approximately US\$2.5 million have been funded under this program from 1995 to 2002. Its targets are primary education, health, water supply, women in development, environment, small-scale electrification, disability, and vocational training. The areas covered under technical cooperation are very diverse and include such sectors as agriculture, fisheries, industry, infrastructure, and health.

### **European Union**

The European Union is already a major partner in the Pacific, funding some 20 regional projects at present. The European Union negotiated the Cotonou Agreement to govern all aspects of development, political and trade relations between the European Union and the African, Caribbean, and Pacific group, significantly extending previous cooperation. All 14 Pacific Island Forum countries are members of this group. Current non-reciprocal trade preferences will be maintained until December 2007. From 2008, new WTO-compatible trading arrangements will replace trade preferences, progressively removing barriers to trade and enhancing cooperation in areas relevant to trade.

The European Union is a minor trading partner for Tonga. Less than ten percent of the country's imports and about one percent of the exports relate to the European Union. The European Union is the core donor for the Vava'u group of islands, and aid focuses on education, health and sanitation. Aid given to Tonga from the European Union between 1998 and 2002 amounts to €7 million.

### **China**

China is emerging as a significant player in the Pacific as it contends with Taiwan for diplomatic recognition in the region. Some countries have switched recognition, sometimes with implications for Official Development Aid commitments. Tonga and Nauru have switched recognition from Taiwan to China, and Kiribati and the Solomon Islands from China to Taiwan in recent years. China views the Pacific as part of its Asia-Pacific neighbourhood, and its engagement in the Pacific is likely to increase as the country becomes more prosperous and internationally assured.

China's assistance program in the Pacific spends around US\$20 to \$40 million per annum. It is used to construct infrastructure "showpieces" such as sports stadiums, swimming pools, and libraries. The extent of Chinese financial assistance to and involvement with the

private sector in the Pacific is more difficult to assess. Increased Chinese engagement with the region has been reflected in growing Chinese communities in many Pacific countries. Pacific countries are eligible for credit with Chinese companies through the China Export-Import Bank. China has also agreed in principle to Approved Destination Status for Chinese tourists to Tonga, Vanuatu, and the Cook Islands, which should significantly boost tourist arrivals over time.

Chinese involvement with Tonga is considerable and encompasses power generation, fuel supplies, telecommunications, transport, accommodation, and financial services. China is also expanding into fisheries, and there is a possibility that the Bank of China may open operations in Tonga. Projects emerging over the next few years that may draw on Chinese funding include an oil-tank farm, private port facilities, and the sourcing of aircraft and an inter-island passenger ferry.

China is building links with the Pacific Islands Forum. It has sponsored seminars for Pacific diplomats and provided financial assistance to the Forum's Petroleum Advisory Service Project; and in August 2003 a joint press delegation from the Pacific was invited to visit China. The Pacific Island Trade Office in Beijing is also funded by China. Tonga and China have had diplomatic relations since 1998 and there are regular exchange visits between countries. China has a well resourced embassy in Nuku'alofa. The Tongan Chinese community is estimated at about 600. We were told that this growing community is dominating the corner-store and food distribution trade to an extent that is causing sporadic resentment in the Tongan community. Many of the Chinese in Tonga immigrated as a result of the now-abandoned passport sales programme. Others are on work visas; the permitted occupation list has been tightened to exclude retailing. Several submitters raised concerns over the increasing influence of China in Tonga. The Tongan community also fears that bilateral relations with China may lead to economic dependence, reducing opportunities for relations with other countries.



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## Appendix A

### Committee procedure

The committee called for public submissions on the inquiry. The closing date for submissions was 28 March 2004. The committee received 80 submissions from the organisations and individuals listed in Appendix B and heard 32 of the submissions orally. The committee heard evidence in Wellington, Auckland and Christchurch. The committee met between 20 November 2003 and 3 August 2005 to consider the inquiry.

### Committee members

Hon Peter Dunne (Chairperson, United Future)  
Luamanuvao Winnie Laban (Deputy Chairperson, Labour)  
Tim Barnett (Labour)  
John Carter (National)  
Martin Gallagher (Labour)  
Dail Jones (New Zealand First)  
Keith Locke (Green)  
Simon Power (National)  
Hon Matt Robson (Progressive)  
Dr the Hon Lockwood Smith (National)

John Carter replaced Simon Power as a permanent member of the committee on 13 August 2004.

### Committee staff

David Sanders, Clerk of Committee  
Philippa Shallard, Parliamentary Officer (Report Writer)  
Peter Papadopoulos, Parliamentary Officer (Committee Support)

## Appendix B

### List of submitters

- 1 Tongan Members of the Progressive Party
- 2 Sione & Meleseini Manukia
- 3 Sione Lei
- 4 Kalafi Moala, Publisher Taimi 'o Tonga
- 5 Tonga Ma'ae Fonua group
- 6 Friendly Islands Teachers' Assn
- 7 Tongan Wellington Family Charitable Trust
- 8 S T Fifita & Porirua Tongan Community Inc.
- 9 Taukolo Family
- 10 Konifelenisi Taukolo
- 11 Lototaha Club
- 12 Hutt Valley Tongan Community Inc.
- 13 Brian Lythe, University of Auckland
- 14 National Council of Women of NZ
- 15 7 Members of the 9 Elected Representatives of the People in the Legislative Assembly of the Kingdom of Tonga
- 16 Tonga Advisory Council
- 17 Lisiate Lopeti Wolfgramm
- 18 Pat Afeaki
- 19 Tomui Kaloni
- 20 Tomui Kaloni
- 21 Veni Tahavalu
- 22 Filipe 'Onevela Tohi
- 23 Laungatiasi Ahio
- 24 Siaosi Loni Vakaahi & others
- 25 'Eseta L Funganitao & others
- 26 Sione Uata Isaloi
- 27 Ve'a Tonga
- 28 Kulupu – Tevita V Manako
- 29 S Fusifina
- 30 Name not supplied
- 31 K Tonga
- 32 Vaipulu Manuopangai
- 33 Vaipulu Manuopangai
- 34 Kalolo Akoteu
- 35 Viliami Lolotaine 'Uhingā
- 36 Heilala Maka
- 37 Kalafitoni Pole
- 38 Sapate Faka 'Osilea
- 39 Tevita Maka
- 40 Taha Pe Group
- 41 Siosifa Molia
- 42 Kelepi Finau Fifita

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- 43 Nafetalai Situ'a
  - 44 Keletiola Lua
  - 45 Name not supplied
  - 46 Name unreadable
  - 47 Mele Saini 'Ufi
  - 48 'Atiola Fifita
  - 49 Mele Talakai
  - 50 Lopeti Takau
  - 51 Sione Peauafi Haukinima, Tongan MP
  - 52 'Atiola Fifita & family
  - 53 Mele Vi
  - 54 Ha'Ofanga Pikipiki-Hama-Kae-Vaevae-Manava
  - 55 Fine & Kalalaine Aukafolau
  - 56 Latumailangai Sika
  - 57 Tualau Hala'Api'Api
  - 58 Kalapu Fele 'A Fe'Ofa'Aki Group ('Eua)
  - 59 Katalina Latu (Gilpin)
  - 60 Sositine Lutui & others
  - 61 Lemeki Helu
  - 62 Pole Tu'Uhoko
  - 63 'Inoke F Vala
  - 64 Alexis Huni
  - 65 Talanoa & Katalina Fulofuka
  - 66 Vaevaemanava Tongan Community Trust
  - 67 United Church of Tonga in Aoteroa
  - 68 Kotoa Movement
  - 69 Council for International Development
  - 70 Human Rights Foundation of NZ
  - 71 Christian World Service
  - 72 S M Taumoepea
  - 73 Pacific Cooperation Foundation
  - 74 Tongan Community of Sts. Joseph and Joachim Parish
  - 75 Christchurch Tongan Community Assn
  - 76 Oxfam NZ
  - 77 Kuli Taumoeofolau
  - 78 Michael Murray, McGregor & Co
  - 79 Mo'ale 'Otunuku
  - 80 Alani Taione

## Appendix C

### Tonga/NZAID bilateral ODA programme 2004/05

AGREED ACTIVITIES	Final Outturn
1 Education and Training	
1.1 New Zealand Development Scholarships	360,451
1.2 NZ Regional Development Scholarships	723,534
1.3 In-Country Awards	41,438
1.4 Short-term training - Public and Private sectors	592,431
1.4.1 In-Country	313,011
1.4.2 In New Zealand	279,420
1.5 Public Sector Management Diploma (Massey University)	70,499
1.6 Education Sector Support (TESP)	178,785
<b>Sub-total</b>	<b>1,967,138</b>
2 Outer Island Development	
2.1 'Eua Development Programme	304,314
2.1.1 Water Supply Upgrade	204,314
2.1.2 Other Projects - roading upgrade	100,000
2.2 Niua Development Programme	90,443
2.2.1 Electrification – NSEP (solar power)	39,948
2.2.2 Niuatoputapu High School	19,274
2.2.3 Other Projects	31,221
<b>Sub-total</b>	<b>394,757</b>
3 Community Development Assistance	
3.1 Community Development Fund (incl. gender)	207,074
3.2 Centre for Women and Children	43,766
3.3 Tonga Village Water Supply Project	940,365
<b>Sub-total</b>	<b>1,191,205</b>
4 Public Sector Reform and Governance	
4.1 Public Enterprise Division - Ministry of Finance	150,000
4.2 Support for Public Sector Reform Programme (e.g. PC/Trade)	107,016
4.3 Audit Office Scoping Review	14,939
4.4 Judicial Support	307,676
<b>Sub-total</b>	<b>579,631</b>
5 Private Sector Development	
5.1 Sustainable Livelihoods – Tonga/NZ Business Assn & Ecotourism	79,163
Sub-total	79,163
6 Health	
6.1 Medical Treatment Scheme	280,535
6.2 Popua Dump Rehabilitation	1,764
6.3 Oil spill clean-up equipment/training	15,135
<b>Sub-total</b>	<b>297,434</b>
Nuku'alofa's Head of Mission Fund	75,619
<b>TOTAL</b>	<b>4,584,947</b>
2004/05 Allocation (Base allocation \$5,665,000 + \$850,000 rolled over from 2003/04)	<b>6,515,000</b>
Balance (of which \$673,000 was returned to the wider ODA programme in 2004/05 for distributing, and \$1,257,053 has been rolled over to the 2005/06 Tonga programme)	<b>(1,930,053)</b>