

# **a price too high: the cost of Australia's approach to asylum seekers**

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The Australian Government's policy of offshore processing of asylum seekers on Nauru, Manus Island and Christmas Island - a research project funded by A Just Australia, Oxfam Australia and Oxfam Novib

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## **Executive Summary**

In the six years since the Tampa crisis in August 2001, Australian taxpayers have spent more than \$1 billion to process less than 1,700 asylum seekers in offshore locations – or more than half a million dollars per person. Most, if not all, of these asylum seekers have paid a substantial personal toll through poor mental and physical health and wellbeing. There have also been detrimental impacts on Australia's democratic and legal system, Australia's regional relationships and the international system of protection of refugees and asylum seekers.

This report - a joint project of A Just Australia and Oxfam Australia, with support from Oxfam Novib in the Netherlands - analyses the costs of the policy known as the "Pacific Solution". It critiques government claims that the policy is an efficient and effective means of achieving refugee protection and immigration control.

The costs examined in the report are human costs, financial costs, cost to Australian rule of law and democratic system, costs to the region and the cost to the international system of protection.

### **Human Cost:**

- Detainees held in offshore locations often bear the brunt of the policies through poorer mental health and general well-being, both in the immediate and longer term.
- There are also higher costs borne by the broader Australian community as a result of having to integrate people who have been damaged by prolonged isolation in offshore processing centres. Longer processing times in more isolated locations tend to hinder the integration of asylum-seekers when they do finally resettle in Australia, and often cause loss of skills and livelihood opportunities and hence a heavier reliance on community and government care.
- Medical studies, figures from the Department of Immigration and Citizenship (DIAC), testimony from staff and former asylum seekers on Nauru all paint a shocking picture of psychological damage for the detainees - including 45 people engaged in a serious hunger strike, multiple incidents of actual self-harm and dozens of detainees suffering from depression and other psychological conditions each year and being treated with anti-depressants or anti-psychotic medication.
- In October 2005, Immigration Minister Vanstone agreed that 25 of the remaining 27 detainees on Nauru should be brought to Australia "on the expert advice of health professionals because of serious mental health concerns." The fact that their detention on Nauru had caused mental health problems was recognised to a limited degree by the Australian Government when it requested the Red Cross to deliver six weeks of initial settlement support including casework, information and referral, assistance with housing and referral to mental health support as required.
- A lack of hospital infrastructure and a lack of timely access to adequate physical health care saw at least 40 people airlifted to Australia from Nauru for medical treatment. A 26-year old asylum seeker with no known physical or mental health problems died on Nauru in August 2002.
- The detention of over 1,500 asylum seekers on Nauru has placed extra burdens on a community of only 10,000 people that was already facing major economic and political problems. The hunger strike on Nauru in December 2003 placed unacceptable burdens on Nauru's health system and medical staff. Similarly, the small Christmas Island community of 1,200 could not meet the complex physical and mental health needs of asylum seekers, nor did it have adequate resources to provide community detention and other services to the detainees.

a price too high:  
Australia's approach to asylum seekers

- This section also documents the long delays in resettling people found to be refugees, with case studies of Palestinian Aladdin Sisalem in Papua New Guinea, and two Iraqis Mohammed Sagar and Muhammad Faisal on Nauru. The majority of detainees have spent two years on Nauru, with a smaller number being held for up to six years. As one Iraqi refugee told the authors: "Two years? It was 2,000 years. Every moment was like a year."

#### Financial Cost:

- Offshore processing in Nauru, Manus Island and Christmas Island has amounted to **at least \$1 billion** since 2001. By comparison, the latest estimates from DIAC suggest that to process 1,700 asylum seekers for 90 days each at Villawood detention centre in Sydney would have cost around \$35 million – around 3.5 per cent of the cost of processing them offshore.

The final tally of financial costs is difficult to obtain as Australia's offshore processing policies are not neatly encapsulated as a single program, however they include:

- **Interception costs:** at least \$100 million on increased activities by the Defence Department related to intercepting boat arrivals, with plans to spend another \$51.6 million over the next four years. Australia has also made more than \$200 million in payments to the International Organisation for Migration (IOM), largely to manage offshore detention centres in the Pacific, but also to provide processing and other services in Indonesia to prevent asylum seekers coming to Australia.
- **Infrastructure, maintenance and operating costs:** including \$396 million for the construction of the Christmas Island detention centre, and at least \$253 million (to June 2006) for the management and operation of the Nauru and Manus centres. The average cost for maintaining the facilities on Nauru is \$2 million a month, while Manus Island (empty since 2004) is maintained in readiness for new asylum seekers at an annual cost of \$2 million. It costs \$1,830 per detainee per day to keep someone on Christmas Island, compared to \$238 per detainee per day at Villawood, according to the latest departmental estimates (Figures are not given for Nauru and Manus on this basis).
- **Transportation and Services costs:** There are many other additional costs, such as nearly \$5 million spent on charter flights to move asylum seekers offshore in 2005-06 alone. Millions have also been spent on other unreported costs like transporting asylum seekers to Nauru, Manus Island and Christmas Island by boat, flying asylum seekers to Australia for medical treatment, providing services to asylum seekers that are not covered by IOM and flying lawyers to Christmas Island to provide legal assistance, as was the case with the 43 West Papuan asylum seekers who arrived in 2006.
- **Cost to the aid program and other costs:** Since 2001 Australia has increased five-fold the amount of development assistance provided to Nauru, compared to the 1990s (providing over \$123 million in aid between 2001 – 06). It also established a \$1 million trust fund to meet the costs associated with setting up the Manus Island facility. The fourth MOU between Australia and Nauru for the offshore asylum program in 2005 – 07 pledges \$40.5 million in aid over the period.

#### Cost to Australia's legal and democratic system

- A major motivation for the Pacific Solution policy was to keep asylum seekers "out of sight and out of mind." Interviewees for this report highlight major deficiencies in the policy, including a lack of legal representation for asylum seekers, a lack of independent scrutiny of offshore processing, a lack of transparency and accountability in the process and a lack of review of its outcomes.
- These deficiencies ultimately undermine Australians' ability to be confident that a fair and equitable application of the law will occur in their country and that governments can be held accountable for their decisions. The policies also potentially damage social harmony and cohesion.
- In the first few years of the "Pacific Solution", asylum seekers were denied access to legal advice about Australian immigration law and their rights of appeal. On occasions, the Nauruan government has gone to the length of denying visas for Australian lawyers or migration agents who sought to travel to Nauru to represent the asylum seekers.

a price too high:  
Australia's approach to asylum seekers

- Positive changes in asylum seeker treatment and processing practices in Australia have not been implemented in offshore facilities.
- Government accountability has been damaged by the failure to provide the full costs of running the detention centres in Nauru, Papua New Guinea and Christmas Island.

#### **Regional cost – the cost to Australia's aid program:**

- Since the Tampa crisis of 2001 the aid program to Nauru has ballooned. Between 1992 and 2001, Australia only gave \$24.6 million in aid to Nauru. From the establishment of the detention centres in late 2001 until mid-2006, Australia gave over \$123 million in aid.
- Increases in Australian Overseas Development Assistance (ODA) have been directly tied to the Pacific Solution on Nauru.
- The way in which the Australian government has transformed the aid program in Nauru since 2001 has been criticised by a former staff member of the official Australian aid agency, who described the aid payments as “an unmitigated bribe” to ensure the Pacific Solution continues.
- Nauru's Foreign Minister has stated that money provided in the early years of the Pacific Solution under the previous government of President Rene Harris, was “basically just money poured into Nauru in order to ensure that the processing centre remains on Nauru.”
- Analysis of the 2005-07 MOU raises serious questions about the focus and priority of Australia's aid program in Nauru, with serious imbalances in the allocation of aid. For example, from 2005 - 06, the aid program allocated \$6.6 million for the Police Development Program, but only \$2.1 million for health.
- The aid program to Nauru is tied to strict conditions requiring reform of economic and governance structures.
- Much of Australia's aid to Nauru is focused on covering costs and running services in the short-term rather than building for the future. Many of these same services are under pressure because of the extra burden placed on them by the detention facility on Nauru.

#### **Cost to international system of protection**

- The Pacific Solution fails to uphold Australia commitment under international law to provide for non-refoulement of refugees – the principle under international law that forbids sending a refugee back to a place where s/he might face persecution – and for the principle of asylum. Australia's failure to respect these principles undermines the integrity of the international system.
- Under the Pacific Solution, there have been cases of refoulement of asylum-seekers to places where they faced danger and persecution, as documented in the report *Deported to Danger*.
- Australia's actions on asylum seekers violate the principle of burden-sharing - the idea that the global problem of refugees should be dealt with through international co-operation, with all nation-states contributing towards the solution. Australia is the first developed country to engage in a solution to the problem which effectively involves making other countries do the work - by off-loading asylum-seekers on poorer Pacific countries and expecting other resettlement countries or transit countries such as Malaysia or Indonesia to host the asylum-seekers.
- According to DIAC figures, 58 per cent of those found to be refugees or humanitarian cases on Nauru and Manus Island between September 2001 and February 2007 have been offered places in Australia (616 out of 1064 refugees and humanitarian cases). This does not adequately fulfil Australia's national responsibility towards those claiming asylum in Australia.
- Various member states of the European Union, notably the United Kingdom, have been considering moving toward an offshore processing regime premised on the Australian approach.

## Recommendations

Based on this study, A Just Australia and Oxfam Australia believe there is a need for urgent reform of Australia's asylum seeker policies.

We believe it is critical that the Australian government:

1. End the "Pacific Solution" and the offshore detention and processing of asylum-seekers on Nauru, Manus Island and Christmas Island. Instead, asylum-seekers reaching excised areas of Australia by boat should be processed in mainland Australia in the same way as other asylum-seekers.
2. Initiate an Australian National Audit Office (ANAO) performance audit into the full financial costs involved in offshore detention, processing and boat interception policies – including Christmas Island as well as Nauru and Manus Island - across all relevant Government departments.
3. Improve processing standards to ensure appropriate access to legal assistance, medical care and social support, consistent with previous changes to Australia's refugee determination system outlined in the Palmer, Comrie and Commonwealth Ombudsman's reports and inquiries by the Human Rights and Equal Opportunities Commission (HREOC) - for however long offshore processing does continue.
4. Ensure that asylum-seekers currently being held on Nauru have their claims processed quickly and be offered resettlement in Australia if they are successful in their claims, recognising that resettlement in the United States or other countries represents an evasion of Australia's responsibilities towards those seeking protection.
5. Transform the overseas development assistance program to Nauru, following the permanent closure of the detention centres, in order to address Nauru's long term development needs rather than Australia's domestic political interests. The aid program should focus on the priorities of the Millennium Development Goals, re-focussed on poverty alleviation, primary health and basic education needs in Nauru.
6. Engage in research to determine whether excision laws and offshore processing has impacted upon numbers of unauthorised arrivals. While there is a significant body of evidence to show the negative impacts of offshore processing, there has been no research conducted on the purported positive impacts claimed by both major political parties - that excision and offshore processing specifically reduces boat arrivals, thus reducing the number of people risking their lives in a boat journey to Australia. The evidence showing negative outcomes of this policy should be enough to urge policy makers to investigate whether this unsubstantiated policy goal is actually being attained.

We also call on the European Union and other developed countries contemplating the introduction of offshore processing regimes to reconsider introducing such policies, in light of the costs and inefficiencies of the Australian policy, the threats it poses to the international refugee protection regime and the challenges it presents to international burden-sharing of refugee protection.



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