



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES  
COMMITTEE

**Reference: Australia's relationship with Papua New Guinea and Pacific island  
nations**

FRIDAY, 18 OCTOBER 2002

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE**  
**FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE**  
**Friday, 18 October 2002**

**Members:** Senator Cook (*Chair*), Senator Sandy Macdonald (*Deputy Chair*), Senators Johnston, Marshall and Ridgeway

**Participating members:** Senators Abetz, Bartlett, Boswell, Brandis, Carr, Chapman, Coonan, Denman, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Forshaw, Harradine, Harris, Knowles, Lightfoot, Mackay, Mason, McGauran, Murphy, Nettle, Payne, Tchen, Tierney and Watson

**Senators in attendance:** Senators Cook and Hogg

**Terms of reference for the inquiry:**

To inquire into and report on:

Australia's relationship with Papua New Guinea and the island states of the south-west Pacific (known as Oceania or the South Pacific), with particular reference to:

- (a) the current state of political relations between regional states and Australia and New Zealand;
- (b) economic relations, including trade, tourism and investment;
- (c) development cooperation relationships with the various states of the region, including the future direction of the overall development cooperation program; and
- (d) the implications for Australia of political, economic and security developments in the region.

**WITNESSES**

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**Committee met at 12.37 p.m.**

**BOMFORD, Mr Richard, Director, International Regional Unit, Environment Australia, Department of the Environment and Heritage**

**HYMAN, Mr Mark, Assistant Secretary, International and Intergovernmental Branch, Environment Australia, Department of the Environment and Heritage**

**SIRIANNI, Ms Nadia Luisa, Adviser, International Region Unit, International and Intergovernmental Branch, Environment Australia, Department of the Environment and Heritage**

**CHAIR**—Welcome. Every morning at the commencement of these proceedings I read a long list of things that everyone should take note of, but you were not present this morning. Not that I think you in any way would not be aware of this, but necessarily for the record let me just state the following. An officer of a department of the Commonwealth should not be asked to give opinions on matters of policy. However, officers may be asked to explain government policy, describe how it differs from alternative policies and provide information on the process by which a particular policy was arrived at. That is the scope of what we can and cannot do in the case of officers of the Commonwealth.

Thank you very much for your submission. We invite you to say a few words in support of it, and then Senator Hogg and I will take the opportunity to ask you some questions about it.

**Mr Hyman**—Thank you for the opportunity to appear before your committee. We thought it might be useful for the committee to provide some context by first of all explaining a little bit about our interest in international matters generally. As the Commonwealth's department with prime responsibility for environmental matters, we deal with the full range of environmental and heritage issues—conservation, environment protection, marine matters and so on.

**Senator HOGG**—Do you do that together with DFAT or independently of DFAT or both?

**Mr Hyman**—Could I answer that when I get to the point where I go into our international interests, because the starting point for what I was going to say was that the huge majority of what we do is, of course, domestic.

**Senator HOGG**—Yes.

**Mr Hyman**—We are engaged in ensuring that the Australian environment in its full extent is properly protected. When we move to international matters we do so because protecting the Australian environment requires international cooperation or because there are matters which are inherently international that need attention—such as, for example, global resources of various kinds, the atmosphere, the ozone layer, whatever it might be. These things require a degree of international cooperation.

When we do that international work, to answer your question, Senator, we do it in cooperation with other agencies, particularly with Foreign Affairs and Trade, and not only with them but also with agencies like AusAID, for example, and agencies which might share interests in the particular issue that we are addressing. In some cases, Agriculture, Fisheries and Forestry will have an interest on a matter such as what for us might be conservation of marine

resources and might for them be sustainable management of fish stocks—those kinds of things. Obviously we cooperate with the other relevant line agencies within the Australia government.

A great deal of what we do internationally involves international agreements. The global conventions are the most obvious examples of those. We also operate in other multilateral forums, such as the OECD or the UNEP Governing Council or the UN Commission on Sustainable Development, where the activity tends to lead not to legally binding outcomes necessarily but to agreement on various forms of international action or policy.

In addition to that kind of multilateral work, we also work bilaterally, particularly with countries with whom we have for other reasons close kinds of relations on these issues. That is again directed at securing better environmental outcomes for Australia and the region and, in some cases, the world. There are a number of drivers for this kind of work. One obvious one is that in some cases—and PNG is a case in point—we share ecosystems or species and cooperation is necessary to manage those shared resources. Sometimes we engage bilaterally because it is relevant to the work we are doing in wider forums, so we have bilateral discussions with a number of countries on climate change which are relevant to the climate change discussions multilaterally.

**CHAIR**—Can I just stop you on that question on climate change. As the department providing input into government policy on climate change, are you the appropriate agency to take into consideration in your brief to the government for its policy determination—and, if you are, were you able to—the concerns of Pacific island nations about the climate change convention?

**Mr Hyman**—Matters of climate change within the portfolio are essentially addressed through the Australian Greenhouse Office, which is still at the moment a separate executive agency, and probably that question would be more readily answered by them. So the answer to your question is that we are not the appropriate agency to ask that question of, in the case of climate change. I used climate change to illustrate a general point.

**CHAIR**—Yes, but climate change is obviously an issue in this part of the world and, as the island nation states consistently say, their position and Australia's is different. I just wonder to what extent the considerations they bring to bear were part of our decision-making process, but I think you have answered that to the extent you are able, and we will perhaps direct our inquiries to the other agency.

**Mr Hyman**—I can say that there is detailed consultation with many countries of the Pacific region on climate change matters but, in terms of providing you with a detailed account of those consultations and how they are reflected in government processes, you would be better off asking the agency in question.

A further reason for our engagement with other countries on a bilateral basis is that there are issues under particular conventions which we might wish to pursue with them. An example would be where there was a protocol or an agreement being developed under the convention on the conservation of migratory species where countries of the region might be range states for the species in question, so we cooperated with a number of countries of our region on the recently completed convention on albatrosses and petrels, for example.

Then we have broader reasons—what might be called foreign policy reasons—for engaging with countries on these issues. There are multistranded dialogues held with some of these countries, and environmental issues very frequently find their place on those agendas. We do not think of ourselves in this work as a replacement for AusAID. AusAID has the major development assistance delivery function. Our international bilateral work of this kind is carried through as a fairly small-scale part of our general work, a small-scale addition to it, and is basically driven by those other priorities rather than considered as a separate set of issues that are pursued for their own sake.

We have limited resources for this kind of work and we try to use those for building and fostering relationships with mostly our counterpart agencies and at ministerial level, of course, to enable the minister to develop those kinds of relationships with his counterparts. Because our resources are so limited, we determine quite carefully where our priorities lie, and we have identified both of the areas that you are dealing with in this particular inquiry—PNG and the Pacific island countries—as first priorities for the department. The other first priorities are Indonesia, New Zealand and Japan, so it is quite a small list, and PNG and the Pacific feature in that. Then we have second- and third-order priorities below that, of course.

Turning then to Papua New Guinea, there are some quite evident difficulties in how we go about this work. PNG are limited in their capacity to deal with some of these issues. They are limited in their resources to deal with some of these issues, and there are political considerations that sometimes make it difficult for us to make this relationship a productive one. We mostly work at the technical level. We do not seek to take decisions for PNG. What we try to do really is to assist them to develop the capacity to take sound decisions on their own.

Particular areas of activity include forests, which are centrally important not only to PNG's developed economy—or industrial economy, I suppose you could say—but also to the subsistence economy of the country. Much of the population still relies on the forests for many of the goods and services and so forth. That gives a particular and acute meaning to the phrase 'ecosystem services' which is often used.

We work closely with them in a number of other areas, particularly the marine area where the shared waters of the Torres Strait make that inevitable. We also work with them in areas like the convention on international threatened and endangered species and on World Heritage matters. But probably about 40 to 50 per cent of our effort is in the forests area, where we are trying to build the technical capacity to make good decisions relating to forest conservation; forests being the major repository of terrestrial biodiversity, apart from anything else, in PNG.

Moving on to the Pacific, we have focused most of our attention on SPREP, the South Pacific Regional Environment Program, which then works with the member countries. One of the reasons for this is that most of the Pacific island countries have very small environment agencies, with very often single-digit numbers of staff in those agencies. It would be very easy for us—and it has happened in fact—to overwhelm those agencies with the attention we pay to them. A lot of the time we try to use SPREP to deliver value added to the Pacific as a whole, to engage with numbers of countries at once. We are looking at where it will be productive to engage in bilateral work with individual countries, but we think we have to be very selective and careful about how we do that. There are three regional environment conventions.

**Senator HOGG**—Could I just stop you there. You are talking about selected bilateral work. What are the sorts of areas you would be looking at? Are there specific areas as such, or is it the capacity of the country to do the work that becomes more important?

**Mr Hyman**—All of this work is capacity building. For example, we would be encouraging countries to develop the capacity to implement one of the global conventions, or one of the regional conventions, or to make better decisions about waste management or prevention of pollution of their lagoons, or something along those lines. One example would be the provision of computers to a number of countries for use in the CITES context—that is the convention on international trade in endangered species. We provided a number of computers—one computer per country, I think it was—with databases installed to help them in making decisions. There are quite strict rules within the convention about compliance and so forth, and if countries cannot keep up the pace then they can be effectively excluded from the caucuses of the convention, to a degree, and the forms of assistance it offers.

I mentioned that we are party to three regional conventions: the Noumea convention on pollution, the Apia convention on conservation and the Waigani convention on trade in hazardous and nuclear wastes. Just drawing some general conclusions, our engagement is limited by our resources and the resources we can commit in this area, but it is also limited by the capacity of the countries of the region to absorb the assistance we give them and by our perception that our role is not to try and duplicate the work of, say, AusAID.

We have found that the assistance provided through one of the programs that AusAID runs in Indonesia, which is called GSLP—the Government Sector Linkages Program—has enabled us to develop a much more multistranded relationship with Indonesia. We think it is the type of small-scale program which we would find very useful in our dealings, particularly with Papua New Guinea but possibly, with appropriate design, also with the Pacific. It is not a large program and the amounts of assistance it offers are quite small, but they do catalyse activity that otherwise we would find very difficult to do.

We think the work we are doing with PNG on forests, which is based on software and other tools developed in the domestic RFA process, is leading edge in terms of the assistance it offers PNG. We think it is pitched at the right level for a country like PNG to be able to absorb and use. We are hoping to be able to use it as a jumping-off platform to apply similar kinds of tools in other countries of the region. That brings my opening remarks to a close.

**CHAIR**—Thank you very much, Mr Hyman. As neither of Mr Hyman's colleagues wish to add to that, Senator Hogg, do you have any questions at this point?

**Senator HOGG**—Yes. Just briefly, at point 8 in your submission you refer to the PNG Department of Environment and Conservation being a member of the Torres Strait environment management committee and to a range of issues that the committee obviously looks after when it meets every 12 months. Who sets the agenda? Is that something set mutually or is it fairly much dominated by what our agenda might be? How do we measure the effectiveness of that committee structure and arrangement?

**Mr Hyman**—I will ask my colleagues if they know better than I do, but to the best of my knowledge it is set in the usual way for these things, which is mutual. The hosting alternates and

the host usually is in charge of organising the agenda, but it is a mutual process in which draft agendas are exchanged, comments are given and proposals are made to add and delete.

**Senator HOGG**—This is at a ministerial level, is it not?

**Mr Hyman**—To the best of my knowledge it is at an officials level.

**Senator HOGG**—Officials level, or ministerial?

**Mr Bomford**—I do not know; I do not have direct experience. My guess is that there is a ministerial level council. What we are talking about here, though, is advisory committees and so on.

**Senator HOGG**—Is this a real hands-on committee where people do not discuss the broader policy issues but get down to the nitty-gritty issues that are affecting one or either side in the debate? That is more what I am aiming at.

**Mr Hyman**—My understanding is that it does deal with those nitty-gritty issues. It deals with common problems of management of the zone of the Torres Strait, where the issues tend to be of the nitty-gritty kind. I think the safest thing for me to do, rather than risk misleading the committee, would be to take that on notice and provide some supplementary material, if I might.

**Senator HOGG**—All right. But I do note also in the same paragraphs 8 and 9 that there is a ministerial forum.

**Mr Hyman**—Yes.

**Senator HOGG**—The 13th was held in September 2000. Has the 14th occurred?

**Mr Hyman**—No, it will be held shortly.

**Mr Bomford**—That is a different forum. That is the Australia-PNG forum in paragraph 9 and the Torres Strait one in paragraph 8.

**Senator HOGG**—Yes, I accept that. Is the assistance that you give bilaterally, or in any multilateral fora, out of your budget, or is that out of the AusAID budget?

**Mr Hyman**—The assistance that we provide is by and large in-kind assistance, and that is provided out of our own budget. It is quite small in dollar terms. It would not be large in the scale of assistance to PNG more broadly, which is of course supplied by AusAID. A component of the aid offered by AusAID relates to environmental matters. There have been some significant programs in the past aimed specifically at the environment function in PNG.

**Senator HOGG**—In terms of the work that you are doing in the forestry area, which you said is 40 to 50 per cent of the work, it seems to me that you must have great difficulties achieving any real goals, given the level of corruption that seems to exist in that particular area

in PNG. Does that operate as an obstacle in Environment Australia achieving its goals in dealing with PNG?

**Mr Hyman**—Certainly the operational environment in PNG is a difficult one for us. The system obviously is vastly different there. I need to make the point that we are particularly interested in the conservation side of the forest issue. There is another agency in PNG that deals with the productive side of forests.

**Senator HOGG**—There must be a link between them.

**Mr Hyman**—There are indeed.

**Senator HOGG**—Where does that conflict between your agency and the other agency lead to difficulties in communication and resolution of the problems?

**Mr Hyman**—I will answer that question as best I can. Our major aim is to build the capacity of the Department of Environment and Conservation to play the appropriate role in the PNG decision-making systems. The tensions that arise tend to be tensions with their opposite numbers within the PNG system, not ones that we encounter directly ourselves. We are attempting to assist the Department of Environment and Conservation to develop the capacity to make informed decisions and to offer informed advice within the decision-making system of PNG relating to forests.

Quite clearly, that decision-making system in PNG is a much larger picture than the small amount we are contributing to it. I would suggest that we probably are not particularly well equipped to solve those more fundamental problems of how those decisions might be arrived at there. We think they are very important questions, but we do not think that we as a department are particularly well equipped to solve those. So we have limited our efforts—

**Senator HOGG**—Should you be equipped? I am not trying to extend your brief. I just want to find out.

**Mr Hyman**—I think it is a good question, although I believe that would go beyond both our normal remit and the normal remit of our counterpart agency in PNG. I think the question is a broader one than we are well placed to try and solve.

**Senator HOGG**—How would the broader question, the broader issue, be best addressed then, if this committee were to make a recommendation? Do you have a view?

**Mr Hyman**—There are, for example, other agencies that engage on some of these questions. I know that AusAID, for example, engages quite closely with the Papua New Guinean government on general questions of governance. The World Bank has been heavily engaged in the forest sector for some considerable time and is instituting a project at the moment called the Forestry and Conservation Project, which relates to these issues. It is closely related to encouraging the PNG government to put the governance of its forests on a more sustainable basis. Those are the avenues in which the sorts of problems you have spoken about would be better addressed, in our view.

**CHAIR**—Can I just go back to the question that Senator Hogg raised, because I am interested in that too. Perhaps I will tackle it from a different point of view. Has the Audit Office or the department of finance audited or assessed these programs that you carry through?

**Mr Hyman**—No, they have not. These are very small-scale projects and to call them programs would give them an implication of size and so forth that goes well beyond the scale at which they operate. The bodies you have talked about would be unlikely to engage in projects quite as small as the ones we operate.

**CHAIR**—I do not know. Sometimes what the department of finance examine surprises me. They often spend more time on the little dollars than on the big ones. Under what budgetary heading are these projects funded?

**Mr Hyman**—The forest related work is funded out of the core funding of my branch.

**CHAIR**—It comes out of your operational expenses, does it?

**Mr Hyman**—Yes. Most of what we are paying is salaries of people who do the work. There is a small amount of money set aside for some of the software development tools for delivering training and things of that kind, but it is really quite a small part of the total expenditure on this work. The total expenditure on this work is only of the order of \$200,000 a year and about \$150,000 of that goes in salaries. We are talking very small beer here.

The particular impact that we think we can make is in the work that has gone on in the past, in the development of this software in the Australian context. This is really very good cutting-edge software tools and decision-making tools. We believe that really with quite small amounts of effort we can get quite substantial value added in the scheme of things. We do not want to exaggerate how important this is, but the capacity to have good information increases enormously the capacity to make good decisions—obviously.

**CHAIR**—Obviously. You may have answered this before. Given that \$150,000 goes in salaries, how much of it goes into training people in PNG to do the work that you would do, or is it all taken up in you doing the work on their behalf?

**Mr Hyman**—We very carefully designed this so that that is not the case. I might have exaggerated about the \$150,000, it might be a bit less than that, because the two of our staff who mostly work on this spend substantial periods of time—three weeks at a stretch perhaps—in Papua New Guinea maybe four times a year, working with the Department of Environment and Conservation on the extension and use of these tools. That involves seminars at the appropriate time and it does involve training. We do pay small amounts of money to other people to assist in delivering the training materials.

**CHAIR**—Is it possible to look at some sort of horizon for your project here in which we could, if we decided to, hand over the tools and their department could run the whole program themselves?

**Mr Hyman**—Yes, that is exactly what is intended and I think we are within perhaps 18 months of reaching a point very similar to the one you describe.

**Mr Bomford**—One of the advantages of us doing this sort of work, as opposed to AusAID employing a contractor to do it, is that we can do it at a pace that suits PNG. It is important that we go to PNG three or four times a year for two or three weeks at a time rather than having a contractor who comes into PNG, does it for them, shows them how to do it and then is out the door again. That is one area where a corporate linkage between the PNG environment department and an entity like Environment Australia is particularly valuable.

We are able to do it at their pace. There are two strings to what we are doing: one is developing this software so it will work on basically either freeware or an extremely cheap licence database base. That does involve some fairly complex coding and some difficult software stuff. We are not attempting to do that with PNG. We are doing that purely in Australia. Part of the \$50,000 that Mark talked about goes to pay software developers to do that work for us, because we cannot even do that in-house.

With PNG, we do training. There have been many different projects in PNG that have generated data on the environment. They are all in different formats, different ages and different geographic projections. There is a fair bit of technical work required to just bring those many databases together in a common format so that they can all be worked with each other. What you are trying to do is planning that integrates all the different aspects, from topography through to land use through to ecosystems. That data is held separately, so there is a one-off task of putting that data in the form that will work with the software we have developed. As Mark says, that was developed for the RFA process—the regional forest agreement—so it was used by the green groups, the industry, the forestry commissions, the Commonwealth government and the state governments to solve the issues of land use in Australia's forests. EA funded that, and I think the cost of that was several million dollars. The figure that comes to mind is around \$4 million.

That is the base software that we are now trying to adapt to run cheaply and effectively in a developing country and to be run by a developing country, doing it themselves. There will be no need, when they change their assumptions, or they want to run some new data, or if they have something which they want to keep private, for any of that to come back to Canberra for processing. They will do it themselves. That is what we are aiming at. We do it with PNG.

We thought we were going to be in a position basically to hand that over at the end of this year but we have had a setback with the software. It sort of works on the big, expensive Unix based systems here in Canberra, but it does not work on a laptop the way we thought it would and hoped it would. So we have another software problem we need to solve. We certainly hope that, as Mark says, in an 18-month time frame and with a bit more expenditure on our part, both the PNG government will be able to use it and, as a domestic spin-off for us, the state governments will be able to use it. Another use we are working on is in the Ord-Bonaparte Basin in the Kimberley. The Western Australian government is interested in working on it there. They need a system where the data does not have to be sent back to Perth for processing but can be processed in the field. We are hoping to get it all working there.

**CHAIR**—Where else in the Pacific Islands might you do this?

**Mr Bomford**—Where in the Pacific, sorry?

**CHAIR**—Yes, Pacific island countries having their forestry resources simply slashed, as they try and export dollars to generate some growth in their economy and find their forests are overcut to blazes and unsustainable. That is one of the concerns and focus of our inquiry about the economic sustainability of some of the microeconomies of the Pacific area. Are you doing this anywhere else in the Pacific?

**Mr Bomford**—We have done it with Vanuatu. In fact, we were working with Vanuatu before we did it with Papua New Guinea. That fell into a difficulty in that in Pacific island countries we had the people trained and they could do it, but then they left. When one person leaves, you have lost a third of your environment department. That is going to require us to go around the loop again. That was with our original software. Hopefully with this new simplified software it is going to be easier to drive, easier to train, easier to keep up. We are hopeful of that. The other thing is that it does not only work for forests. You can use this just as much for planning in the marine environment. The Great Barrier Reef Marine Park Authority is using it.

**CHAIR**—I was going to go on to fisheries and the implication.

**Mr Bomford**—It will have a lot of use in the Pacific Islands. As to where, we will aim to work with SPREP—the South Pacific Regional Environment Program—to skill them up in using it. Then they will be able to take it to wherever there is a demand for it in the Pacific.

**Senator HOGG**—When you say people are skilled up in these areas and they then leave, are they poached by private enterprise? Good luck to them! What happens that they are—

**Mr Hyman**—I doubt that they are poached for these particular skills. I think it is probably the normal variety of reasons why someone might move on. I do not think there is anything sinister or—

**Mr Bomford**—The typical thing in the environment department is that good people get poached by the international non-government organisations, the green groups like Conservation International, World Wildlife Fund or the Nature Conservancy. In a sense it is those NGOs that are most able to deliver environmental outcomes in PNG. That is another aspect to what we are doing. We are working now very closely with WWF in PNG because they are also interested in achieving the same results as we are. They have a training centre in Madang, and we are working with them so that ultimately they will be delivering training in this software through that centre in Madang, which serves not only PNG but also Indonesia, West Papua. It is an enormously powerful thing that is being made possible basically by the advances in computer power.

**Senator HOGG**—Whilst we are talking about a fairly specialised and skilled area involving technology, the committee were told this morning that at the community level there are local skills and knowledge about reforestation and that if they were provided with the seeds or seedlings the locals would contribute in a valuable way to reforestation. Putting that up against what you are doing, is it likely to be the case that you would be better off directing some of your efforts into those types of projects, or that might be an AusAID project, rather than providing people with the skills and the technology—and this is not being critical—and whilst they might be able to monitor everything, they may well be monitoring things in a state of collapse because the other issues are not being addressed? Where does the priority come?

**Mr Hyman**—It is not a debate we have necessarily had in those specific terms, but it does strike me that the business of providing local communities with seedlings for reforestation purposes and things of that kind is much more akin to what AusAID normally does than to what we do. The logistics of identifying the relevant species, finding the seed stock and purchasing it and providing it, would I think require an on ground presence that is beyond what we could do and would expect to do. It is for those kinds of reasons that we find it necessary to focus our attention on the capacity building side of things.

**Mr Bomford**—What we want to offer PNG is what we are good at. What we have been particularly good at in the forest sector was solving the forest debate in Australia. We got it off the front pages, essentially. We think it was through the ability to bring together the otherwise conflicting interests of all the stakeholders. That is what we hope to be able to do also in PNG. We are a Commonwealth department working in a federal system with stakeholders and we have some pretty good insights into how that works. We can look at PNG and see that the environment department there is really struggling to get its voice heard, so we are equipping it with the sorts of ideas that we have and some of the tools that we have which will enable it to talk to the forest department.

As a practical example of application at the level we are talking about, the PNG government is under huge pressure at the moment to release at least one or two concessions to the forest industry, to the private sector interests. By bringing together all these databases into one set that you can interrogate as a whole, we are able to identify which of the forest types in PNG are underrepresented or which ones are close to being logged out already, which ones are not under threat and which ones are under threat and where those forest types are likely to be. We can give the PNG environment department the capacity to say to the forest department: ‘If there is this imperative to log some areas, then from an ecological point of view we will probably be doing the least damage if we release this one here and that one there. We’ll be doing a great deal of damage if we release that one there and that one there.’ They can engage in that debate which will have, I think, vastly greater long-term effects on how PNG makes its decisions, and makes wise decisions, about forests than any amount of trying to replant land that has basically already been stuffed.

**Senator HOGG**—Can you help me understand the process there. Do they make the decision in conjunction with advice from you?

**Mr Bomford**—No.

**Senator HOGG**—Do they seek your advice?

**Mr Bomford**—No.

**Senator HOGG**—So it is primarily using the technology and the equipment that you have been able to provide that they make their decisions then and go into bat with their own government to make a case?

**Mr Bomford**—Yes. We would be extremely dubious about getting involved in the PNG political process in anything to do with forests and—

**Senator HOGG**—Sorry. I was not trying to suggest that you would be getting involved directly in their processes. I was trying to see if there was enough in the skills base that you provided for them to interpret the data to enable them to make a proper decision based on the data that is there. That is basically what I am asking. Is that reasonable, that they are in the position to make those value judgments?

**Mr Hyman**—Certainly our purpose is to make sure, or to do our best to ensure, that they are in a position to make those judgments themselves. We would probably feel that it was yet to be completely tested.

**Senator HOGG**—It is not a criticism of your program. I am trying to test the effectiveness of what you are doing, that is all.

**Mr Hyman**—We are not aware whether those decisions have come to the crunch yet and that they have drawn on this training and software to pass advice on and to influence those decisions. We think we are coming to the point where that will happen. We are still engaged in the capacity-building process. As I said earlier, we think it will be largely complete in 12 to 18 months. There may be follow-up work, of course, that has to be done from time to time.

**Mr Bomford**—There are two issues there, Senator Hogg: one is that what we are doing is only just getting to the stage where you can use it; the other is that PNG has an agreement with the World Bank to have a moratorium on release of logging concessions. They are getting to the stage where they are under a lot of pressure to release one or two logging concessions. We are getting to the stage where we have a data-using capacity that will be of use in that process when they get to it, but we are not there on either front at this stage.

**Senator HOGG**—The other issue I want to raise briefly is the matter of your bilateral engagements with either PNG or other South Pacific island countries. What is the extent of those? Are they wide ranging or are they fairly limited in scope? Could you outline for the committee the range of issues. You did some and you spoke about climate change and a number of conventions. We just want an appreciation.

**Mr Hyman**—Let me make sure that I understand the question thoroughly. You are really asking about the scope of the relationship and the breadth of the issues it covers?

**Senator HOGG**—The scope of the relationship, yes.

**Mr Hyman**—In a sense we are not constrained from interacting on any of the issues we deal with ourselves. Sometimes, of course, the counterpart agencies that we mostly relate to do not necessarily match us in terms of what their responsibilities are. Usually we see this most directly on the heritage front, where our department has heritage responsibilities, but in many other countries those responsibilities are in departments outside the environment department. If we are dealing with the environment department in another country of the region, or our minister is dealing with the environment minister, frequently we find that the dialogue breaks down at the heritage point because we are talking to the wrong people.

**Senator HOGG**—Does that mean that we need to look at some flexibility in the way in which we deal with these issues? It may well be that that is a recommendation that the committee might consider.

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**Mr Hyman**—What this means is that we usually find a different agency to deal with, but the natural one with whom we develop a strong relationship over a period of time—the point I am making really is that they do not always match our sets of responsibilities completely. What we tend to do is engage with them on issues where there is a particular reason for doing so. It is driven by some need to engage or some reason for engagement. That will differ from time to time and from occasion to occasion. If there is, for example, a SPREP ministerial meeting or a SPREP meeting of some kind to which all the countries of the region come, it will have an agenda and we are likely to engage on all the issues on that agenda. If there is a high-level visit of some kind taking place, there might be an invitation to place things on the agenda or bring forward proposals for discussions, and that really depends on what needs to be discussed between the two countries or between the agencies or whatever it might be, as to what we end up dealing with. There is no issue on which we would never engage for any reason at all; it is just that some things are more prominent than others are.

We have frequent discussions with both PNG and the countries of the South Pacific on whales, because whales are a priority for us. We have worked quite hard at engaging the countries of the region on the options with regard to whaling and whales—ideas like building whale-watching industries and things of that kind. On the other hand, they might approach us because something is a problem for them which they would like to have addressed. But the scope of the relationship basically coincides with the scope of our interests as a department. There is no reason why anything is off the table. The only reason it is off the table is that there is nothing in particular to discuss between us. Does that answer your question? I feel that it is not quite getting at what you wanted.

**Senator HOGG**—I think you are heading down the path. There are some time constraints this afternoon, but I would like to pursue another issue. Are there any broad forums within PNG and the South Pacific regions in which you operate? How effective are those forums in terms of the issues that you need to deal with?

**Mr Hyman**—With PNG the senior forum is the Australia-Papua New Guinea Ministerial Forum, which meets every couple of years. It probably meets more frequently than that in general. The last one was postponed because of the PNG elections, as I recall. That covers a wide range of issues, of course. It is an effective way of taking things forward at the political level. The Torres Strait Environmental Management Committee is a particular committee for managing the marine issues, at least as far as the Torres Strait is concerned. To the best of my knowledge, that is a useful forum for the kind of dialogue you need to have over those shared issues.

In the Pacific region more generally, the major forum for engagement on environment issues would be SPREP. The SPREP ministerial is currently held every two years, but they have decided to meet annually. Again, how effective are they? The effectiveness is determined not by the forum but by its participants—that is, I do not think you would achieve a more effective forum by replacing it with something else. How effective it is is determined by the energies and information, if you like, that the participants bring to the meeting and their willingness to engage and their capacity to be constructive in all those kinds of things.

I do not believe that we would point anything at SPREP, from the point of view of the effectiveness of the forum in terms of its design, if you like. Obviously also the energy of the secretariat is a case in point there. In Pacific terms we would give SPREP certainly a passing

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grade and perhaps something better than that. It is reasonably effective in terms of what you might expect in a region where there are a number of difficulties facing any forum of that kind.

There are other organisations that operate in the Pacific. There are a number of forums. There is the South Pacific Forum and organisations like SOPAC and so forth. These vary in their usefulness from our point of view, but I do not think we would leap to the conclusion that they need to disappear and be replaced by anything else. With all of these forums it is not, I think, the design of the forum itself that is the limiting factor, but it is generally the small scale of the economies of the area that makes some issues quite challenging.

**Mr Bomford**—There is a view that SPREP is not as efficient an organisation as it might be. That is referring to SPREP the secretariat which is charged with providing technical assistance.

**Senator HOGG**—Where is that secretariat?

**Mr Bomford**—It is in Apia in Samoa. AusAID provide Australia's contribution to it. It is a substantial contribution, both in AusAID's terms and in SPREP's terms. I dare say you are going to talk to AusAID and you might pursue that question with them, as to their view of SPREP. I suppose it has a challenging job and we are perhaps less surprised than AusAID that they do not do it brilliantly all the time, but there is plenty of room for improvement. They have been constrained by the fact that a lot of their budget has been allocated to projects when what is needed in the Pacific is people with skills to get out into the countries and help them do their jobs, to understand what the difficulties are and to point them in useful directions. SPREP has been constrained to either limiting its agenda to the project definition or—

**Senator HOGG**—Can we be so unkind as to say bureaucratic processes?

**Mr Bomford**—No, it is not a failure of bureaucracy.

**Senator HOGG**—I am not talking about the bureaucracy as such but the processes of bureaucracy.

**Mr Bomford**—Are you asking if SPREP is an overly bureaucratic organisation?

**Senator HOGG**—Yes.

**Mr Bomford**—I think the answer is no.

**Senator HOGG**—All right. I just needed to clarify that.

**Mr Bomford**—It is just the difficulty and the cost of getting out of Apia and actually dealing with stakeholders. The tendency is to have a regional meeting in Apia when perhaps what is required is for them to get out of Apia and sit down for a couple of weeks at a time—the way we try to do with PNG—and work the issues through.

**Senator HOGG**—We were told this morning that there needs to be more contact at the grassroots level, rather than sitting around tables discussing things in conference rooms and so

on, actually finding out from the stakeholders themselves at the very base level what their real needs are rather than what might end up being a perceived need further down the track.

**Mr Hyman**—I think that is probably close to what Richard said. One of the things that SPREP does, for example, quite frequently is try to build the capacity in the countries by having a lot of workshops, or having workshops at least where people are brought in and they sit around and talk about an issue or a problem. Given the size of many of the countries, I think sometimes many of these countries would have a third of their environment bureaucrats out of the country at any one time, attending different workshops in different countries on different issues. Although it is a logical way of trying to deliver to all of these countries at once, it ends up being somewhat overwhelming and very demanding on their resources to do this amount of training, because of matters of sheer scale. It may well be that SPREP needs to develop a slightly different modus operandi, something along the lines that Richard was talking about, involving more of them going to where things are happening and addressing the particular needs of each country where they are.

**Senator HOGG**—But if I can understand how you people have operated, it has been on that lower level of engagement, if I can call it such without demeaning it.

**Mr Hyman**—The model in PNG—I am not demeaned at all.

**Senator HOGG**—No, I did not want it to seem that way.

**Mr Hyman**—The model we have used in PNG was probably well described in that way. I think we are still struggling to find out how to best engage with the Pacific. Although all we can do sensibly is build the capacity of SPREP to deliver services to the countries, there may be ways in which SPREP goes about it that could certainly be improved. We think it is a difficult set of tasks they have but there is room for improvement.

**Mr Bomford**—There is perhaps also a sense in which Environment Australia might be seen to be in competition with SPREP. SPREP is the organisation to which the national environment agencies turn when they need assistance. If we were to encourage them to turn independently to Environment Australia, we would be in competition with SPREP. We do not want that to develop so what we are aiming to do is to work with SPREP to get into the individual countries.

I think what constrains us usually is a budget with other priorities. When it is a priority, as it was and has been and still is with whales, we are able to put people on planes and get them into countries to sit down and talk at the national level with the people who are involved in the whales topic, which will involve a number of departments. Where it is an issue of less immediate importance to us, we might participate in a SPREP workshop. Where it is of one scale less than that again, we might raise an issue at a SPREP meeting. It is pretty clear to me that a regional workshop is fine for two things: one is to introduce a new topic and get awareness raised about it, because you are talking to one person from each country typically; another one is where you have to have a regional position.

The example recently has been the Pacific developing a regional position to push in a united way at the World Summit on Sustainable Development. That clearly needed regional workshops. But where it is how you implement the technical requirements of the convention on international trade in endangered species, you are much better off working in a country where

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you can talk to the police department, the customs department, the agriculture department, the economics department, the planning ministries as well as the environment people. It is almost impossible to get all of those people to one central point to have a regional meeting about it.

What we are doing in PNG, I think, is a good model. What we are doing in the Pacific is constrained by resources. Mr Hyman alluded to that in his opening remarks with a reference to the Government Sector Linkages Program which AusAID runs with Indonesia. I think if we had a similar program to that, we could get beyond our immediate needs and start to address what you are talking about, which is the real needs of the Pacific. With a limited budget, we are going to be driven by what our needs are and where they are shared with the Pacific something will happen. If we had access to other resources, we could build a broader relationship with our counterpart agencies in the Pacific island countries. That takes small quantities of funds, but it does take funds. We need to release someone, pay their air fare and get them over there for two or three weeks, two or three times as year—perhaps over two or three years—to get a relationship going. At the moment we are heading in the opposite direction.

**Senator HOGG**—Thank you very much.

**CHAIR**—Thank you, Mr Hyman, Mr Bomford and Ms Sirianni. It has been a very worthwhile presentation.

[1.35 p.m.]

**SPENCER, Mr Peter (Private capacity)**

**CHAIR**—Welcome. I am required to draw two items to the attention of witnesses. Witnesses are reminded that evidence given to the committee is protected by parliamentary privilege. It is important for witnesses to be aware that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. If at any stage a witness wishes to give part of their evidence in camera, they should make that request to me as the chair and the committee will consider the request. Should a witness expect to present evidence to the committee that reflects adversely on a person, the witness should give consideration to that evidence being given in camera. The committee is obliged to draw to the attention of a person any evidence which, in the committee's view, reflects adversely on that person and to offer that person an opportunity to respond. I need to read those as a matter of course into the record, Mr Spencer. They are not necessarily directed at you but are a matter of normal process.

We do have your submission. It is numbered in our records as submission No. 7. It might be appropriate for me now to invite you to address us on it.

**Mr Spencer**—Mr Chairman, thank you very much. A paper was sent in this morning to the secretariat to give to you regarding what I am about to say. Did you get a copy of it?

**CHAIR**—I have a copy of a paper.

**Mr Spencer**—Dated 18 October, today.

**CHAIR**—I believe so.

**Mr Spencer**—That is good. I am not going to read that to you, but I will refer to some parts from it.

**CHAIR**—It is dated the 18th. It was received at 9.12 a.m.

**Senator HOGG**—I think we should note, Chair, for the purpose of the record, that it has been stamped 'Confidential'. I do not know if Mr Spencer is aware of that.

**Mr Spencer**—I did ask for that to be done.

**Senator HOGG**—That is why I am raising it, so it is on the public record.

**Mr Spencer**—I wanted just to let the chairman have a look at it and see how he felt about how we deal with it. Mr Chairman, the reason why this paper is a very difficult one is that it goes into the very nature of where we have developed our foreign policy.

**CHAIR**—Can I stop you at that point. I note for the record this is a confidential document intended for the committee, but you may address us on it, Mr Spencer. We may ask you

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questions arising from it without sourcing them but we receive it into the evidence in that manner.

**Senator HOGG**—Yes. That means it is not a public document on the public record. That is why I wanted that said.

**Mr Spencer**—Thank you. At this point I was not comfortable about whether I wanted it to be a public document or not until I talked to a few people. I only finished it at three o'clock this morning. I have incorporated into it a number of statements that were made by Foreign Affairs in the last few hours.

**CHAIR**—If you change your mind about its status, would you let us know.

**Mr Spencer**—The secretariat and I were going to talk about it afterwards. The document that was originally submitted is a very substantial document of hundreds and hundreds of page. People might say that you do not have time to go through it all, but it represents a comprehensive method of addressing dysfunction in a Third World country. It has an interesting history but I will not go into that now because there are enough papers written on it, but for eight years it has been something which I have been very much pursuing. Unfortunately, because of an entrenched attitude in policy which has been developed over the years, it is very difficult to try to bring to people's attention that we are dealing with this entire situation in a way that is not going to deliver any results at all. As a matter of fact, I put on the top of my notes this morning to ask, Mr Chairman, if you all spoke Japanese. If I started speaking in Japanese and none of you spoke Japanese, then none of you would understand a word I said.

I hear people and I read—I have copies of every submission made to this committee. In that report I reviewed the last two parliamentary committees as well. They said the same things. The committee responded the same way. Foreign Affairs said, 'Yes, we are fixing dysfunction; yes, the public sector is being reformed; yes, law and order has been dealt with; yes, education will be uplifted.' Yet in 28 years, Papua New Guinea has gone backwards. We have more deaths per thousand in relation to children, less education of the population. Your own Foreign Affairs report says that—I quote it in here—it has gone backwards. Yet if we say: 'Why didn't the French have the same problem, or the Americans? Why is it that Tahiti and Caledonia have income rates better than ours, have education rates equal to ours, have child death rates equal to ours—\$US22,000 per capita income when Papua New Guinea is \$600 or \$700?' By the way, I am not directing this at you personally.

**Senator HOGG**—No, we understand that.

**Mr Spencer**—What I am saying is that, if we look at the entire 46 nations that were under the 1960 resolution of decolonisation, they are all dysfunctional—gone. The deaths make the Holocaust look like a Sunday school picnic—but it is not that; what happened was horrific. We just hear the events that are put across the news, the media, about Rwanda and others. It is horrific.

We had an incident in Bali a few days ago which tore this country apart, but it is going on in the Third World by the minute. Do you realise that the loss of children in Papua New Guinea is the equivalent of two airbuses crashing a week—a week! Yet there is nothing, not even a

newspaper item. As somebody said in the newspaper the other day, I am on a crusade. I have been on it for 10 years, but I feel I am talking a foreign language.

This committee has an opportunity to ask the question: why are we treading water? As much as these different groups and all these submissions approach the problem from their particular interest—and I go into the NGO here both nationally and internationally and what NGOs are doing—as much as their sincerity is there, they attack policy disjointedly, they do not allow governments to get on with any direction, they put pressure on the media to force governments to do things before it is appropriate—or out of time any way, whichever way they go round it. NGOs can often be a very serious problem dealing in a lot of policy issues.

I have come from a background of 30 years—three years before Papua New Guinea was independent—and I finished up virtually as chief of staff of the Prime Minister. I had a whole range of duties, from stopping tribal wars—there have been documentaries on me doing that—to solving all kinds of local provincial governmental dysfunction, right through to virtually writing the legislation that was handed to Keating in that big document I gave you. Deakin University said to me, ‘Peter, that document would have taken five departments three months to write’—the paperwork is in there—‘and you wrote it in six weeks.’ I have a passion for it. That does not make it good or make it sound, but it just means I cannot get off it. What I cannot understand is that, when I listen to these people talk, they have not got a hope.

I just want to read you a little section of this document to give you some idea of where I am coming from. A little while ago you asked a question regarding getting back to grassroots. To give you some idea you will realise what I am talking about here is a science, a very intense science. Quite frankly, Senator Hogg, that is where we have all gone wrong. We have gone back to the grassroots and that is where we have made the big mistake. Going further back is culturally inverting and causing a problem so deep in these Third World countries we are getting in up to our necks.

**CHAIR**—Perhaps that is not a bad point for us to come back to you on. I do not want to in any way obstruct your presentation to us—

**Mr Spencer**—No, please.

**CHAIR**—but we do want to get into an integrative discussion here. For the sake of this discussion, accepting your point of view about the devastation as you have presented it—and please go to your quote—could you come to the point of addressing us on what you think are the policies that should be implemented to deal with that.

**Mr Spencer**—Yes.

**CHAIR**—And what the resource and economic implications are.

**Mr Spencer**—Officially, when I got involved in this material, I was asked to review a paper prepared by a criminologist from New York who was employed by the World Bank, I believe, to advise Papua New Guinea on law and order. Sir Barry Holloway, press secretary at the time to the Prime Minister, asked me to look at the document. The document was about 32 pages. There is a copy of it on file. I read the document and then tipped it upside down and read it again. On doing some research, I found out that the man had never left Port Moresby. He was deputy

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chairman of a committee chaired by the chief justice, which is a complete abuse of the separation of powers. This was a committee set up to draw up new legislation to control law and order and the chief justice was the chairman. I went back to Sir Barry and said: 'Look, this is a disaster. This will deal with nothing. It patronises the status quo.' So many of the senior public servants in these Third World countries only employ consultants who do patronise the status quo. Each year their contract is renewed. They are on \$US100,000 a year. If they do not patronise it, they do not get their contracts renewed. Some of them have been there 10 years. I noted that this morning on the committee that sat; I know these names. I know how long they have been here, doing the same old thing. I was not at that meeting but I will tell you now that the solution they offer when they meet is nothing more than rhetoric about what they have always said before.

**CHAIR**—That is a cynic's definition of a consultant, isn't it?

**Mr Spencer**—Probably.

**CHAIR**—Someone to whom you pay a lot of money to tell you what you wanted to recommend in the first place.

**Mr Spencer**—The foreign policy review committees in these Third World countries are made up of ministers and senior public servants. If a contract renewal comes before them and the person is seen as not being a problem, his contract is renewed. It just goes on and on. I was involved in reviewing a policy. I had been travelling all over the country looking at the law and order problem on another committee set up by the Prime Minister. I said to him, 'Look, this will deal with nothing.' A new committee was formed and the chief justice was more or less told to hang on. The Secretary to the Department of the Prime Minister put me on the committee, along with four other people. I finished up writing the entire report. I completed it in six weeks.

It had to be brought to Canberra because the various heads of national agreements that had been drawn up between the two countries in regard to law and order had to be resolved and the papers had to be finalised. Wingti came here and personally handed it to Keating and, amazingly, we thought then the job was done—that for the first time we had a major public sector reform issue. That is what I found: the more I looked into law and order, it was not law and order at all. It was a total breakdown in the ability of government to deliver services, of which police and justice were only a component. The paper became a total public sector reform program covering every department. It went into it very thoroughly in regard to the cultural ramifications of how we were trying to deal with Third World development.

Unfortunately it is another story of what happened to it. The public sector, Foreign Affairs, could not handle it. It was buried. Up there the Public Service, who saw it was going to happen, passed it all, approved it all and it went through the NEC. Then Wingti was removed through the same chief justice—another story. Don't get me wrong about Wingti. As I tried to tell the World Bank in the last few weeks about the reforms they referred to in forestry, the previous people here, one of the conditions of the World Bank in bringing in recent loans was to deal with three particular issues they felt were corruptive. They wanted a number of people dealt with from a corruption point of view in the forestry industry. This is a typical example of how Indigenous issues are dealt with by a foreign organisation.

I will give you a little story, which is in here. I was outside the jail and I said to the father, 'Why didn't you come three days ago? Your son is in jail. He stole a cow.' The father said, 'I know.' I said, 'Well, why didn't you come? You have to bail him out.' He said, 'Oh, Peter, I couldn't come. Three days I've been thinking about this.' I said, 'Why? What's wrong?' He said, 'I told him not to get caught.' You see, corruption is related to right and wrong. In many Third World countries, theft is the method of acquisition. If you are going to fix the Third World, you do not go in and tell people you are going to arrest them. Good God, you will have to arrest everybody! You have to draw the line and start again, because everybody will go to the hole like rabbits. If you chase one, they will all go into the hole like rabbits and you have lost the whole scenario straightaway. We need to look at this culturally to understand what we are dealing with.

The average person in Foreign Affairs now has not done the field work. Back in the old days, when we ran it as a territory, we had some of the best field workers in the world. We have lost all that now, and this is what you will see in this paper. We moved across to getting field workers from the ANU, predominantly anthropologists. One of the criteria of applied anthropology is that they must never get involved in policy. It is written in the handbooks and in all the introductions to the training courses—'applied anthropology must not be involved in policy.' What have they done? They have taken over policy. Now culture drives not only our policy in Foreign Affairs—and that is not where it started; it started in our Indigenous affairs, and that is why I touch on that too. Our approach to Indigenous issues, whether it be domestic or international, is from development within our own Indigenous community and our approach to Indigenous affairs. That is the flaw. As Paula Brown says in one of these articles—and she is a very noted anthropologist—Indigenous people do not have a golden age. Indigenous people living in society did not live in joy and wonder. As one woman said to me, 'Give me antibiotics, Peter, not witchcraft.'

I wanted to read that short article, Mr Chairman. I wanted to draw your attention to it. I will go into it here. At this point it is important to say that I do not imply the nation cannot be established as a legal identity, and at this time the program of nation building begins. However, justice, foreign policy and police in the initial stage will have a very significant outside involvement—at least for the first 15 years or so while nationals are on exchange programs learning the discipline and the cultural orientation of the position. I will quote the next paragraph:

This does not mean the state does not function as a state initially. It means for 100 years—

listen to this; cultural transmission I am referring to—

the entire public sector and associated institutions will be operated in conjunction with the program initiatives of democratic transfer. It requires the state to recognise it is pursuing a procedure of becoming a fully functioning state. This requires the state to relate to the need to learn, comprehend so as to arrive at full statehood.

It allows for the settling in and understanding of the interconnection of a wide range of disciplines and functions across the whole spectrum of the state and society. This ensures minimum of trauma from change and ensures a healthy social climate ...

That sets the stage. You see, what we do not have in any of these countries is a relationship to what Western democracy is. Do you know what it is? It is a cultural development of Western society. You cannot have a democracy without institutions—libraries, courts, police. You cannot say, 'I'll take democracy but I'll leave this out of it.' It is a cultural thing. If you reject much of

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that, then you also reject the function of democracy. I am sorry, but you cannot get a car without wheels; it does not work. Here we go, handing people like those in East Timor a democracy and saying, 'Congratulations. You're a new nation.' Gentlemen, East Timor has no human resources—zero. What are we doing?

The most important aspect of this paper is that we have developed Indigenous culture as the priority of what we do in this country—and we should not be. We should be rejoicing and celebrating and appreciating culture—all of us, individually—and then we would have some ability to deal with our interrelationship with other countries. We have not done that. The point is: we go into a Third World initiative being subservient to their culture. Their culture has no awareness of the principles of a contemporary workplace and a public sector need. We cannot deal with this by saying, 'I'll fix this bit and I'll fix this bit.' It is from the top down; it is the whole box and dice. You have to do the lot. For instance, if you are looking at East Timor, there is a particular way you would bring a group together and you would set up the structure. What I am saying is: what is the rush? Why do we give a country independence and say, 'You're a free state tomorrow. Get on with it.' You cannot look over their shoulder and say, 'Gentlemen, go this way or that way.' Very soon resentment sets in. Culturally it does not work. It is a very serious business.

I find one of the most difficult aspects of communicating this to people is the fact that they are totally ignorant of what culture is in their lives. If you stop the average person in the street and say, 'What do you know about culture?' they would look at you and say, 'What the hell is that?' Our schools should teach culture—not Indigenous culture and not Greek culture. What is culture? Without it, communication and human relations are very confusing.

**CHAIR**—Mr Spencer, can I take you to your submissions for a minute and what you are saying. As you understand, we are conducting an inquiry with very broad terms of reference and, from the hearings that we have engaged in, we hope to come down with recommendations—which will be tabled in the parliament and be recommendations to the government—about what practical steps should be taken to improve the situation. As I hear and read your submission, you are quite powerfully making the point that you think we have it wrong, that we do not understand the issues and that root and branch renewal of our approach is required. That is as I read and understand what you are putting.

**Mr Spencer**—I could not put it any more succinctly.

**CHAIR**—What would you say to us therefore are the priorities? What particular practical things do you think ought to be recommended to a government if we were accepting your submission?

**Senator HOGG**—Could I refine that even more? If we had to say three principal recommendations that we would include—otherwise the temptation in an inquiry such as this is to end up with so many recommendations that the spirit and the intent of what you want to get across is lost in the plethora of recommendations.

**Mr Spencer**—If only you knew what you were asking me! In the last few days we saw something in Bali which was horrific. I will read something to you from point 13 on page 29—and this is the frightening thing that I am talking about:

I believe the condition 'risk averse' referred is a component of a more serious malaise/threat to western society and that is our cultural evolution may in fact have removed our primordial instincts to such a degree we fail/cannot respond/recognise particular different cross cultural and or threatening/potentially unpleasant scenario's. If this is the case this exposes western society to all kinds of potential dangers from those cultural groups and societies that have a higher level of the primordial instinct. My paper in progress is, *The Need for the Primordial*. Is western culture a threatened species? The age of chequebook solution to genocide is another component.

What I am saying is that if you listened to the media in the last two weeks and have seen the bleeding hearts screaming at our Prime Minister and the Leader of the Opposition about how we dealt with a whole range of issues, when that bomb went off in Bali, they all stopped. Suddenly, the real world came home and a lot of people said, 'Hey, what is going on?' We have reached the point in this state where we have virtually no primordial instinct left. People will suggest that I am saying the Third World countries have too much of it. I could describe that to you. That is another anthropological science in itself and it is one I have put a lot of work into.

What I am saying is that what you gentlemen have just said to me, in asking me that question, is that our society is currently expectant of certain things. Things like what happened in Bali are going to change that dramatically and, if they happen further or they develop more down that road, there are going to be massive changes in public opinion as to how we address problems. For you, as a committee, to have three points to recommend is a very complex thing because, first of all, if you make one of these recommendations, you will be accused of being neo-colonial. That will be the first accusation.

The first thing is you have to understand comprehensively what the hell I am talking about. 'Is Peter talking wind or has he got something here?' If I have got something, I suggest in a number of places within the reports—this one and the other one—it has to be dealt with first of all as an ideology and as an addressing of policy and it has to be addressed globally, so that you are not singled out. You have to get the EU, the UN and the United States onside and say, 'Let's stop approaching Third World aid—tie it all to the public sector,' and this is how you do it. You get three or four of the major universities to deal with public sector reform and you give the aid money to them. Each country then has a unit set up in their universities, like the UPNG, for public sector reform. These universities supervise part of the training. The most comprehensive part is cultural orientation for public servants outside of their cultural environment.

What happens? I will give you an example. You take 10 guys from the police force; two will go to New Zealand, two to Canada and four to Australia, if that is the number, and 10 from here go to there. It is not seen as we are going in to run it; we are exchanging. They might stay here five or 10 years. Their families are here so they learn the cultural orientation, not of the vocation itself and what they do as policemen, but how they are recognised within society and expected to answer to society for what they are and are not. There is a whole cultural orientation necessary.

What I am getting at is that those universities run these programs and they get paid on the delivery of a functioning government. Each year it is monitored. Are the death rates dropping? Are the education rates up? Are the roads going through? Are the people performing? Is this happening? Is that happening? What happens then is that it becomes the science of Third World development. The Third World does not reject it because it is the only way they get aid. Over a period of time it comes online and I believe it takes three generations to reach a point where you end up with a nation that is totally self-sustainable, with a public service culture that functions.

It does not mean that we are looking at converting them to our culture; not at all. If you look at the paper, fundamentally what I am referring to is that many adjustments can be made so it is an expression of their own culture, providing we do not compromise the delivery of services in health and in all the essential ways. That is why this paper is so essential you all read it. I am open to criticism on it, but I will sit with 30 people—30 of the top anthropologists in this country—and I will deal with them all at once if they want, I am so strong about this.

**CHAIR**—If I may take you up on some of those points so that I am sure I understand the complexity of what you are putting. I have to say it is beyond our scope to make recommendations to the UN and so forth, but I take it that that was a general rhetorical flourish rather than a serious proposition.

**Mr Spencer**—No, Senator, it is not that at all. In other words, what I am saying is that, if you cannot deal with the problem globally, you will never deal with it domestically. The hue and cry from the NGO strength out there in the media and in the world marketplace is such that if we do not get a change of approach to Third World aid and go it alone, as a country we will—look what happened to the French! The French went alone in their Pacific decolonisation and they have suffered. They've done the goods! It is quiet now. We are happy to go alone if we have the rectitude to stand up to the blast we are going to cop.

**CHAIR**—I'm pleased for that correction, but it is beyond the scope of our inquiry, although we could conceivably make recommendations to the government about what it does in the UN. I understand the point you are making. I want to come to something more basic in what you are saying though. It seems to me—and correct this impression if it is wrong—what you are putting to us is that the cultural differences between our society and, if I can use this term, a more primitive society like that in Papua New Guinea, are so great that cultural solutions hatched on land here do not apply there, because they run against a cultural barrier, which in itself is a quite reasonable proposition. One has to be culturally sensitive to the way in which you seek solutions to endemic problems. But then I understand you to be saying the way to resolve this is to reculture the country in our image rather than trying to address their problems through their cultural focus. Is that correct?

**Mr Spencer**—No, that is acculturation and I am talking cultural change.

**CHAIR**—I am trying to understand it. That is why I put the question to you.

**Mr Spencer**—When I spoke to the secretary, I said to him, 'I'm happy to produce a three-page paper to give to them this morning, but I think it's essential that I give them the ability to fully understand where I'm coming from,' because it is very easy—

**CHAIR**—No, I understand that, but can you just come to the question?

**Mr Spencer**—Okay, No, that is not what I am meaning at all. What I am saying is that we have a situation where two cultures are coming together. One is a traditional culture—originally a Neolithic culture—compared with where we are, a Western very much advanced society, advanced in technology, not necessarily in intellect or brain power. The brain is the same, the intellect is the same; it is just that we have a different culture.

When those two cultures come together, what you do not want is one culture dominating the other. You may turn the weaker culture into a state of inversion, which could put them in a position where they will not evolve the way they should; and you do not want the opposite, which is what has happened in our Indigenous cultural development, where one culture starts dominating the other and every issue becomes a cultural issue; no matter what you do, you are dealing with a culture issue.

What you want is an equal footing of two cultures, where this one coming in, which we call the agency, is coming in to provide the Western democratic principles of government, and they join up with the indigenous, which is the new nation. You want them to come together with the time and the ability to be able to deal with each issue at every level so that the function of government works, but the culture is not dominated and destroyed. Can I just read you one paragraph to answer your question very thoroughly:

The reasons why we should look at 100 years plus—at least 3 generation.

1. To avoid the possibility of primordial attachment reacting culturally in a comprehensively destructive way. The risk is only high if a shorter time is aimed at or if there is no comprehensive response to this possibility in the over all plan.

2. Is to provide time to complete the cultural transmission of the comprehensive cultural fundamentals of democracy. Including the need to resolve the numerous cultural considerations necessary and enable acceptable public service adaption to the indigenous orientation. Which is possible when it is researched and determined that particular consideration will not reduce the service being provided to the people, or preferably enhance it. It also allows time for the culture of the public service to develop and be appreciated.

3. To enable the society to relate to the function of a democracy and its institutions including all their rights and options. One component of this is education. It may well take 50 years to educate a nation from say 10% to 100%. Without this input democracy is seriously handicapped.

Other departments have a similar need as well as the main four. The main four, which the French focused on—and I do not go back to the French because I have not dealt with them, really; I am just saying that I know they have done it. They developed a situation where they control justice, police and foreign affairs. That is it. The primordial response to that was this: if I am a public servant and I do not toe the line, the police will catch me and I will be charged. So they focused and they did their job. But if you allow those three departments to be completely under their control, there is no police and there is no justice, because one tribe will not speak against another tribal member. He cannot do it. It culturally is impossible. We are asking too much of them.

**CHAIR**—That point is clear enough.

**Mr Spencer**—Do you think that is clear?

**CHAIR**—Yes, I think that point is clear enough. It is a question of how you judge whether or not the two cultures come together on a mutual footing to deal with one another, or whether there is—

**Mr Spencer**—Dominance.

**CHAIR**—dominance. I do not know how you objectively make that judgment but many of the agencies that we have dealt with would say, I believe, that they try to implement their programs in a culturally sensitive and aware manner.

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**Mr Spencer**—That is right.

**CHAIR**—And that seems to be what you are saying should occur.

**Mr Spencer**—No, this is the mistake. I will just read this to you, and you might pick it up when I say this now:

In private business—

in Papua New Guinea—

the manager has a place of responsibility and exercises appropriate authority as required. The business is successful if based on the right decisions, *flow of directives* and successful business practice. In the private sector this flow works and the private sector monitors the cultural impact. It is effectively able to respond because there are definite direct determinants e.g. profit, employment, position, pride, privileges, bonuses, that force confrontation and resolution in regard to avoid the possible negative cultural and subsequent material/financial debilitation. It is fair to say the resolution often leads to a cultural contribution flowing—in, positively—it is not always negative. Of course, business is always quick to adapt to this and that is its nature. ...

The Public sector on the other hand cannot respond and does not want to respond. There is no one directly affected by the dysfunction in that the money for wages and projects keeps flowing and no one has to take a position of confrontation. In this work place, the situation if confronted leads to as *perceived by the individual*, only loss. The main object being to stay in the public service—here one can keep getting the money and privileges and also try and get further up the ladder as the rewards are naturally greater. Pressure will also be on one to bring more of your family and tribal group into the environment. This must also be responded to.

In the Public sector it is very hard to exercise the same level of authority as in the private sector. *Mainly because*, there is no impossible imperative! Even a police officer can be overruled by a constable or has difficulty enforcing a directive. Or is threatened when he tries to pursue a suspect with different or very powerful outcomes if he persists. This problem is found right through the public sector. At all levels procedures are pursued to avoid a myriad of culture areas of confrontation and pressures. The act of dismissal is rare if ever this causes the ultimate confrontation with long-term wide ranging repercussion. That is unless tact act is conducted by some one outside the cultural net of impact

That is the big thing—‘outside the cultural net of impact’. In other words, if you are standing next to me and you are not involved in this particular cultural group and you order me to arrest that man, I can arrest him. If you are not there, I am blamed for the arrest, and I will not arrest him.

The cultural support necessary in cultural transmission is what these guys do not understand, because they have never worked. They have consulted on it, they have looked at it anthropologically, they have never got involved in it, and they do not relate to these many cultural issues in the workplace. It must be understood that within a matter of weeks it becomes incredibly difficult to even look at it.

**CHAIR**—I think I understand that point of view. Can I just put another proposition to you?

**Mr Spencer**—Yes.

**CHAIR**—I think this is what you are also saying, and correct me again if I am wrong. When it comes to agencies like the World Bank funding this review of justice that you are referring to in Papua New Guinea—

**Mr Spencer**—No, they are reviewing the forestry, trying to get the forestry—what they thought—on a better road.

**CHAIR**—Whatever it was.

**Mr Spencer**—They were looking at dealing with corruption in that area.

**CHAIR**—Yes. It seems to me you are saying at least two things. One of them is that in a country like Papua New Guinea there are various classes of culture and at the level of the Chief Justice, the Prime Minister and the elite political classes, perhaps better educated classes in a Western sense, there is a knowledge of how the democracy, in the rights and roles of the public service, functions—separation of powers, issues like that; law enforcement, justice. You take it to a village level and there is a completely different cultural milieu about those issues, so you are not looking at an integrated national culture; you are looking at layer upon layer of different cultures, all interacting within the one country. That is one issue I think you are putting to us.

The other issue is that when you bring in an outside agency like the World Bank, you are bringing in—perhaps it could be even argued in the context of this discussion—a bureaucratic culture whose purpose is that you tick the boxes to say this job has been completed, not assess the job as being completed by improving the service or the objective but the job has been completed because it has been done. At headquarters in Washington, what the World Bank wants to know is that someone went to Papua New Guinea, reviewed the forestry processes, made a series of recommendations and this was they. As a consequence, funding or loan money can flow; not whether they understood the problem, worked out what the solutions were and made a recommendation that would mean anything on the ground. Am I understanding you correctly in terms of both of those?

**Mr Spencer**—The first point, no, in the sense that even though the elite, whether they are senior public servants or politicians or senior bureaucrats, have obviously developed culturally slightly different from the person at the grassroots or in the traditional society, they still have the fundamental same direction and responses to things. The evolutionary movement of only 30 or 40 years does not move that fast. Sure, they are educated and do different positions, but it is not a different layer. It is purely that the primordial does not look after the public. It looks after a self. They do not see medicine getting to people as anything they want to be involved in, quite frankly. Dysfunction to them is irrelevant. What is relevant is that the public purse is a cake to be sliced up and it is sliced up and distributed to those who have their nose in it. It does not get sliced up to achieve anything other than that.

The public are sitting down there saying, ‘The cake has been cut up. We’re not getting anything of it,’ and even though they may cry louder, those in authority do not necessarily want to comply.

**CHAIR**—Mr Spencer, what are your three or four top recommendations that we should take account of to combat that?

**Mr Spencer**—If you are going to address the problems in the Third World, you must address public sector reform. If you are going to address public sector reform it must be holistically. You cannot do it by having a myriad of organisations all nibbling at little parts of the body. So (1) public sector reform, (2) holistically and (3) if you are going to deal with that, you have to deal with a whole new culture in your Foreign Affairs. Your people there are not able to deal with this culturally.

**CHAIR**—What sensitivities should be brought to the Foreign Affairs approach that are missing now?

**Mr Spencer**—It is dysfunctional, totally.

**CHAIR**—Yes—

**Mr Spencer**—I do not have to say that. Read the reports.

**CHAIR**—Accepting that view, I am asking you for your opinion on this question. Accepting your argument that it is dysfunctional, what changes would you make to make it functional?

**Mr Spencer**—The changes would not be difficult to make once it was determined that we were going to adopt a new approach, because once you bring in a group of management experts it would not be difficult to work out what you would deliver as far as a new public service is concerned. All the agency would do here is service that facility. They would particularly be involved in monitoring whether the agency was doing a job of uplifting education, health, services delivery and all these things. They would be in charge of monitoring that the contractor—whether it be the university of Woopi Woopi or whatever—would have certain parameters to function, and they would be in charge of monitoring that the delivery of that aid was being done and the uplifting of the public sector was being achieved. Foreign Affairs must be able to monitor that, and that really is where they would only deal with it.

The other side of it, the people who are hired to come up with the policy and the structure to submit that to government for approval. The structure—in other words, the methods of training and all the different tasks drawn up for that and how it would be done—would be done by the various anthropologists and experts in the field where they are involved in that, not the policy, in drawing up the different issues relating to it.

**CHAIR**—That is very valuable. Is there anything further you would like to add to conclude your evidence? As there is nothing, thank you for the effort you have put into this and for the time you have spent coming to talk to us about it. This is a lot of material and we will examine it.

**Mr Spencer**—Thank you.

[2.18 p.m.]

**WENDT, Ms Neva Marilyn, Pacific Policy Officer, Australian Council for Overseas Aid**

**CHAIR**—Thank you for making your time available, Ms Wendt. We have your submission and it is numbered in our records as submission No. 37. As a routine matter—it is not directed expressly at you—I am required to make witnesses aware that the evidence they give is protected by parliamentary privilege, but it is also important for witnesses to be aware that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. Secondly, if at any stage a witness wishes to give part of their evidence in camera they should make that request to me as the chairman and I will consider that request. Should a witness expect to present evidence to the committee that reflects adversely on an individual, then they should give thought to giving that evidence in camera. If it is not, then the committee is obliged to draw attention to any person who has been, in the view of the committee, adversely reflected upon to have a chance to reply to the remarks that have been adverse. I have now done my duty by alerting you to all of that. Please give us a presentation on your submission.

**Ms Wendt**—Thank you very much for the opportunity to appear before you. I am speaking from the perspective of representing the views of the 40 Australian NGOs actively working in the Pacific, part of ACFOA's membership of 100 organisations. I am also speaking from the perspective of somebody who has lived and worked in the Pacific for the past 19 years—nine years in Noumea and the last 10 years in Samoa—having worked for regional organisations and worked in each of the 22 Pacific island countries and territories.

ACFOA's submission is a fairly big and bulky one, I am afraid. There is lots of reading in there. It addresses each of the four areas that were in the terms of reference for the inquiry, namely the political and economic development direction and implications for Australia. In that we have made 29 recommendations. I heard you talking to the previous speaker about three or four and I was starting to think, 'Oh, my goodness!'

**CHAIR**—No, I was trying to get some focus of what his recommendations were.

**Ms Wendt**—Yes, I appreciate that.

**CHAIR**—I think he was trying to give it to me as well.

**Ms Wendt**—I think he did towards the end, yes. From these 29 recommendations we are basically saying that we centre on Australia's relations with the Pacific island countries being based on a more sensitive approach and one that fully appreciates Pacific island diversity rather than lumping the region together as one. It is also an approach that recognises the strong linkages between Pacific poverty reduction and regional security and also a clear understanding of the benefits to Australia of having stability within the region. ACFOA believes that the strengthening of Australia's relationship with PICs is vitally important for strategic, economic and humanitarian reasons.

Under the four major headings, the first one is political relations, and we argue there that historically Australia and New Zealand—and we did note that the TOR talked about Australia

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and New Zealand—had very good relationships with the Pacific island countries dating right back to the Canberra Agreement in 1947. The Pacific islands have generally looked to Australia for guidance and support. I know personally from Australian representation at regional meetings that Australia has always been highly regarded. Particularly, the administrators who came along and talked had always, in the past, taken a fairly sensitive approach. I believe, too, that internationally Australia was looked to for leadership of the region. But the relationship in 2002 has not been so squeaky clean. It has been rather tainted, and the Pacific solution has gone a long way towards lowering Australia's reputation in the eyes of Pacific Islanders.

**CHAIR**—On that last remark about the Pacific solution lowering the reputation or standing of Australia in the eyes of the islanders, what do you mean? How do you think that has impacted?

**Ms Wendt**—I think a lot of Pacific Islanders have seen Australia's aid as taking advantage of the economic vulnerability of Pacific island countries. As in the case of Nauru, obviously some of these countries were in a position where, possibly through their own fault in previous years, their economy was so vulnerable and so bad they needed the extra influx of money. I believe that has been a big consideration. The same with Manus, I imagine, in the same situation. I think Australia's solution under the Pacific solution has been viewed a little bit as expeditious and just taking advantage of economic vulnerability of Pacific island countries.

**CHAIR**—We had a roundtable this morning with some anthropologists and others. One of them informally said to me over coffee during the break that what at village level confused people on Manus Island was why these people were being kept behind barbed wire. They just could not understand it. 'They are here on our island. Why can't we talk to them?'

**Ms Wendt**—Yes, I can imagine that in a Pacific island context. Even prisoners in some places are let out on weekends for family visits, so I could imagine that a lot of Pacific Islanders would find it very difficult to understand why people were being kept behind bars.

**Senator HOGG**—Just on that same point, the statement you make is a fairly broad statement. I am not being critical of it.

**Ms Wendt**—Yes.

**Senator HOGG**—But are you referring to the statement of government or semi-government organisations, or is the view you are expressing coming from the sorts of people at the grassroots level that Senator Cook was just referring to?

**Ms Wendt**—Certainly, from Nauruans that I have spoken to at regional meetings, mainly from the non-government sector, there was a feeling—probably aimed at their own government—about not having more consultation with the people. Suddenly there was this government-to-government solution for refugees and the people on whom the impact was going to be greatest had had little say in what was happening. In the case of Nauru, you are looking at a fairly small population and it would have been quite easy to have had a little more discussion before the eventual solution.

**Senator HOGG**—Yes.

**Ms Wendt**—I hope I did not say anything to offend you.

**Senator HOGG**—No. It is just a matter of seeking to clarify the issue, that is all.

**CHAIR**—I am a politician. I am very hard to offend. You have not said anything that has even gone close!

**Ms Wendt**—Another thing that has lowered Australia in Pacific island eyes is the fact that, at previous Pacific island forum meetings, prime ministerial representation was absent for a number of years. I think it would have helped had there been high level representation. Certainly something I have picked up on—and I only returned to Australia in May this year after being away for a long time—is that I am aware that the reputation of New Zealand is seen as very squeaky clean almost, with Helen Clark giving apologies to Samoa in June this year during the independence celebrations with regard to the way New Zealand had treated Samoa in previous times. There has been a perception in the region of people saying, ‘Okay, New Zealand is being very humble and treating us the right way,’ whereas Australia at the moment, having historically had good relations, is at this stage not quite so good.

**Senator HOGG**—If one was describing the New Zealand actions as being humble, does that necessarily mean that Australia is acting arrogantly or tending towards that? Is that the perception out there?

**Ms Wendt**—I think it could be the perception. It is more disappointment with Australia’s attitude, but it could be seen as arrogance.

**Senator HOGG**—When you say ‘disappointment with Australia’s attitude,’ is that at the bureaucratic level, the parliamentary level or both? Are you able to pin that down for us?

**Ms Wendt**—Having lived in the region for a while, a lot of the things that I would come across are probably hearsay, but hearsay from a fairly high level. For instance, the leaked document a few years ago that referred to a lot of Pacific island leaders as a little bit stupid, around the corridors was seen as horrific. What Australia should be doing is looking to the new group of emerging Pacific leaders, because there are some very bright young people out there coming through. Not that the others really fitted into that category, although some of them could have, but I think that there are some people who are fairly perceptive out there and they are a little bit disappointed that statements are made often that make it seem as if Pacific leaders are a little bit dumb.

**Senator HOGG**—Is this because we do not understand their cultures? One of the things put to us this morning was that in this region are 20 per cent of the cultures of the world yet only one per cent of the population. There is a great diversity of cultures with a small population and it may be that we are not sensitive enough to the cultural differences.

**Ms Wendt**—Australia’s mode of aid delivery does not actually help that. Australia sends in people that go in and come out and never actually get a proper feel for the region. Yes, there is a bit of cultural insensitivity and it is associated with people not understanding the specific cultures and not appreciating the diversity. That is on the aid delivery side of things. Generally speaking, in the past Australian representation at regional meetings had been fairly high and very sensitive, but of recent times there is a new young breed of people who are sent in quickly

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and often they are the expert after five minutes. For instance, with myself having lived and worked in the Pacific for 19 years, people have often said to me, 'You must know a lot about the Pacific,' but my answer to that is that the longer I was there the more I realised I didn't know. There is not enough of that sort of reflection, whereas from the New Zealand side one tends to see that you are still getting people who have spent a lot of time in the region and there is a consistency of people, instead of swapping people around all the time.

**Senator HOGG**—One of the issues raised with the committee this morning was that there may well be a lack of corporate knowledge in Foreign Affairs, in AusAID, because things are outsourced and the like. Is that the sort of issue you are referring to?

**Ms Wendt**—Absolutely. Yes, I would say so. At the AusAID higher level, you have somebody who is very knowledgeable of the Pacific in Bruce Davis, having worked for the Pacific Islands Forum years ago. At one level you have a lot of Pacific experience, but often there is a tendency to move people around in departments and not necessarily have them working on their area of expertise, and that is pretty obvious in the Pacific.

**CHAIR**—I was going to ask you a question, to hopefully clear up the final questions on how we are seen. I think Senator Hogg's questions related to how Australia is seen and how Australian officials are seen. Senator Gavin Marshall this morning asked the roundtable what the characteristics are that the locals see in Australians—Australian people living and working in the area—and in New Zealanders. Is there any sort of differentiation?

**Ms Wendt**—No, often there is confusion between Australians and New Zealanders. There is a new breed of Australian consultants. In fact, I had a Pacific friend who was visiting just recently and she said to me, 'Why is Australia sending all its old grandfathers over to us?' She is speaking from the perspective of somebody who is a consultant herself. She said, 'All these old people have been put out to pasture in the Pacific.' I thought, yes, that is very true. There are some good consultants out there, but there is this perception that you have older people coming who are not necessarily old because of experience in the Pacific, but old consultants who have been doing a lot of ADB things. They come in and stay five minutes. They want to stay at big hotels. They are not prepared to have the same sort of accommodation as local people. They are seen as an elite who are trying to get their experience in the Pacific when they are really old and not—

**Senator HOGG**—Five-star consultancy versus two-star consultancy.

**Ms Wendt**—Yes, something like that. From the Australian NGO perspective, the view that I would push—and that our submission pushes—is that you cannot afford in the Pacific not to think about relationships. You cannot have people coming in, going out, coming in, going out on consultancies. You need to actually establish relationships and have longer—term people in there doing work on the ground with people and not being seen as an elite who drive around in four-wheel drives with AusAID written all over them. It does give a bad perception. Coming back to your question, Senator Cook, Australians and New Zealanders, as people—as tourists, as visitors and so on—are seen as about the same and are very well received. It is more the consultancy element that is not.

Another thing upon which Australia could improve its relationship with the Pacific is its stance on climate change. A lot of people say that climate change is an environmental issue, but

it is more than that. It is a fundamental development issue to Pacific island countries, together with the health implications associated with food security and water quality et cetera. There are a lot of economic issues that relate to climate change and I think Australia is seen as being aligned with the US on its stance there, particularly after the WSSD in Johannesburg when there was reference to Russia and China becoming signatories to Kyoto. I think it made Australia look a little wanting.

Australia is giving a bit of a mixed message on climate change. It is not looking to the Pacific as if it is addressing things seriously, but at the same time it is giving major funding to programs that monitor climate change in the Pacific. These programs not only monitor the effects but also look for adaptation. It is seen that, yes, Australia is prepared to help us do something about it but it's not prepared to seriously address the issue—a bit of a bandaid approach.

Generally, there is a lack of public awareness in Australia of Pacific island countries, and that has been a change. The older generation, the people who came through World War II, had a fairly intrinsic understanding of the Pacific but that has been lost. At the moment from the press you get either the conflict or the paradise type of approach. The public has very little understanding of what it means to live in a Pacific island country and what Pacific Islanders are on about. It is not surprising that the people coming through who eventually go out and do some of the aid work really have a very poor understanding of the Pacific.

**Senator HOGG**—Could this be a fault of our education processes at both the primary and secondary level within Australia?

**Ms Wendt**—Yes, absolutely. One of our recommendations does refer to that. There needs to be a greater emphasis, as there is now in the New Zealand curriculum, probably because they have a bigger Pacific island community living in New Zealand. We are seen as part of the region and it would be fair enough to have a greater emphasis there. That is one of our recommendations. One of the basic things is that, with this new generation of Pacific leaders coming through, Australia needs to be flirting with them a little more. There really are some very bright young people who could whip the pants off all of us in terms of understanding issues. I think Pacific Islanders are often sold short but there is a whole group of them out there that are emerging.

**Senator HOGG**—How could Australia engage this group? How could we identify them, engage them, and use the relationship that has developed in a positive way?

**Ms Wendt**—They are starting to do it. We have just had a group of Pacific island visitors and AusAID were taking them very seriously, even to the point of when they were putting out a tender for a particular project they sent a copy of the tender documents to one of these Pacific Islanders. I thought that was a very positive step. The regional organisations have quite a few good emerging young Pacific Islanders. The Pacific Islands Forum has some good people. The regional organisations, such as SPREP and SPC, seem to be the training grounds but there are others as well.

**Senator HOGG**—I do not know if we have such a program, but should there be a young leaders program which is sponsored from within Australia but not necessarily run from within Australia? Is that the sort of thing you are advocating?

**Ms Wendt**—It would be something that could go well. The people that I am thinking of are a little bit older than ‘young-young’ like the youth ambassadors. They are an older group.

**Senator HOGG**—I am trying to get a broad context. Is that the sort of thing you are advocating?

**Ms Wendt**—Not really. I am really appealing to Australia to take these people a little more seriously: to be aware, to be cognisant of the fact that there are some emerging leaders out there rather than the old-school ones. If people looked at an old batch of Australian politicians they would have said, ‘They’re old dodderers.’ It is the same way that you would look at a batch of old Pacific politicians. But you need to be aware that that is not the mind-set that we should be thinking of. There are these other people out there who are emerging. Australia needs to have an appreciation of that. As I say, AusAID is, I think, becoming aware of that.

**CHAIR**—Your point is not that it is just a generational change; it is a change in sophistication.

**Ms Wendt**—It is, yes. Most of them have been educated in Australia, New Zealand and the States—you name it. Some of them speak three or four languages.

**CHAIR**—We might ask you informally, and off the record at some point, to indicate to us who you think could aid us in our inquiry if we spoke to them.

**Ms Wendt**—Yes, absolutely. In regard to economic relations, I think Australia could assist through trade related capacity building. It is recognised that there are not a lot of trade opportunities. The Pacific is not producing a lot that could be traded, but I think Australia could assist a bit more in terms of human resource development and trying to help Pacific Islanders to see the potential for markets. That is one area. With the restructuring of Pacific economies and the good governance agenda—and 24 per cent of Australia’s aid to the Pacific is going into that area—that is a good thing, but I think one needs to be a bit more aware of the cultural and social impacts of the good governance agenda.

In the Cook Islands, for instance, when the Public Service was downgraded, that had a very big impact on other people. If they had not had the safety net of going to New Zealand to get jobs, it could have been quite disastrous. Often there is an inappropriate model brought in with some of the good governance programs and they are forgetting all the things like communal ownership of land, the humanitarian values, the customary structures et cetera. It is an imposed system from outside and Australia is seen very much as being aligned with the ADB and the World Bank. They come in and often are not thinking of the fact that in a lot of these Pacific island economies those working in the Public Service are often the breadwinner for a whole range of people who are very dependent on them. The good governance agenda is an appropriate one but it needs to be slightly tailored to suit Pacific island needs.

A lot of Pacific island countries have a very high level of external debt. It may not look very high in figures, but if you look at it as a percentage of per capita GNP you will find that there are some really high levels. It is worrying that some countries are borrowing just to balance their budgets and I think that Australia could play a big role in calling for cancellation of international debt, recognising that at one stage when industrialised countries were developing

they did not have the same sorts of pressures on them that, say, developing countries have now. There could be something done there.

In terms of development, cooperation and future direction, it would be important not to always be crisis driven in Australia's aid. It often distorts the development picture. I know there are a few crises out there at the moment but we need to put that aside because crises come and go. I was in New Caledonia at the time of the crisis there and that came, went, and is history now. The Pacific often has its own solutions, its own mechanisms, for working through these crises. The Solomons, I know, is disastrous at the moment and I do not think there is an easy fix there, but I do believe that the aid to the Pacific should not be skewed too much that way. It should be appreciated that there are other areas that need to be looked at.

One of the important areas I think is HIV-AIDS. People are talking about it in Papua New Guinea. I think there are major little pockets everywhere—Kiribati, for instance. I personally know two people who have died. I do not know a lot of I-Kiribati, but I think there is a big time bomb out there. I know Australia is putting money there. There was a project being run through SPC in Noumea with AusAID money. The project was very slow to get off the ground. I think it was an HIV awareness project and you cannot afford to have gaps in these things. That was due to some consultancy report not coming through, or something, but there are some issues out there which are potential time bombs and quicker movement on some of these things is needed.

Australia needs to appreciate that the Pacific has a different definition of development. Development often means local capacity building, not necessarily development as we see it. That is outlined in our submission, so I will not go into that too much. It is important to recognise Pacific island diversity and that not every country is the same and that you do have complexities within each country. There are different value systems in the Pacific. I think that is something Australia used to appreciate but seems to have forgotten. There are different ways of thinking in a Pacific context.

The church is incredibly important in the Pacific. That is forgotten a lot in aid delivery. There is a whole group of churches out there and also Australian non-government organisations working with churches that could be doing a lot on the ground. I think it is important for Australia to keep recognising that the Pacific does have poverty. You do not look at poverty in the sense of not having enough money, but certainly the poverty of opportunity. I know the human development index said that 43 per cent of Pacific Islanders are disadvantaged. There is a lot of disguised unemployment. There are a lot of social issues that are bubbling under there, associated with poverty, that could emerge. Youth suicide, for instance, is one of the other little time bombs.

In aid delivery there is importance in building relationships and trust and that is a long-term thing. It is not a quick consultancy fix. It is very important to focus on the issues identified by Pacific Islanders themselves. The SPC has a meeting each year of the Pacific island planners and they come up with a list of things. There is probably more scope for Australia listening to what the issues are, as they see them. They are the people on the ground.

There is a potentially emerging issue in West Papua. I know it is not popular to say that and one should not say it, but I think the Australian government could sensitively monitor developments there and try to encourage a bit more informal debate instead of really saying,

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‘Okay, there’s nothing there.’ I am even a bit frightened to even mention it. I should not be. There should be a lot more open discussion.

**CHAIR**—It was mentioned at some length this morning in the forum.

**Ms Wendt**—Was it? That is good. Even when we were writing the submission I was nervous about putting it in there. But I thought, ‘Why should I be nervous about talking about it?’ Particularly at regional fora in the Pacific there has been quite a bit of discussion about West Papua; not in recent times but just two or three years ago there was quite a bit of movement there. Certain countries like Vanuatu, Marshalls and Nauru were pushing for it to be openly discussed and for a little bit of movement.

I will not keep going on, but there are implications for Australia and that was the fourth part of your terms of reference. Australia is inextricably involved in the Pacific. There is no way Australia could not be giving aid to the Pacific, just from a historical, colonial perspective. There is a legacy there which says that Australia needs to be there. There are big implications for Australia if the Pacific is not stable. There is the direct impact on Australia’s aid budget, there are defence related implications, migration policies and trade relations. Australia’s international standing as a responsible major power in the region is an important element.

The other thing I will mention—and I will close on that—is that there are a number of new donors in the Pacific. This is something which could have quite an impact. The donors are EU, Japan and China—the bigger donors. Australia was historically one of the largest, or was the largest, and it is no longer that way. Australia should be aware of that and continue strong support for poverty alleviation and be proactive in its effort on the political front to make sure that it is providing appropriate targeted aid and possibly aid that is harmonised with these other new donor players. I know Japan is flirting with everybody; so is China. The regional organisation I last worked with, SPREP, was given quite a big grant by China and we were wondering why. They are out there offering big money to the region and strategically it is in Australia’s best interests to make sure it is up there with the other big players.

**CHAIR**—The argument I have encountered is that because a number of these countries are members of the UN and each country in the UN, irrespective of size, has one vote and that if you are influential then you can command a bigger vote on the floor than you might otherwise have done. Therefore, there are a number of superpowers more interested in garnering UN support. I do not know how true that is as an accurate depiction of their motive, but it seems to have—to me, as a politician—some resonance, I must say.

**Ms Wendt**—I think it is, particularly with one country. Its seat on the Security Council I think is important. That particular country is giving a lot of support to the region. I think strategically it is probably very important for Australia to be aware of the other big donors that are moving in.

**Senator HOGG**—The difficulty there is that one does not want to get into a bidding war with these other donors.

**Ms Wendt**—No, but Australia is harmonising its aid with New Zealand—like the recent visit to the Solomons by Australia and New Zealand together—and that is seen very positively. Australia should be talking to these other big players as well and harmonising its aid. For

instance, at one stage in Samoa we had the ADB come in and do a structural adjustment project with Treasury. In the following year, while the ADB project was still running, we had Australian aid coming in and doing the same thing—a different section, but absolutely the same thing—crossing over each other. Nobody on the ground knew what was going on because it was so confusing. Then you will find that the EU will come in with a project that looks at the same thing.

**Senator HOGG**—How should the help and assistance be coordinated—by a regional forum or through a UN organisation?

**Ms Wendt**—No. Each country has its own aid coordination committee, so they should be the ones on the ground who are coordinating it. Of course, if you are sitting in Samoa—

**Senator HOGG**—I accept that, but I am trying to see if there should be some overarching body to tick-tack between these various coordinating bodies.

**Ms Wendt**—No.

**Senator HOGG**—That is what I am trying to get to.

**Ms Wendt**—I do not think so. It is really up to the countries themselves, or to the donors and the countries to work together. The way Australia and New Zealand are harmonising their aid is a very new thing. It is really up to Australia to be proactive with other donor organisations and other donor countries. I do not think there needs to be another regional body.

**Senator HOGG**—That is really at the DFAT level.

**Ms Wendt**—Yes.

**Senator HOGG**—That is what I was getting to.

**Ms Wendt**—Yes, sorry. It is really up to the countries themselves to be their own aid coordinating committee and to be doing this. But they do not do that because if New Zealand is offering money, if the EU is offering money and Australia is offering money, you take all the money.

**Senator HOGG**—That is right. If they knock it back they feel that they are not going to get it.

**Ms Wendt**—They are not going to get it again.

**Senator HOGG**—Not going to get another bite at it.

**Ms Wendt**—Yes.

**Senator HOGG**—That is why there may be a reluctance on their part to knock it back.

**Ms Wendt**—Yes.

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**Senator HOGG**—There may well need to be this coordination process to ensure that there is not duplication or replication of the process.

**Ms Wendt**—Yes.

**CHAIR**—Is there any danger here of countries becoming fixated on playing the aid game, rather than focusing on their own economic development needs?

**Ms Wendt**—Yes, I think there is a bit of that. Instead of sitting down and saying, ‘Okay, do we really want an economic restructure,’ or, ‘Do we need an economic restructure?’ if there are projects coming at them that say, ‘Okay, economic restructure is what is being offered,’ they tend to look at that instead of looking at some of their internal problems and saying, ‘Is this the way to do it?’ I must admit I personally have seen several examples of aid projects where the same pool of money has been taken from two places. I should not say this publicly, so scrub it from the record.

**CHAIR**—You are saying it publicly.

**Ms Wendt**—I had better not talk.

**CHAIR**—We will not identify the places, or we can go off the record if you want.

**Ms Wendt**—I will go off the record on that one, if you do not mind.

**CHAIR**—We will go off record for a moment.

*Evidence was then taken in camera, but later resumed in public—*

**CHAIR**—I have to apologise. I found this one of the best submissions and I am enjoying the discussion we are having. I have an appointment at 3 o’clock which may not take very long and then I can come back.

**Senator HOGG**—I have one question and then I think we should pull stumps. My question may need to be taken on notice. I must admit that I have not read the full body of the submission but I have at least gone through the executive summary, for which I am extremely grateful. You talk there about increased support forthcoming for existing and potential conflict areas and you list those areas. What sort of increased support are you talking about for those existing and potential conflict areas?

**Ms Wendt**—Are you thinking of Vanuatu?

**Senator HOGG**—Yes. You have listed the Solomon Islands, Vanuatu, Irian Jaya/West Papua.

**Ms Wendt**—Yes. The good governance type thing, but of a different mode.

**Senator HOGG**—Are you looking at financial support? Are you looking at in-kind support? Governments, when they hear these words cringe—not the government so much but the department of finance, particularly the Treasury.

**Ms Wendt**—You need to bear in mind it was not just me.

**Senator HOGG**—I understand.

**Ms Wendt**—Just as an example, I know Australia is starting to put more money in Vanuatu; it is under the good governance agenda. I am saying that there needs to be that support, but it needs to be of a kind that is more appropriate to the specific countries and not the big outside economic models. But there is a lot of support. In the Solomons, for instance, the Solomon Islands government has no credibility anymore. People are doing things by themselves and getting on the best they can. If there were more aid money going into some of the grassroots activities—and I think the churches do have their fingers on the pulse in some of these countries at the grassroots—I think there could be many activities going on that would be quite sustainable if you were targeting the right people.

**Senator HOGG**—Your comment is more at the targeting rather than necessarily increasing the amount of aid, or is it a combination of both?

**Ms Wendt**—It is a combination of both. I think generally there needs to be more aid to the Pacific. I am a bit worried, because of the recent events, that the focus might go away from the Pacific when I really hope it does not, because I think there are some major emerging issues there.

**CHAIR**—Thank you very much. We may have further questions of you which we will put on notice if we may.

**Ms Wendt**—Yes, certainly.

**CHAIR**—And it is conceivable—although our inquiry has a way to run yet—that we might like to invite you back; not necessarily with a new submission, but to test a few ideas and get a response from you.

**Ms Wendt**—Yes, I would appreciate that.

**CHAIR**—Thank you very much.

**Ms Wendt**—Thank you.

**Committee adjourned at 3.01 p.m.**