COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Reference: Bougainville: the peace process and beyond

FRIDAY, 19 FEBRUARY 1999

CANBERRA

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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE
Foreign Affairs Subcommittee

Friday, 19 February 1999

Members: Senator MacGibbon *(Chair)*, Senators Bourne, Chapman, Cook, Ferguson, Harradine, Sandy Macdonald, O'Brien, Quirke, Reynolds, Schacht and Synon and Mrs Bailey, Mr Baird, Mr Brereton, Mr Gareth Evans, Mr Hawker, Mr Hollis, Mr Jull, Mrs De-anne Kelly, Mr Lieberman, Mr Martin, Mrs Moylan, Mr Nugent, Mr O'Keefe, Mr Price, Mr Prosser, Mr Pyne, Mr Snowdon, Dr Southcott, Dr Theophanous and Mr Andrew Thompson,

Subcommittee members: Mr Jull *(Chair)*, Dr Theophanous *(Deputy Chair)*, Senators Bourne, Chapman, Ferguson, Sandy Macdonald, MacGibbon, Quirke, Reynolds, Schacht and Synon and Mr Brereton, Mr Evans, Mr Hawker, Mr Hollis, Mr Lieberman, Mr Martin, Mr Nugent, Mr Price, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Thomson

Senators and members in attendance: Mr Jull *(Chairman)*, Dr Theophanous *(Deputy Chairman)*, Senator Bourne, Mr Gareth Evans, Mr Hollis, Mr Price and Mr Andrew Thomson

Terms of reference for the inquiry:

To review progress in the Bougainville peace process, from the time of the first meeting at Burnham military camp in New Zealand in July 1997, including Australia's support for that process; and to assess future prospects for the peace process, including ways in which Australia might assist further. This might include:

(a) an assessment of the current state of negotiations amongst the parties to the Bougainville dispute and of future prospects for the peace process;

(b) the contributions made towards the peace process by the Truce Monitoring Group/Peace Monitoring Group, including the likely duration of the peace monitoring operation; and

(c) consideration of Australia's current reconstruction and rehabilitation program on Bougainville, including restoration of civil authority, and ways in which Australia might assist further.

WITNESSES

Subcommittee met at 9.03 a.m.

CLARKE, Air Commodore Kerry, Director-General Joint Operations and Plans, Strategic Command Division, Department of Defence

RERDEN, Colonel Malcolm, Former Chief of Staff, Peace Monitoring Group, Army Land Headquarters, Department of Defence

SCRAFTON, Mr Mike, Director General, Regional Engagement Policy and Programs, Department of Defence

RITCHIE, Mr David James, First Assistant Secretary, South Pacific, Africa and Middle East Division, Department of Foreign Affairs and Trade

WISE, Mr James Joseph, Assistant Secretary, New Zealand and Papua New Guinea Branch, Department of Foreign Affairs and Trade

DILLON, Mr Michael, Assistant Director General, PNG Branch, AusAID

ROOKEN-SMITH, Mr Dereck, Director, Infrastructure and Reconstruction, PNG Branch, AusAID

STANLEY, Mr Percy, Country Program Manager, Bougainville, AusAID

CHAIR—On behalf of the Foreign Affairs Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I declare open this public hearing. The committee is inquiring into Australia's contribution to the Bougainville peace process and the prospects for rehabilitation of Bougainville, including restoration of civil authority.

The committee's review will cover the whole peace negotiation process from the time of the first meeting of the Burnham military camp in New Zealand in June 1997, and extend into consideration of future reconstruction and rehabilitation programs in Bougainville. Today's hearing is the first opportunity for the subcommittee to take oral evidence from key witnesses in the government and non-government sectors. On this occasion, we have invited representatives of the Department of Foreign Affairs and Trade, AusAID, the Department of Defence and the Australian Council for Overseas Aid.

The information gathered today will provide a broad basis for examination of the many issues surrounding the Bougainville peace process, its successes and setbacks, and ways in which Australia can help further. On behalf of the subcommittee I welcome representatives from Department of Foreign Affairs and Trade, AusAID and Department of Defence, appearing together.

The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give any evidence in private, you may ask to do so and the subcommittee will give consideration to your request. Although this committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and, therefore, have the same standing as the proceedings of the House itself. I

now invite you to make a short opening statement, if you wish, before we proceed to questions.

Mr Ritchie—Thank you very much, indeed, for this. We think it is a very important inquiry and we are very pleased to be able to spend some time answering questions and commenting on the inquiry. We very much look forward to the subcommittee's visit to Bougainville, which we now understand is looking good for the third week of March.

It is very important, as I have mentioned in earlier meetings, that the committee visit Moresby and Bougainville to actually see the situation at first hand. It really does help immensely to have an appreciation of the situation on the ground there.

By way of an introductory comment, and I will not speak for very long, we are very pleased with progress on Bougainville. I think every now and again it is very important to stand back from the day-to-day crises, alarms and excursions that we face in regard to Bougainville—there are many of those—and just, for a moment, take a breath and see where we were 18 months or two years ago and where we have come to.

I think the progress, although it is slow and Melanesian—and needs to be for reasons which I will come to—has nevertheless been excellent. What we have had now since July 1997 is a period of peace on Bougainville with no fighting. There are still law and order problems but it is no worse than anywhere else in Papua New Guinea. There are still a lot of political and other issues to be resolved on the island, and the peace, for that reason, is still fragile. I would have to say that, compared to nine years of civil war, this is a very good situation at the moment.

The Australian government is very strongly committed to continuing to support the process on the island. We currently have undertaken not only to host and run meetings in the peace process but also, of course, to have a major contribution to the peace monitoring group on the island and a very substantial aid program on the island to help with reconstruction and delivering a peace dividend to people. That will be a long process.

I remember the then Minister for Bougainville Affairs, Sam Akoitai—he is a Bougainvillean—telling Mr Downer in August 1997, when he visited Port Moresby, that after nine years of civil war there was not one family on the island that had not suffered a loss, a death, not only through fighting but through non-access to health facilities, et cetera. In the Melanesian way, the reconciliation process that had to be gone through to overcome that was enormous and would take, in his view, at least five years to get through. We are talking about a very slow process.

Secondly, it is a Melanesian process, as I mentioned earlier on, which means that the Melanesian people need confidence to be built on the island. The formal reconciliation has to be gone through but, in addition to that, there is a long slow process of building comfort with the arrangements that are emerging and feeling their way and so forth.

Contributing countries to the peace monitoring group and people outside PNG have a very strong interest in ensuring that that continues. That will require patience on our part. We are simply going to have to be there for the long haul. The government has indicated its

commitment to maintaining our support for the peace process. That is not an open-ended commitment. We certainly do not want to have a peace monitoring group on Bougainville forever. It is not only an expensive exercise, but it detracts from the local arrangements which are very important on the island. But for as long as it takes we will be around and doing that and, in addition, through our aid budget and other ways, assisting the peace process. That is all I would say by way of introduction, Mr Chair.

CHAIR—Thank you very much indeed for the overview. Just to take you up on one point, you mentioned that there are still pockets of difficulties in terms of law and order. What is happening now with the police force that is being trained up?

Mr Ritchie—Very little—lamentably little, in fact. My colleagues from AusAID can tell you the sort of contribution we have made to try and develop a police force on the island. But, like all good things on the island, this is a very political issue. The Bougainvilleans will demand that a police force on the island is essentially a Bougainvillean police force. The Papua New Guinea government, for its own reasons, wants that to be part of the Royal Papua New Guinea Constabulary, Bougainville being part of Papua New Guinea. Resolving those two tensions is a difficult thing.

Secondly, to build one police force where there has been fighting on the island is very difficult. Do they trust each other? Thirdly, even if we were able to establish a police force quickly on the island, at the moment they have no court system and they have no prisons. The RPNGC is on the island, but it is essentially unarmed. There are a lot of people with guns on the island. What do you do about arresting people who are drunk and have guns? There are a great number of problems. There is a question about the PNG government's ability to fund salary and other costs of a police force on the island. So there are a lot of political issues, and also very practical issues, that need to be resolved first.

In terms of what we have concentrated on doing, we have a standing offer with Papua New Guinea to assist with developing a police force on the island. Mike Dillon will be able to expand on this. We have already started training community police people on the island—we trained some last year—but that is just a drop in the ocean at the moment. The Papua New Guinea government has formally asked New Zealand to do some work on assisting with policing on the island and we are very happy with that. As I said, we have a standing offer to assist in developing a Bougainville police force. But it is going to be slow.

CHAIR—The main difficulties at this stage are the drunk and disorderly—

Mr Ritchie—That is right. There are a few clan problems. In the south, around Buin, there has been some clan fighting and in Buka a little as well. Bougainville is supposed to be a dry island but there is a lot of home brew around. And there are a lot of young men who were involved in the fighting who have guns, who have had no other experience and who get drunk on home brew and start shooting at times, or pinching weapons or vehicles, or robbing what few shops there are on the island and so forth. So the main security concerns we have are in fact local law and order concerns. There has not been any politically motivated fighting for a long time now.

CHAIR—What do you see as the issues that may get the process off track? Are they things such as the law and order arrangement? Do things like the Momis challenge help or hinder? You might like to give us an update on that.

Mr Ritchie—There are a lot of issues that can get the process off track. The first and most important issue is the ability of the PNG government to satisfy the aspirations of the Bougainvilleans. This is really a matter for the PNG government but our assessment is that most Bougainvilleans actually are quite comfortable with remaining part of Papua New Guinea, but they will want a greater say in their own affairs than they have so far had. There is a big question in our minds, and I am sure in other peoples' minds, about the extent to which the Papua New Guinea government is able to give them that sort of greater say in their own affairs.

Until now, the Papua New Guinea government has actually been very good in this regard. It rescinded the call-out on Bougainville of the PNGDF last year. It formulated changes to the constitution in PNG which would provide for the establishment of a special government on Bougainville, a Bougainville reconciliation government, which it also agreed to. There have been some setbacks because it prorogued parliament until July and therefore was not able to pass the constitutional changes with the required two-thirds majority. But there is a question there about the extent to which PNG is able, or has the numbers in parliament, to go through and offer that sort of autonomy to Bougainville. Apart from anything else, it has obvious implications under the provincial government arrangements for the other provinces of Papua New Guinea as well. That is one big issue.

There is a series of other issues on the island which are constraints to the peace process. Firstly, Bougainville is not a homogeneous island at all. There are tensions within the island between people in the south and people in the north, Bukans versus the rest, the central people against the south—it is not a homogeneous place at all. So there are those sorts of tensions which can always derail things.

Secondly, there are issues about the leadership of the various factions on the island. There are some established leaders of the factions. Joseph Kabui is an established leader of the Bougainville Interim Government/BRA faction, but there are issues about the extent to which his authority extends over the whole island: who do you deal with; who are the right people to be talking to in bringing that about?

Thirdly, there are very high expectations on the island of reconstruction work—probably too high expectations on the island of the cargo that this is going to bring in and the extent to which that can resolve differences. After nine years of civil war, the island is basically destroyed except for Buka—pretty much all the infrastructure, the plantations, everything. Deciding which things to restore first and which things to build first to get the economy going are all political decisions. There is a lot of tension related to whether you build a road in this area which happens to be a BRA area or in this area which happens to be a resistance area and so forth, so those sorts of decisions are a constraint.

Finally, there is a series of issues about the political future of the island which still have to be resolved. The Papua New Guinea government's tactic, with the agreement of the Bougainville parties, has been to put those issues off to down the track a bit and to move

ahead with a peace process which builds comfort, establishing a Bougainville provincial government which brings together all the factions, delivering aid on to the island, but agreeing that down the track there has be a discussion about the political status of Bougainville. That discussion is a little way off at this stage. There are a lot of technical issues that can derail the situation at any time: disarmament of the factions, establishing policing on the island—there is a whole stack of things which can derail the peace process.

On the Momis court challenge, as you are probably aware, what happened after the Papua New Guinea parliament failed to pass the necessary changes to the legislation late last year to establish a Bougainville reconciliation government was that the Bougainville transitional government, which had been in place, expired as of 31 December under legislation in PNG and could not be extended. So there was a choice at that point. Formally, Bougainville province would then fall back under the existing provincial government legislation in PNG and John Momis would become governor of Bougainville because he is the member for Bougainville Regional and that is provided for in the legislation. But there was a lot of concern on the island about that, though not from everybody—Momis has still got quite strong support across the island; he polled the best of any of the candidates the last time they had elections. But it was clearly going to be a matter of concern for some of the factions on the island.

In addition to that, the factions decided that they wanted to establish a Bougainville reconciliation government anyway so they went ahead with building a constituent assembly on the island whether Port Moresby wanted to or not. So Moresby reached an agreement with them which established a Bougainville constituent assembly de facto, having suspended the Momis led provincial government before it took office on the grounds that it was a threat to national unity.

Momis's court challenge is essentially challenging the legality of the suspension of the provincial government and therefore the structures that they have set up on the island. And he went to the National Court in PNG which referred some of the constitutional questions to the Supreme Court. The Supreme Court has thrown those out; the National Court judge has decided that this is a matter which the courts should not get involved in at this stage. It is a matter which essentially should be decided by the NEC in the parliament—NEC being the PNG cabinet.

The situation is that Momis's court challenge has been thrown out for now, although he has now appealed against that and we will just have to wait to see. The judge took the view that he should not interfere—that the only thing he could really rule on was whether the NEC legal decision making process had been flawed, and he did not think it had been. He did not rule on the substance of the issues. At the moment, the interim provincial government that has been established on the island, which is run from Port Moresby under Mr Akoitai, is in place and pending an appeal by John Momis.

CHAIR—Just before I hand over to Senator Bourne, have you had any indication or any information yet as to whether or not the parliament may resume earlier?

Mr Ritchie—As in PNG with a lot of other things, there are lots of rumours to that effect, but at the moment the parliament is not formally resuming until 13 July.

Senator BOURNE—I have two questions. Firstly, what is the state of the resistance at the moment? Do they have any moral standing and how organised are they?

Mr Ritchie—They are very organised and the resistance is regarded as one of the factions that participates in all the discussions. The factions that participate in the discussions are the resistance, the BIG, BRA, the former BTG, Bougainville transitional government, people under Gerard Sinato and Port Moresby. So they all participate and the resistance participates as an equal part of those discussions. It is very hard to tell. The colonel probably has a better view, having been on the island for so much longer than me. There is a bit of a sense that all Bougainvilleans just want an end to the war—not all, but most Bougainvilleans want an end to it. In terms of whether Bougainville remains part of Papua New Guinea or not, it is fifty-fifty in Bougainville. Probably a majority favour staying as part of Papua New Guinea, and the resistance of course is a pro-PNG outfit so that is their part of the deal.

Senator BOURNE—They seemed less organised than others.

Mr Ritchie—Yes, they are less organised than the BIG-BRA, that is for sure, and they are less organised than the BTG. But they are actually formally one of the factions that sits down at the table.

Senator BOURNE—Whatever they agree to—whoever sits at the table—will that be accepted by the rest of the resistance, do you think?

Mr Ritchie—Well, that is a big question with any of the factions.

Senator BOURNE—True.

Mr Ritchie—Hilary Masiria is the head of the resistance on Bougainville. Sam Akoitai, of course, is the former head of the resistance on the island. None of the factions can guarantee that all their people will accept everything that they agree to, and this has been one of the big problems. That is part of the reason why the process has taken so long beyond the original dates. It is because, after every big step, Joe Kabui and Sam Kauona, for example, have to sit down with all the BRA commanders and talk them through it, and then they have to go back to their areas and talk their men through it. And it is the same with the resistance and the same with the others. There will always be people who think that they have given away too much or they have not given away enough, so there is a question of authority and there is a question of just talking those issues through, which takes a very long time.

Senator BOURNE—At a far more detailed level, one of the big problems that we identified while I was there a couple of years ago that seems substantially to be in the ether was that there were nine years of very substantially undereducated children or children who were not educated at all. These are kids who stopped going to school when they were nine and they are now 18, and they have got guns and no education. Are we thinking of any schemes to try to bring these kids back into an educated society?

Mr Ritchie—The short answer to that is yes. That is actually a really high priority.

Senator BOURNE—Good.

Mr Ritchie—I was over in New Zealand a couple of days ago talking to the New Zealanders about Bougainville matters, as we do very frequently. We agree with them and with others wholeheartedly that this is absolutely one of the central things we need to do.

Senator BOURNE—Good.

Mr Ritchie—There are a lot of young men around who have weapons, who have had no education, who know no other life, other than using a gun to get their way on the island.

Col. Rerden—I can perhaps offer some insights into that. The peace monitoring group does many visits to schools to promote the peace process. In some of the visits that I made to schools, there have been 21- and 22-year-olds in the high school at Arawa, trying to complete some form of education. In the primary schools, there are 14-year-olds in grade 5 and grade 6. Since the schools have been able to take on a more complete education program, they have been able to bring in some of the former combatants amongst the teenagers and young adults. Some of them are making very positive efforts to try and redress that education that they lost over those years.

Senator BOURNE—Great.

Mr Ritchie—There are two other angles to it. The first is the economy on Bougainville. One of the best ways of fixing this is to actually engage these people in productive activity and soak them up into business and economic projects and other things. A very high priority for us—not just for that reason but because it is a very high priority for Bougainvilleans—is to employ as many Bougainvilleans as we possibly can on our aid projects. So we have employed—I think we identified this in the submission—about 300 on various activities. Then over a period of time, we have employed a total of about 3,000 on road clearing and other projects and things of that nature.

The other thing we have tried to do through our aid program is put in village level construction kits and other things so that people can actually get involved in rebuilding their houses and doing productive things like that.

The other thing I wanted to mention was trauma counselling. I remember spending a night in a village just outside Arawa last year, just overnight. There were two or three blokes there who had obviously been engaged in fighting. They had a lot on their minds and they were very emotional indeed. They need a lot of help. They have had nine years of killing people and being killed. I think that is also an important area to try and rehabilitate the young people. That is a high priority.

Senator BOURNE—Perfect, thank you.

CHAIR—I will just take you up on one point. Your submission made reference to the reconstruction of a number of schools. Could you give us an indication of how broad that educational spectrum is at the moment?

Mr Ritchie—Not very broad.

Mr Dillon—It is on different scales, I guess. We are building a high school in the north at Talena—rebuilding or re-renovating it, if you like. The Bishop Wade High School, is, I suppose, the major high school or the only high school in Bougainville. At the other level, we are building classrooms right across the province. That is done, basically, with Bougainville labour, community labour and some expert assistance. We have a very considerable education program in PNG and we are looking to expand that and deliver the textbooks that we deliver across PNG into Bougainville as well—all those sorts of materials and expertise.

Mr HOLLIS—Dealing with aid in general, who sets the priorities? Who do you negotiate with—the PNG government or—

Mr Dillon—Perhaps I should make a few contextual comments on the aid program, because it is central to everything that is going on. The first principle is that we have an extensive aid program with PNG, around $300 million a year. We have moved from almost complete budget support 15 years ago to total project support as of next year. There will be no cheques written to the PNG government; it is all through projects.

Mr PRICE—At any stage was aid to Bougainville outside that PNG aid treaty?

Mr Dillon—Never.

Mr PRICE—There has never been any additional money?

Mr Dillon—No. The point I want to make is that the aid program to Bougainville is part of our PNG program. As we move to project funding across PNG we have, in a sense, less flexibility because we are programming projects and they all have one- or two-year time frames to design and then a five-year implementation phase. We are managing a multiyear program.

We have gone out of our way in Bougainville to be more flexible than in the rest of PNG. I will not say we have cut corners but we have done things that we would normally not do, basically to respond to the special circumstances of Bougainville. However, that does establish structural tensions between Bougainville and the rest of PNG.

The other principle is that our whole program, and particularly on Bougainville, is done through the PNG government. We do not do anything that the PNG government has not ticked off. Once we have the PNG government tick, we also consult extensively in the province itself with all the factions. A key constraint for us is the lack of a single and unified voice about priorities on the ground.

It was mentioned before that the aid program is political. I would go further; it is highly politicised. That makes the delivery of the aid program fraught. We can easily create more problems than we are solving unless we step very carefully. When you hit the ground up there, if you visit, you are likely to find people critical of the aid program. It is human nature that people want more; they want it more quickly. They are jealous of what others are

getting. All those things go to some critical comments. We are alleged to be too slow; we are alleged to be too fast. We are alleged to have not consulted; we are alleged to have overconsulted with particular interests.

I am satisfied that we are doing the very best we can and producing a pretty useful outcome, given the constraints. We do have to continue to focus on aid coordination. We have got an increasing number of NGOs on the ground. We have other donors coming in, and that will be an increasing issue over time. But we cannot do this unilaterally. We need a structure on the ground to provide the framework for us to deliver.

I have one final point of a contextual nature. There is a trade-off for us between that immediate responsiveness to provide the peace dividend, to have a flexible response to meet the concerns on the ground—such as the peace travel fund and things that are contributing directly to the peace process, employing local youths and so on—and delivering long-term development outcomes for PNG such as the creation of a high school worth $10 million. Such a school will be there for the next 20 years and educate thousands of Bougainvilleans. We have to get that balance.

In 10 or five years time I would hate to have spent $100 million but not see anything left on the ground. On the other hand, if we only built structures and focused on those sorts of traditional developments, we would leave the peace process behind, we would not have the flexibility or responsiveness, and we would not actually get that development outcome anyway because Bougainville would not have moved forward.

Mr Ritchie—Firstly, I agree completely with what Mike has said: everything is a priority on the island; that is the problem. So much was destroyed over the nine years of civil war that basically everything has a priority. The island is a very patchy place, as I mentioned before; there are areas that were, or still are, BRA controlled and there are areas that were government controlled. Everybody is looking over each other's shoulder all the time. If you are going to build a health post in Paru Paru, they want to know why you are not building one in Buin, or vice versa; and the southerners are always claiming that people are building things only in the north, and vice versa.

My colleague James has reminded me that it is a very diverse place ethnically. There are 19 language groups in Bougainville for a start. So setting a priority in that situation, particularly where all the leaders want to be seen to be delivering things to their people and enhancing their own status, is very difficult. We do not really want to get into that business. We would like the parties themselves to set the priorities, which is one of the reasons why we have been very keen to welcome the establishment of the Bougainville Reconciliation Government on the island.

As Mike said, we have an aid treaty with PNG. We provide all our aid through PNG. We do not provide aid directly to the various factions on the island, except with PNG's approval. We try to get our aid delivered where there has been a lot of consultation about what is or is not a priority on the island. But at the moment there is no central priority setting body on the island.

The other thing I wanted to mention is that that is going to become worse as the elections on the island approach, because politicians on the island want to be seen to be delivering aid in their particular areas. That is another pressure we have to face on the island.

CHAIR—Michael Dillon made reference to other aid dollars coming in. Where are they coming from? Are other governments becoming involved in that, and who is coordinating that? Is that out of Moresby, or does that have some potential to cause a few difficulties in terms of those areas that you are talking about?

Mr Dillon—I did mention that aid coordination is an issue we need to be very focused on. The reality is that Australia is the major aid donor into Bougainville by a very long shot. New Zealand has a program of around $5 million a year. Various international NGOs are in there. The World Bank, the EU and the ADB will all be looking at planning exercises, but my sense is that they have held back pending the resolution of the fighting and the peace process and the establishment of the structures I talked about that we need. The reality is that it is falling to Australia to take the lead on all donor type activities.

Mr PRICE—I am a bit slow on this aid stuff. Not one extra Australian dollar is being spent on Bougainville. I have that right, haven't I?

Mr Ritchie—Yes.

Mr PRICE—Is the New Zealand $5 million out of their ongoing program to PNG?

Mr Ritchie—Yes, but I will check.

Mr PRICE—Under normal circumstances, what would you think the level of aid flowing to Bougainville would be? I know it is hypothetical, but would it be $10 million, $15 million or $20 million?

Mr Ritchie—What would you say, Mike, if we were sending aid to a normal PNG province?

Mr Dillon—You could do an exercise and divide 20 provinces into $300 million and you would get $15 million a year for each province, if that was how it was done across PNG. We will be looking to spend at least $20 million a year and probably a lot more in some years as things move up.

Mr PRICE—Prior to the announcement of $100 million over five years, was there money unspent on projects that had been directed to Bougainville? How do you account for that; does that flow into the $100 million?

Mr Dillon—We did have projects planned before the minister indicated that we would spend $100 million over five years. I suppose the way I would couch this is that we will spend at least $100 million over the next five years in Bougainville. As we stated in our submission, at the moment we are planning to spend $136 million over the next four years,

but the formal commitment from the minister is to spend $100 million over the next five years.

Mr Ritchie—We had slightly over $30 million that we were about to spend on Bougainville anyway, before the $100 million was announced.

Dr THEOPHANOUS—All this really highlights the importance of the political and constitutional issues. I feel sympathy for Mr Dillon trying to handle all this while all the political and constitutional issues are up in the air. I have got a series of questions about that and perhaps I could begin by asking a historical question.

In recent times the peace monitoring group and other initiatives have been good initiatives from Australia, but you could not say the same in terms of the longer-term record of Australia in trying to get a solution on Bougainville. Why do you think that the New Zealand initiative leading to the Burnham meetings was able to succeed when Australia's previous efforts had mixed success over a prolonged period?

Mr Ritchie—I have two comments on that. Firstly, Australia has been making efforts over a very long period of time to bring peace to Bougainville. There had been four or five failed attempts before that, including meetings in Cairns, meetings on ships, and Operation Lagoon which involved sending a peacekeeping group to monitor talks on the island. A lot of things happened before July 1997.

The second comment I want to make is that for a very long time we have been telling PNG, very bluntly, that a military solution is not possible on Bougainville. The Sandline affair showed just how bluntly we were saying that to PNG. Prior to July 1997 we had been trying very hard, and I know others were as well, to make the point to PNG that a military solution on the island just was not possible. When you see the island you will realise why a military solution is not possible. From the ADF point of view it is a sort of guerilla heaven. It is just not possible.

Why did Burnham succeed where others failed? There are three factors in that. Firstly, war weariness is a very important factor. People on Bougainville are just sick to death of the war. The ordinary Bougainvilleans put a lot of pressure on their leaders to just stop. Of great importance in that were the women's groups on the island who played a very, very important role in forcing their leadership to actually just stop, to not go on fighting.

Secondly, Sandline was very important in that regard. Mr Skate's government has, from the beginning, acknowledged that a negotiated solution to the Bougainville problem was necessary. That change of opinion partly flowed from the Sandline exercise. That is a crucial recognition on the part of the PNG government, and one that we welcome very much.

Thirdly, we just have to face the fact—and we very much welcomed the Burnham meetings—that Australia had historical baggage on the island as well. There is no point in denying that; we were the colonial power. The mine was perceived as an Australian mine. Our defence cooperation program with the PNGDF and our closeness to the PNG government was seen by some Bougainvilleans as a bad thing. While we tried very hard, our

credentials were not as strong as, say, New Zealand's credentials, which could come at it in a neutral way.

Regarding the first Burnham meeting, Australia and New Zealand consulted very closely on the tactics and the approach. We are always amused to read reports that we are somehow jealous of this initiative, or annoyed because New Zealand did it. I will just put it on the record that we unreservedly welcome that initiative. The first Burnham meeting was excellent and we really commend New Zealand.

Dr THEOPHANOUS—Did we assist the New Zealanders in the organisation?

Mr Ritchie—Not for the first meeting, no. For the second meeting, we did, yes.

Dr THEOPHANOUS—You say that we sent an unambiguous message that we did not believe in a military solution. At the time, wasn't it true that we were permitting the use of Australian-sold helicopters and other equipment on the island?

You talk about how there is an image of Australia's participation, but isn't it true that we did not exactly disabuse them of that in terms of what was going on with the military side of things?

Mr Ritchie—I do not want to rake over the history of it because the situation now is completely different. It was completely different in 1997 after Sandline. That is also a long time ago. My colleagues from Defence will probably have some comments on that. The assistance we provided was to the PNG government under our defence cooperation program. The helicopters, as I understand it, were only provided under certain conditions. The PNG government, from time to time, it is alleged, abused those conditions, as I understand it; I was not in the position at the time. We take up those issues with the PNG government very firmly.

Dr THEOPHANOUS—Perhaps we can come back to that because I want to focus on the political developments. What, in your view, is the essential difference between the first and second Burnham meetings that led to the breakthrough?

Mr Ritchie—The essential difference is that the second Burnham meeting had the PNG government present; the first Burnham meeting did not. The first Burnham meeting involved just the Bougainvillean factions. It was just a meeting to get the Bougainvilleans together off the island to talk to each other and build up a comfort level, more than anything else. Their agreement to have a second meeting with the PNG government was very important.

The PNG government attended the second meeting. It was a success, but it was very tense. You hear reports—I am not sure whether they are true—of some of the Bougainvillean factions saying they would not eat in the same room as the PNG government at that point. They all play golf together now; BRA and others get PNG passports and they can travel via Moresby if they want to. There are no problems at all. That shows you just how far we came. The essential difference between the two meetings was that there were only Bougainvilleans at the first and the PNG government attended the second.

Dr THEOPHANOUS—Of course, you will agree that while all this goodwill is a very positive thing, the ultimate situation is going to involve the constitutional arrangement in terms of autonomy. How far has that progressed? Is there an actual draft? We have been told that there may be a draft around the place. Is that publicly available? What is the situation with the negotiations on the draft? What other sorts of levels of autonomy are going to be granted?

Mr Ritchie—The situation in PNG, as ever, is very messy. Firstly, the parties have decided to establish a Bougainville reconciliation government on the island, which is something that will bring all the factions together. That is a form of provincial government which is different from a normal provincial government in PNG. That, in itself, is a start.

Secondly, the parties had agreed that it would be established from the beginning of this year. I have already mentioned the circumstances which put a halt to that. What they have now done is establish a Bougainville constituent assembly. The province is run by the now minister of state, Sam Akoitai, in Port Moresby, through an administrator on the island, John Siau. The Bougainville Constituent Assembly, which brings together all the parties on the island, is an advisory body.

There are a number of steps that still have to be gone through. The parties have agreed to form a formal Bougainville reconciliation government, probably through an interim arrangement, with nominated members to begin with and then elections later this year across the whole province, towards a Bougainville reconciliation government. What they have not yet sat down to discuss are the powers of the BRG—how the powers of the BRG will differ from those of a normal provincial government in PNG. Provincial governments in PNG already have quite considerable powers under the organic law on provincial governments. That is one step that needs to be gone through.

Dr THEOPHANOUS—Just on the question of powers, this issue could explode everything.

Mr Ritchie—Absolutely.

Dr THEOPHANOUS—Do we know whether there is agreement between the PNG government and the major parties about the distribution of powers?

Mr Ritchie—No, there is not.

Dr THEOPHANOUS—There is no agreement?

Mr Ritchie—But that is not because there is a disagreement; it is because they have not sat down and talked about it yet. There are people within Moresby who would say that Bougainville should not have powers that go beyond those of ordinary provincial governments; that if you give them to Bougainville, you have to give them to other provincial governments in PNG, and what would happen?

There are people on the island who say that they want a provincial government that is basically completely divorced from Moresby and which has every power. But I am pretty

confident that there is a group in the middle who believe that they can come up with a plan whereby they can establish a provincial government on the island that is different from other provincial governments, with additional powers, and they understand that there are special circumstances on Bougainville which, for example, might mean that they want a Bougainville police force, whereas they would not elsewhere on the island, and so forth.

That discussion has not happened yet. It has not happened because the BRG has not been formed. All they have got to is an advisory body. On top of that has come the Momis court case, which has challenged the whole legality of the arrangements that have been put into place.

We are very encouraged by the sorts of comments that have come from Mr Skate about that. I know at the Lincoln meeting he acknowledged that some sort of special relationship, or special administration, would be necessary for Bougainville. The problem is that they have not yet sat down and had that discussion about what that will be. As I said, there are people on both sides who have different views on the subject.

Dr THEOPHANOUS—Has either side asked Foreign Affairs or the Australian government generally for constitutional type advice or legal advice as to how this might be done?

Mr Ritchie—No. We fund advisers on both sides through the aid budget who assist with that.

Dr THEOPHANOUS—These are Australian experts?

Mr Ritchie—Australian experts—Tony Regan from the Australian National University, Professor Ted Wolfers from Wollongong University, and I think Ian Prentice on the BIG-BRA side, who is a lawyer from Queensland. This is at their request and with their approval. So they are people who are assisting them to draw up constitutions and things. You asked before, Dr Theophanous, about whether there is a constitution; there is a draft constitution for the island which the Bougainvilleans have all agreed to, but the PNG government has not agreed to it yet.

Dr THEOPHANOUS—That is a public document?

Mr Ritchie—It should be around somewhere; I am not sure.

Dr THEOPHANOUS—Could you make that available to the committee?

Mr Ritchie—The committee should ask when it is in Port Moresby or on the island. I am sure you will be able to get hold of a copy.

Dr THEOPHANOUS—It might be good if we get it before we go. Perhaps you could assist us with that?

Mr Ritchie—Sure, we will see what we can do. But the important point is that the PNG government has not agreed to it yet. There has not been a discussion—

Dr THEOPHANOUS—Yes, but it can be a starting point from which they have to draw back some things.

Mr Ritchie—As far as I am aware, it has been agreed to by all the Bougainvillean factions—maybe not Sam Akoitai, who is the minister in Moresby.

Mr ANDREW THOMSON—Are there any radio broadcasts on the island?

Mr Ritchie—There is a radio transmitter, Radio Bougainville. The rebels had their own localised transmitter for a little while. There is a PNG Broadcasting Commission transmitter, Radio Bougainville, the transmitter for which was destroyed. AusAID might want to say a bit more about this, but we are in the process of restoring the transmitter, at the PNG government's request. We have also provided about 200 wind-up radios to the people on the island so that they can get some news from the outside world.

A very important issue in that regard is getting information about the peace process through to the island. That is one of the big things that the peace monitoring group does: through its patrolling and talking in villages, they tell people what is going on, what meetings have been happening and what they have agreed to. We hope that the radio transmitter will help to get that message out, because there are some very isolated parts of PNG.

Senator BOURNE—They can pick up Radio Australia.

Mr Ritchie—They can pick up Radio Australia from time to time.

Senator BOURNE—It is a pretty cruddy signal.

Mr Ritchie—But there are not many radios on the island.

Senator BOURNE—No.

Mr GARETH EVANS—Can I just ask for your assessment in a little more detail of the political currents that are running in Moresby on this and, in particular, the survivability of commitment to the peace process beyond the current Skate administration? Are there any members left of the head kicking lobby in Moresby who want to go in and shoot them out? One would hope not in the light of all this experience. But is there any current of that kind still there?

Mr Ritchie—We do not detect it at this stage. There seems to be a pretty bipartisan commitment to the peace process. In so far as we talk to the opposition—Bernard Narakobi and people like that—they say that they are just as committed. In fact, they claim that they did not vote for the legislation without constitutional changes when they first came into parliament last year simply for other reasons. It was because they knew that Mr Skate was going to delay parliament, et cetera. They had other reasons for it; otherwise, they would have supported it. So it appears to be bipartisan at the moment.

General Singirok has made a big play of the fact that he strongly supports the peace process. He has been to the island, he has attended meetings of the PPCC, and he was pretty warmly received because of Sandline type things that he did. Of course, people who had supported a more military solution under previous governments, such as Sir Julius Chan, are not in parliament at the moment. We do not detect that there will be a backdown on the peace process, but that does not mean that there are not people in Moresby who feel quite strongly that maybe Moresby has gone too far in implicating the Bougainvilleans.

Mr GARETH EVANS—That is the next question. How would you define this unquestionably confusing situation, as it always is—the currents that exist on the question of a long-term solution, the degree of independence or autonomy? How significant is the island lobby—Steve Pokowin and all those people—getting anxious about excessive attribution to Bougainville?

Mr Ritchie—I do not think they are anxious at the moment. Sam Akoitai is not called minister for Bougainville affairs any more, but he is responsible for Bougainville affairs. He is a very close adviser to Mr Skate. There are a lot of other Bougainvilleans in the PNG government system who are quietly pushing away. Peter Tsiamalili and several others who work within the system are very supportive of the peace process. At this stage, I do not think there would be a change in the peace process.

The debate in Moresby is about its sovereignty over the island and the extent to which it will make special arrangements for the island; or that it has gone too far in making special arrangements for the island; or that, for example, on the police side, a Bougainville police force might be necessary made up of Bougainvilleans as opposed to the stock standard Royal Papua New Guinea Constabulary. There they have extended the debate. I am sure that the Papua New Guinea government will always have one eye over its shoulder at other provinces and their views as well. I guess the debate in Moresby is more about the extent to which they are going to be prepared to give particularly special powers to Bougainville.

Mr GARETH EVANS—Is there any residual group at all in Moresby in favour of independence?

Mr Ritchie—Not in Moresby.

Mr GARETH EVANS—Not even on Jakarta and East Timor sorts of grounds of 'get rid of this source of continuing problem'?

Mr Ritchie—No, absolutely not. I do not detect that at all. That is partly because the peace process has gone so far down the track and they are talking about establishing BRGs and special governments. The political question is firmly in the Lincoln agreement. It is a matter for discussion between the parties and they have all religiously signed up to that.

CHAIR—What is happening with the United Nations group at the moment?

Mr Ritchie—The UN has a very small team there. I think it has four officers, counting the administration. At the moment, they have just sent in a new fellow, Noel Sinclair, who is a former Guyanan permanent representative to the United Nations. His deputy, a fellow by

the name of Sloan, is a Canadian. It is a bit difficult to describe, but their role is to be umpires on the umpire. They are seen as umpire over the peace monitoring group which is supposed to be a neutral body, which it is, and it is supposed to act neutrally. The UN is supposed to be super neutral and keep an eye on the peace monitoring group, et cetera.

On top of that, it is required to chair meetings of parties. Mr Sinclair came through Canberra about two weeks ago—and, incidentally, greatly impressed us; he will be a very good representative. On the island, his role will be to chair meetings of parties and push the peace process forward. He is required to report back to the United Nations Security Council in six months on the office.

Mr HOLLIS—How often is he on the island?

Mr Ritchie—He lives on the island. The UN office is actually on the island. Because they are supposed to be neutral, even from the peace monitoring group, although we do provide assistance and facilitate and help them wherever necessary, logistic support and everything is supposed to be completely separate from the peace monitoring group, so they can be seen to be completely neutral. They are doing a good job. The UN came in at the request of the PNG government because the Bougainvillean parties wanted it. I am not so sure that the PNG government wanted a vast UN presence on the island; but, having said that, the PNG government was happy to agree. Mr Skate agreed to have it and the office has done a pretty good job so far. It is very small, and that kind of role of chairing meetings is the important part of it.

Senator BOURNE—From what I have heard, the peace monitoring group is very widely accepted and that is not really a problem. I would be interested in your view on their being unarmed. Has there been any real problem with that?

Mr Ritchie—I will just say something first, but the colonel is better informed than I am. I think it is the best decision we ever made. They have not been threatened; there are no-go areas on the island where we do not go. We do not go up around Panguna, because we have been told, 'Don't go there; you'll be shot by Francis Ona and his people.' The fact that the peace monitoring group and monitors went to Bougainville showed that they were neutral.

I remember one of the leaders, Sam Kauona, said to me that the fact that they came in unarmed, firstly, removed any suspicions about them because there was no way they could come in and take over the place. Secondly, he said that it made his people realise that they had asked for them to come in and they had to protect them. I think that it has been a fantastic signal to send in an unarmed peace monitoring group. There are always little incidents where a patrol comes across people who have weapons or something and then we just pull them out and there is no confrontation at all. But there has been no threatening at all.

Col. Rerden—That is true. I think the absolute integrity of the peace monitoring group lies in its neutrality. By being unarmed, you take away one of the immediate possible barriers between you and the people of the island. I agree that it was fundamentally the right decision and it has enhanced the capability of the peace monitoring group to interact with the people because it has fundamentally established a relationship with the factions because they

are responsible for security. Ultimately, the factions determine and have to take an active part in ensuring that the peace monitoring group is protected. So I think it has created a very strong working relationship through that mechanism and it has enhanced our ability to work the peace process.

Mr PRICE—How did the ADF officers first take to the concept of going in there unarmed?

Senator BOURNE—They are bloody brave!

Col. Rerden—It is not just ADF officers. There are civilians as well who are undertaking this and have the same aspect. For any military officer, it is a strange concept to go on a peace operation.

Fundamentally, with peace operations, depending on the nature of the security threat, it is an assessment that has to be made. In this situation, the assessment was that the overall threat to the members of the peace monitoring group was not significantly high, as long as the factions on the island were prepared to guarantee or undertake some responsibility for their security. So it is a workable situation, and very quickly the military members adjust to that. I think most of them would agree that it was the right decision, and they are very comfortable with it once they are on the ground and working it.

Mr Ritchie—I remember that the former CDF, General Baker, when we were talking about establishing both the truce monitoring group, which was unarmed, and then the peace monitoring group, said that if it was the sort of situation we had to go into with weapons, we should not be there, because there was not a peace to keep. That was the problem.

Senator BOURNE—That is a good point. I have to say that I am very impressed with the bravery of the first lot.

Mr GARETH EVANS—In that same context, I would ask you to comment a little more on the security situation around Panguna mine and the Francis Ona problem. What is your assessment of the remaining security risks and the likelihood of real problems?

Col. Rerden—I think a security threat in general is low; that is based on the fact that the majority of people the peace monitoring group come into contact with are very happy to see the peace monitoring group there and welcome us and engage with us. There is a no-go area that Francis Ona has declared around the Panguna mine and that the truce monitoring group and the peace monitoring group respect so that we do not aggravate any situation in that area. From time to time we have actually been invited by villagers on the periphery of that no-go area to come into their village. We have seen some reduction in the possible perimeters of that no-go area, because, as the peace process goes along, and as the people develop a greater trust in the peace monitoring group, they are prepared to have us come into those areas. So the direct threat from that particular no-go area is very limited, and I think it is reducing.

Mr PRICE—In Somalia and Rwanda there were fixed terms for the deployment of troops. Has there been a fixed term established for Bougainville?

Mr Ritchie—No.

Mr PRICE—So it is an open-ended thing?

Mr Ritchie—For a start, it is important to remember that the presence of the peace monitoring group and the truce monitoring group is not just an Australian approach. There is also New Zealand, Fiji and Vanuatu. I might just say briefly that the presence of Fiji and Vanuatu has been absolutely essential. One of the criteria on which we went in was that we would maximise the participation of Pacific islands in the group as much as we could. They have done a really outstanding job, and the New Zealand TMG before us did a great job.

CHAIR—How many are in that group from Fiji-Vanuatu?

Mr Ritchie—There are about 30.

Col. Rerden—There are about 15 Vanuatuans and about 12 Fijians, at the moment.

Mr Scrafton—There would be generally about 30.

Mr Ritchie—New Zealand funds their participation. There is not a fixed term, because it is hard to say when the conditions will be right for the peace monitoring group to withdraw. As we mentioned, it is a long, slow process, and we have missed a lot of deadlines. To withdraw the peace monitoring group too precipitately would just simply kill that. What the peace monitoring group does best of all—it does a lot of other things—is provide a security blanket, a comfort blanket, under which negotiations can take place, and if you pull that off things would get hot. The peace monitoring group has a big role in trying to bring people together and force them to talk to each other and chair meetings and all those sorts of things.

We cannot say that on 30 June 2000 we are going to be out, because we do not know. Firstly, what we have said—and this, of course, needs to be discussed with our colleagues in the peace monitoring group—is that we are there for as long as it is necessary. Secondly, we need to bring numbers down. We do not want the peace monitoring group to become a de facto administration on the island. We want the peace monitoring group to act as a comfort blanket, but we do not want it to provide an excuse for the parties not to go ahead and establish some form of provincial government. That is another reason we are not keen for it to become involved in reconstruction work.

The third thing we have said is that, because we cannot put a fixed time line on things, there are a series of points or opportunities such as the establishment of an appointed Bougainville reconciliation government and the establishment of an elected Bougainville reconciliation government—and, within those, adequate levels of policing or whatever else—at which we can go to the parties and our colleagues on the peace monitoring group and say to them, 'Is this still appropriate? Do we still need 303 people on the island or not? Can we now withdraw? Do we still need to have peace monitoring teams in Buka, Wakanai, Buin, Tonu and Arawa or can they pulled out of somewhere, or reduced, or do we still need to do the same level of patrolling or whatever?' That is about all we can say about how long the peace monitoring group will be there.

One thing that we have said publicly frequently, as has Mr Downer when he was there in December, is that the peace monitoring group cannot be there forever. It is important to say that publicly because it means that the parties understand that it provides a nice comfortable security blanket but it is not going to be there forever, so they are going to have to come to an agreement on things.

As I said before, the worst thing would be to end up with an island which was dominated by a peace monitoring group. We want the parties to establish a government on the island and come to administrative arrangements on the island. Anything that detracts from that or provides an excuse not to do that is not right. We should not do that.

Air Cdre Clarke—Could I just amplify one point that David alluded to there? We talked before about the aid program and the politicisation of it. It is very important to us to keep the sanctity of the peace monitoring group, if you like, and to avoid this open-ended commitment. We must actually stick to the task that is involved and not become involved in reconstruction or the delivery of aid or services that could reasonably be expected to be done by the Bougainvilleans themselves.

Mr Ritchie—We want Moresby with the Bougainville reconciliation government, when it is established, to deliver services on the island. We do not want the peace monitoring group to do that. Otherwise it is a de facto administration. If the peace monitoring group becomes involved in reconstruction work, it loses its neutrality because it then has to take political decisions and we would have the people saying, 'Well, you should have done this and you shouldn't have done that, et cetera.'

Thirdly, if the peace monitoring group became involved in reconstruction, given its current arrangements and the level of logistics support necessary on the island, it would most likely be done in a military way. We would end up with more people on the island, not less, and that is not what we want. We want to actually bring the numbers down, if we can, over time.

CHAIR—But, in those terms, it must be almost a nightmare, trying to provide some of that infrastructure or getting them to provide some of that infrastructure for the reconstruction program.

Mr Ritchie—Absolutely.

CHAIR—There is virtually nothing there, is there?

Mr Ritchie—There is nothing there, and that is partly what our aid does. As we mentioned before, we do it in concert with the PNG government and the other parties as well under our aid treaty. Every activity that goes on on the island, in consultation with the parties, is a jointly programmed activity and a jointly badged activity. It says 'an AusAID project' but it says 'with the PNG government's approval' and makes that very clear. We are assisting, as we do in other areas, the PNG government to provide services on the island.

Mr PRICE—Can I just ask a question to understand the policy? Clearly, when we deploy troops overseas in peace monitoring, peacemaking or peace enforcing, it is a cabinet level decision.

Mr Ritchie—Yes.

Mr PRICE—Has the policy now changed that time lines are not put on the deployment of troops overseas? Perhaps you could tell me: is there a general overarching policy that we can look at?

Mr Ritchie—Not really. You might ask the air commodore to say something. Bougainville is a special case; it is not a peacekeeping operation; it is a peace monitoring operation. We are not trying to force a peace on them. Each operation is different, and on this occasion we realise that for PNG it is important to keep that security blanket going so that the talks can take their time. Levels of comfort and reconciliation can go ahead, a bit of reconstruction can go in and people can see something out of the peace process—those sorts of things. On our contribution to the peace monitoring group a decision is taken by cabinet every quarter.

Mr PRICE—So it comes up for review?

Mr Ritchie—It does, every three months. We have just had a review, and we have agreed to an extension on this occasion for four months. But every three months or so, the cabinet will sit down and look at the state of the peace process and the continuing need for those people on the island.

Mr PRICE—Air Commodore, is this how it has been run previously?

Air Cdre Clarke—Let me put a framework in place. The prime reason that the government has a military force is to defend Australia. That is all we are here for. Clearly we can be used in implementing government policy in other parts of the equation. In taking that step the government really likes to put in place some sort of exit strategy. In other words, every time you take a piece of this insurance policy away and put it in Bougainville then it is not doing its job at home. You do not want that to be there forever, because there is a resource cost. The Australian people naturally would want to know where their money is going.

The exit strategy is normally in place. In Bougainville the exit strategy is aimed not so much at a time but a set of actions, and that is Bougainville being part of Papua New Guinea in an autonomous way. How fast the Melanesians move to that of course then defines the time zones that we are on here. The strategy is in place but it is not fixed in time as it was in the Somalian circumstance. Here we are in for a particular task. In Somalia we were there for a limited period of time to separate two parties and then let another group come in and take that activity up.

Mr PRICE—No time line was put on Somalia?

Air Cdre Clarke—I am not in a position to answer that question.

Mr PRICE—Would you like to take that on notice?

Air Cdre Clarke—I could take that on notice.

Mr Ritchie—The military with which we have very close contacts—the working arrangements between departments in Canberra have been really good—is fond of having a thing which they call an end state, at which point they withdraw from PNG. It is hard to say what the end state on Bougainville is, beyond saying that civilian authority would be sufficiently restored for us to withdraw.

Mr PRICE—Mr Ritchie, I do not want you to misunderstand my questions. I am very supportive of what is happening. Is it therefore theoretically possible to say that we will have troops there for another year or two years? You mentioned, given the Melanesian reconciliation process, I think, a figure of five years or a significant period of time.

Mr Ritchie—That is five years from 1997 when we first deployed there. It is very difficult to put a time on it. I would say at least another 18 months or two years.

Air Cdre Clarke—We would not expect to see 300 people there.

Mr Ritchie—No.

Air Cdre Clarke—We would expect to see a change in shape of the organisation.

Mr Ritchie—We would want to see it come down in that time.

Dr THEOPHANOUS—All of that is contingent on the development of the constituent assembly and other developments. Perhaps I could come back to that in terms of timetables. Is there an actual specified date as to when the constituent assembly is going to be put in place?

Mr Ritchie—There is a constituent assembly at the moment.

Dr THEOPHANOUS—I am talking about the election—

Mr Ritchie—The Bougainville reconciliation government.

Dr THEOPHANOUS—There is going to be an election at some point?

Mr Ritchie—There is a time frame.

Dr THEOPHANOUS—What is the actual time frame, formally anyway?

Mr Ritchie—I do not mean to be difficult but it was supposed to be in place by the end of last year under the Lincoln agreement. In fact they were supposed to have had a leaders meting by 30 June last year, which did not end up happening until towards the end of the year. We do not get too panicky about the deadlines in treaties, because as long as they are making progress and talking amongst each other and building comfort, that is the right thing

to do. If it does not happen by 30 June, tough. It is not a bad thing as long as they are reconciling themselves to having it.

Under the current arrangements, what they are thinking of doing is forming an interim Bougainville reconciliation government very shortly. Indeed, there are people in Moresby and even on the island talking about creating this sort of thing within a month or so, in March or April. They will not be able to hold elections by then, because the electoral situation on the island is so chaotic, and they just will not be able to be up and running. If that goes ahead it will probably be some form of government which is made up of people perhaps nominated by the local councils of elders or councils of chiefs plus the four members of the PNG parliament. What they are talking about is having full elections to a Bougainville reconciliation government by the middle of the year.

Dr THEOPHANOUS—The middle of this year?

Mr Ritchie—This year. We will not hold our breath. I say that not in a nasty way, but there are practical problems that have to be got through first.

Dr THEOPHANOUS—The first step is the formation of this interim government, which, hopefully, will be agreed to by all the factions.

Mr Ritchie—It has. What has happened is—leaving aside court challenges to all of the above which could yet toss it all out—that they have suspended the provincial government; Sam Akoitai runs the province as the minister responsible in Moresby through an administrator, John Siau, on the island. They have actually merged, or tried to merge, or they have got committees which are looking at merging the bureaucracies of the Bougainville interim government and the Bougainville transitional government, the rebel and pro-government predecessors, and they have formed a constituent assembly made up of representatives but only acting in an advisory capacity. Now that constituent assembly has had its first meeting—it met in January; it is coming up for a second meeting—as a political advisory body. What they would now like to do is turn that assembly in a way into a kind of Bougainville reconciliation government through a nomination process, and then, down the track, an elections process.

Dr THEOPHANOUS—So they would have that series of ministers, or quasi-ministers, responsible?

Mr Ritchie—I assume so in the end, yes. As I mentioned before, they just have not sat down and talked about the powers of this thing yet. There are even the practical arrangements of trying to merge people who have been fighting each other into one bureaucracy. How will they work? Do they work for district officers? There are local government administration offices on the island, most of which do not have any money. What do they do?

Dr THEOPHANOUS—Let us assume that we get within two months or so and to a government. You said that they hope to have an election by the middle of the year, but that is not likely.

Mr Ritchie—Yes.

Dr THEOPHANOUS—What are the chances of an election some time this year, and what are the practical problems in terms of enrolments and so on?

Mr Ritchie—I think the chances are pretty good of them having an election this year. That is my view. It may still be the middle of the year, but I would be surprised. There are lots of things left to do. The rolls are not up to date. They held Port Moresby central government elections on the island in 1997. They have got four members in the PNG parliament for the island. Those elections in 1997 obviously could not have been held in more than a scattering of places across the island. They have now got to establish electorates; they have got to establish the system they want to use. There is a lot of argumentation that it ought to involve traditional bodies like councils of elders and councils of chiefs in some way. There are no rolls. We do not know—PNG's budget is very tight at the moment; it is going through a reduction phase—whether they have any money to conduct an election on the island, et cetera.

CHAIR—Another job for the AEC.

Mr Ritchie—That is right.

Dr THEOPHANOUS—I was just going to ask you that. Have we offered any assistance in relation to moving along this electoral process in terms of our expertise and even concrete aid?

Mr Ritchie—Not in a specific way. I would be surprised if we were not asked for assistance quite soon.

Mr Dillon—We are working with the PNG Electoral Commission on an institutional strengthening project in devising what we can do nationally. Whether the PNG Electoral Commission will be acceptable to all the parties in Bougainville I think is still a moot point.

Dr THEOPHANOUS—What about specifically in Bougainville?

Mr Dillon—The PNG Electoral Commission, to my knowledge, has no-one on the ground in Bougainville.

Mr Ritchie—As Mike says, they might not even be acceptable to some bits of Bougainville.

Mr Wise—I think there is one person, an electoral officer, in Buka. When I spoke to him in June, he said only in parts of the island were the rolls in anything like a respectable state. Also, the parties on the ground would have to make a decision as fundamental as whether the election would be held under the PNG electoral legislation or some provincial electoral legislation. All those sorts of practical questions not only have to be answered; people also have to pose them amongst themselves.

Mr Ritchie—These are some of the reasons why I have some doubts about an election in the middle of the year. It is highly desirable that there be one. I believe all the parties want one. They definitely want one, and we may well see one this year.

Dr THEOPHANOUS—But of course our parliament and our own Electoral Commission could be helpful with advice in these matters.

Mr Ritchie—Indeed.

Dr THEOPHANOUS—I think, gentlemen, that is a matter that perhaps we can take up on our trip—whether we can offer some kind of assistance.

CHAIR—Sure.

Dr THEOPHANOUS—I would be interested in the view of Foreign Affairs and the minister on this matter.

Mr Wise—I think the Australian Electoral Commission has made a submission to your committee, in fact, setting out the sorts of assistance they can provide.

Mr PRICE—Can I just get some clarification of figures? I thought during Mr Ritchie's presentation we were told that 90 to 110 were people from Australia, and 15 to 20 of them were civilians.

Mr Ritchie—No. We currently have about 245 people on the island.

Mr PRICE—Where did I get that 90 to 110 from?

Mr Ritchie—It varies from day to day.

Mr Wise—The latest figures we have here, which were in the submission, are that the PMG consists of 301 personnel, and 245 of those are from Australia. Of those 245 Australians, 228 are from the Defence Force and 17 are civilians.

Mr PRICE—Civilian monitors. They are not civilian Defence people.

Mr Wise—No.

Mr PRICE—They are civilian workers.

Mr Wise—They are public servants from DFAT, Defence, AFP and AusAID. There are 29 from New Zealand, 15 from Vanuatu and 12 from Fiji. New Zealand meets the cost of the Fijian and Vanuatu participation.

Mr PRICE—The same personnel have been there all the time?

Mr Ritchie—No.

Mr PRICE—How frequently are they rotated?

Mr Ritchie—Three to four months. We rotate personnel, civilian monitors, about every three months—three to four months—and the ADF every four months.

Mr Wise—Yes.

Col. Rerdon—The Fijians rotate every six months and the Vanuatuans and New Zealanders rotate every three months.

Mr PRICE—Where are they coming from—which units?

Col. Rerden—The ADF members are predominantly from the Army but there are Air Force and Navy personnel as well. They come from the various land command units, predominantly.

Mr PRICE—So how many ADF people have been through Bougainville?

Col. Rerden—You would be looking at in the order of about 1,000 people now, probably.

Mr Ritchie—Since the beginning of the truce monitoring group.

Col. Rerden—That is right, since December 1997.

Mr PRICE—Do they all get debriefed?

Col. Rerden—Yes. Before they leave the island, in their last week on the island, they are debriefed by psychologists from the Defence Force, and then there is a follow-up debrief approximately three months after they come back to Australia.

Mr PRICE—Is there anything significant coming out of the debriefings?

Col. Rerden—From the last brief I had on it, there is very little of significant concern for the returning members. Most of them are very positive about their time on Bougainville and the work that they have done as members of the peace monitoring group. They see it as a very worthwhile activity, and they feel they have made a good contribution to furthering peace on the island.

Mr PRICE—Is there any follow-up brief after debriefing, after the one on Bougainville, say, six months down the track or anything?

Col. Rerden—If there was an individual requirement, there is the availability of further debriefing, but that is on an individual case-by-case basis.

Mr Ritchie—For our civilian monitors, they are briefed, obviously, and trained a bit on the way up. Then there is a debriefing on the island. We keep very close contact. In fact, we

have several of them working in the division in the department. One of the ex-civilian monitors at the back here is from the Department of Defence.

Mr PRICE—Welcome; congratulations.

Mr Ritchie—I know that she and others can speak for the way the Defence people see it, and I know that the DFAT monitors who have been through, the civilians, think it is just fantastic and have had a great time there, and have really come back quite enthused. In fact, as I have mentioned, several of them have asked to come and work with us as a result of it.

Mr Wise—And, on return to Canberra, they have a formal debriefing session with the department's counselling psychologist as well.

Mr PRICE—Before deployment to Bougainville, how much is specifically devoted to providing information, training or whatever before arrival for the ADF?

Col. Rerden—For the ADF members, there are two groups, essentially. The personnel who are in key command positions in the monitoring teams spread across Bougainville, and some of the other key personnel, receive a week's training. All other members of the ADF receive three to four days training before they deploy.

Mr PRICE—Where is that done?

Col. Rerden—That is generally conducted in Townsville. It is conducted by the Defence Force Support Unit, which covers deployed forces.

Air Cdre Clarke—Civilian monitors go up and do training in the Torres Strait.

Col. Rerden—There is a week up at Bamaga and Thursday Island, to prepare them for it as well.

Air Cdre Clarke—That is conducted by the ADF.

Senator BOURNE—I have a couple of questions on aid. We have heard about education. The other two things that I would be really interested in hearing about are, firstly, clean water, because there wasn't any, last time I was there. I came back with a rather nasty bug. Secondly, there is the matter of hospitals, first aid and immunisation. When we were there the Sohano hospital was really a disaster area.

Mr Rooken-Smith—With regard to clean water, to be honest, we have not done anything in the area of water supply, in terms of infrastructure. I think we have supplied water tanks to some of the atolls on the northern part of the island. A clean water project would require a fair degree of infrastructure input and a degree of security. I think that is something which we will be looking at a little bit down the line.

With regard to health generally, there are some similarities in the processes that we have adopted for both education and health. Going back to an earlier question about priority setting, in the early days of the process, when we first had contact with the BRA and the

BRG leaders, as well as, of course, the BTG and others, it was quite clear that all leaders of factions were talking in general terms of priorities being health, education and infrastructure. I think we had a pretty clear readout that these were important areas. Where it became a bit more difficult in terms of implementation was getting into specifics about which area would benefit, where we would start and what form the type of intervention would take.

In the early days we already had a presence in northern Bougainville, in Buka and in the atolls, where we could undertake reasonably large infrastructure activities. That is why you find the hospital in Buka. I know you have not been back since the hospital has been opened. You will see a remarkable difference, when you go back, between the hospital in Sohano and the hospital that was opened just a few months ago in Buka. It is a well-equipped 84-bed hospital—a remarkable increase in infrastructure services for the north of the island.

Both the large schools we have built in the north, or are building, and the hospital, in terms of the health side, do serve the broad island. This is not just limited to the north of the island; it is also for people who were either dislocated earlier on or who have travelled up to the north rather than to other islands.

So large infrastructure was in the north because of the security situation. That is the only area in which we were able to work for the last five or six years. As we were then allowed to move into the island proper, the response has been an evolving one. The first reactions have been to build first-aid posts and two-room community schools in villages throughout the province. That program, which you will see in the documentation which we will provide later, comes under a program called the Bougainville provincial rehabilitation program. It did allow rather small-scale inputs to villages and working with them to reconstruct classrooms and first-aid posts. There were also, of course, activities done through the Red Cross in terms of providing medical equipment. At the moment, we are looking at upgrading some of the health centres, both in Arawa and further south.

At the same time, we are, and have been, encouraging the government of Papua New Guinea to undertake a needs identification mission in Bougainville, specifically looking at health, and a separate one for education. We will go with them and we have invited other donors to join us. We will then be looking at a larger-scale intervention in these priority sectors.

Most likely what will happen is that some of our well-established health programs in PNG generally will be able to include Bougainville into certain components. For example, with the women and children's health program for Papua New Guinea, it is a natural to include Bougainville in that as the situation becomes clearer that that is what they want and they want us to work in that area. The same with hospital services. There is a large project that is looking at improving hospital services and pharmaceutical supply, et cetera, for the whole of PNG. We would like to see Bougainville incorporated into these larger projects.

The term we use in AusAID is that there is a sort of 'mainstreaming' of Bougainville. Instead of a special little activity just for Bougainville, we are really incorporating it into health, education and infrastructure programs throughout Papua New Guinea. They are getting the same sorts of services, the same sorts of programs, that apply elsewhere.

But it is very much an evolutionary program in Bougainville, one which is very sensitive to the political situation, sensitive to the absorptive capacity of administration on the island, and sensitive to clear indications that this is what they want. We are not going to get into a position where either the infrastructure we build, or the people working on it, are under some sort of threat.

Senator BOURNE—When we were last there the chairman of our delegation promised that Australia would rebuild the Mamagota wharf. It has still not been built—

Mr Rooken-Smith—Okay, well, the wharf—

Senator BOURNE—I would really like to know what is happening.

Mr Rooken-Smith—When we had access to the south we were asked, in effect, to rejuvenate the wharves proposal. As you will recall, we had got to the stage where we had gone to tender for those two wharves—both Kangu Beach and Mamagota—but that was put on hold because of the security situation.

We have sent a mission to have another look and see whether the original design is still practical and feasible. They have come back saying there are slight adjustments but, yes, it is. We are now looking at doing geological site surveys to make sure that the sediment is right and we can actually undertake what we intend to do there.

There is a slight problem there. It really goes back to the point that David made earlier about the coordinated request from the provincial side. Only recently we have been told that the BRA now has serious thoughts as to whether they want the wharves in the south. We have been getting the message for the last 18 months that the wharves are a priority, and we have moved that forward. We are really at the stage where we could go to tender again for the wharves but we suddenly had views from quite high up in the BRA-BRG system that, no, on second thoughts maybe they should have wharves in central Bougainville and not southern Bougainville.

This causes us a problem because if we start putting in infrastructure in an area that does not want it or where another area feels strongly we should not, it goes back to what Michael was saying earlier: the aid itself could become a cause of conflict.

Mr Ritchie—It underlines another point, which is that even within the factions there are differences.

Mr Rooken-Smith—Absolutely.

Mr Ritchie—For example, the central BRA and the southern BRA have quite different views about various things. The southern BRA does not necessarily accept the central BRA's authority.

CHAIR—Has the Papua New Guinea government given any commitment as to what they are going to do in terms of the reconstruction?

Mr Ritchie—No. In the last PNG budget, a budget where they were cutting public expenditure quite dramatically, including about 7,000 public servants, it actually included a figure of—

Mr Rooken-Smith—It was $6 million for the investment program for Bougainville, and a couple of million for administration.

Mr Ritchie—In other words, they did include some money, but that is still a very small amount of money compared to—

Mr Rooken-Smith—And only very little of it has been released.

Dr THEOPHANOUS—So, essentially, the rebuilding has been done by Australia and other countries?

Mr Ritchie—That is right, but purely through the PNG government.

Mr PRICE—You mentioned that it was a cabinet level decision. Was that a cabinet subcommittee or a full cabinet decision?

Mr Ritchie—It varies, Mr Price. Usually it is the national security committee of cabinet, which the Prime Minister chairs, that considers these matters. But at times—it just depends on the cabinet agenda—it might go to a full cabinet meeting or vice versa. It just depends. But every three months it does go to cabinet.

Mr PRICE—Would we be able to get a breakdown of the type of ADF personnel who are being sent there and also what equipment is being utilised?

Air Cdre Clarke—Are you asking whether they are engineers or—

Mr PRICE—I am really looking at the functions and then the make-up.

Air Cdre Clarke—Is that the sorts of tasks they do on the island?

Mr PRICE—Yes.

Col. Rerden—I can provide some information now if you like. There is a headquarters element, and that provides communications support for PNG and clerical administrative support. There is a logistics support team which provides transport, supply functions, water transport, and POL operations. There is a combined health element which provides a level 3 surgical capability to support the peace monitoring group and ensure that there is a high level of health support.

Mr PRICE—Does that provide any care to the locals?

Col. Rerden—It provides emergency care for locals, within the limitations of the facility.

Air Cdre Clarke—So it goes back to the same structure we saw before, that while health is a fairly apolitical event, we are very careful about how we provide that resource.

Col. Rerden—The last element is the helicopter detachment which provides mobility for the peace monitoring group on the island.

Mr PRICE—Are they Black Hawks?

Col. Rerden—No, they are Iroquois helicopters.

Mr PRICE—I must say I was always very disappointed that we were never able to have a group of parliamentarians see the drought relief effort that we were involved in. No doubt during the chairman's talks in Port Moresby we may want to talk about that. Would it be possible to get a briefing paper on that effort? Could you say what was done and the numbers of personnel?

Mr Scrafton—Sure, no problem.

Dr THEOPHANOUS—Mr Ritchie, going back to the political problems, Mr Momis has lost his court case.

Mr Ritchie—For now.

Dr THEOPHANOUS—What do you think will be the next step that he will carry out? How powerful is he? Does he have to be brought into the solution? What happens if he continues with his legal obstructionism? Is there some way of getting him out of the legal obstructionism?

Mr Ritchie—Obviously, I do not want to stray too much in the matters that are actually the PNG government's area of responsibility and PNG internal politics.

Dr THEOPHANOUS—Your observations we would like to hear.

Mr Ritchie—Momis has appealed against the court dismissal of his case. That appeal still has to be heard and we will need to wait to see what comes out of that.

As I mentioned to you before, as far as we can tell from reading the judgment in the PNG national court, the case was essentially dismissed because the judge did not feel that the process had been wrong and felt that the substance of it was a matter that was best discussed by the parliament and the PNG cabinet. He thought it was a political matter and they should take it away and talk to each other about it. In a way he was saying to them, 'Go away and talk to each other about it.'

In terms of John Momis's strength, he is a very strong person on the island. He is the member for Bougainville Regional. He is the regional member on the island. I cannot quote the exact figures but he had the highest vote at the last election on the island, and across the island. He has support everywhere—not just in Buka but elsewhere on the island as well.

From our perspective, we would see it as important that all the Bougainville parties, including all four MPs—three of the MPs are in the opposition, including Momis—are brought into the process. It is best if there is a completely bipartisan approach.

At the Lincoln University meeting, Bernard Narakobi, the opposition leader, was there, and all four of the Bougainville MPs. That was a good thing. We would certainly want to see the parties talking to each other and not necessarily resorting to legal matters. But that is their issue, it is his perfect right to challenge things. That is for the PNG courts to decide. Whether what the PNG government did was right or not, that is their business.

Dr THEOPHANOUS—Does Momis have support from the official opposition leader for his actions?

Mr Ritchie—Yes.

Dr THEOPHANOUS—So your comment earlier that the process was bipartisan—

Mr Ritchie—The process was bipartisan, yes.

Dr THEOPHANOUS—How can it be bipartisan if you have got Mr Momis saying, 'I am not happy with this at all' and the opposition leader supporting Mr Momis? I do not quite understand that.

Mr Ritchie—It is bipartisan in the sense that the opposition, as far as we can tell, strongly believes in a peaceful resolution of the Bougainville conflict, has participated in the negotiations up until now, and has indicated that it had very few problems with the legislation which would have brought about changes to the PNG constitution to create a Bougainville reconciliation government. All of the above, it has no problem with.

The problem it has—and it supported John Momis on this—was with the PNG government's decision to suspend the Bougainville provincial government. That is what it is testing in the courts—whether anything then established is legal or illegal, because, of course, John Momis would have become governor if the existing provincial government structure had come into place.

Dr THEOPHANOUS—He could still emerge through this election process.

Mr Ritchie—Yes.

Dr THEOPHANOUS—Why can't he be persuaded to participate?

Mr Ritchie—I am sure the PNG government is trying to do that right now.

Dr THEOPHANOUS—That is one possibility?

Mr Ritchie—That is one possibility. From our perspective, we would like to see all the parties talking and have all the parties engaged. I think that is better than not having them engaged.

Dr THEOPHANOUS—Francis Ona remained aloof in the negotiation process. What has happened with him? How important is he and is he now interested in participating in the political process? What is your information?

Mr Ritchie—Formally, the situation is that Francis Ona sits up around Panguna and does nothing, one way or the other. He does not approve of the peace process.

Dr THEOPHANOUS—He does not approve of it?

Mr Ritchie—Formally, he has said several times publicly that he does not approve of it, but he is not going to disrupt it. All he and his supporters have done is sit around the Panguna no-go area. They have not disrupted the peace process. As long as we do not go into areas that are sensitive, that is fine. He has let it happen. There are always rumours and suggestions that Francis Ona wants to come back into the peace process. I think it would be fair to say the Bougainvilleans and others would see it eventually as a good thing if he came back into the peace process and they have been trying to encourage him to do so. Formally, his position at the moment is that he does not support the peace process, but he has taken no steps to disrupt it.

Dr THEOPHANOUS—How big is his base?

Mr Ritchie—In geography, the colonel knows better than I, but it is hard to assess in numbers—200 or 300. I am not sure.

Dr THEOPHANOUS—He controls a certain area, does he?

Mr Ritchie—Yes.

Dr THEOPHANOUS—How big is the area?

Col. Rerden—It is a small area, about a five-kilometre radius around the Panguna mine, which is declared by him to be his area. As I said before, we respect that no-go area.

Dr THEOPHANOUS—How many people live there?

Col. Rerden—It is very difficult to tell. There has been no census done on Bougainville for many years and it is difficult to know how many people have moved around in it during the period of conflict, so exact numbers in the villages are very difficult to estimate.

Dr THEOPHANOUS—Do we know the reasons why he is being aloof from the process? Is it because some of his people were killed?

Mr Ritchie—No, we do not know. It is very hard to speculate, but I suspect it is because he believes that what is being worked out is a solution which falls short of independence, and that is what he is holding out for.

Dr THEOPHANOUS—I see. You mentioned earlier that one of the positive political reasons for the thing moving forward was the protests of the women and the fact that people

were fed up with war. Can you tell us something about how far the war situation went? Do we know how many people were killed? Do we know how many people were injured and so on?

Mr Ritchie—It is almost impossible to say, because there were people who were killed in fighting and there were people who were killed as a result of neglect and not being able to get access to medical facilities and whatever else. Sinato, the former premier of the island, said in a speech on 30 April last year in Arawa that he thought that 20,000 people had been killed in Bougainville.

Dr THEOPHANOUS—Twenty thousand?

Mr Ritchie—Twenty thousand was the figure he used.

Dr THEOPHANOUS—In fighting and diseases?

Mr Ritchie—In general, yes.

Dr THEOPHANOUS—Do we know whether any group disproportionately suffered from that?

Mr Ritchie—I do not know.

Dr THEOPHANOUS—We do not know what the break-up of that is?

Mr Ritchie—No, I do not know. That is an untested figure as well. Who can tell? But that is the figure I know Sinato used.

Mr HOLLIS—That is out of a population of how many? I know you cannot be definite but what is the approximate population?

Mr Wise—Between 160,000 and 180,000 is the best estimate.

Dr THEOPHANOUS—So that is huge when compared to the population.

Mr Ritchie—Absolutely huge.

Dr THEOPHANOUS—Why don't we have more information about this?

Mr Ritchie—It was very hard to get access to areas on Bougainville—

Dr THEOPHANOUS—During the fighting?

Mr Ritchie—until quite recently, and then a lot of villages are really isolated. Do you ascribe the death of some kid who died of diarrhoea as being a consequence of it? It is very hard to do. But that 20,000 figure has been used by the former premier of the island so—

Mr Wise—I think that overwhelmingly that number will be made up of people who died because they could not get appropriate medical care.

Mr Ritchie—I think so too.

Mr Wise—Certainly it would be weighted much more towards those sorts of people. The other thing is that when you visit the island even in peace time it is hard to know what is going on in Bougainville because the place is so inaccessible because of its geography.

Mr Ritchie—It is a fantastic island but very rugged.

Mr PRICE—Has the service of the 1,000 or so personnel who have served in Bougainville been recognised in any particular way?

Col. Rerden—Yes. Members of the ADF who serve on Bougainville receive the Australian Service Medal, which is recognition for overseas service in a non-warlike situation. That is the main recognition they receive.

Mr Ritchie—Civilian monitors do too. All the civilian monitors get the Australian Service Medal. In fact we presented some on Tuesday this week to the latest batch of civilian monitors in the department.

Mr Scrafton—I would like to take the opportunity of introducing the next commander of the PMG, who will be replacing Brigadier Powell and who has just joined us—Brigadier Simon Willis.

Mr PRICE—It might be nice, if there is another presentation, if members of the committee or the Defence Subcommittee might be alerted. We would certainly be honoured to be witnesses. I know Bronwyn took great exception to members of parliament being at those ceremonies, but I am sure the new minister has got a different attitude.

Mr Ritchie—I made a major error before. I should have also mentioned members of the Australian Federal Police who also get the Police Overseas Medal. They have done a really great job on the island as civilian monitors. They are not there as policeman; they are there are civilian monitors.

Senator BOURNE—One last thing about the PMG—we are looking after their clean water, aren't we?

Col. Rerden—The logistics support team has qualified engineers who can treat water and it has a treatment plant that processes all the water for the PMG so that it is safe for consumption.

Mr Ritchie—But if you stay in a particular guesthouse in Arawa, you will still have your shower in water which the New Zealand Defence Force describes as having the highest faecal content they have ever seen.

Senator BOURNE—I have got the iodine tablets, I have got the lot.

Mr Rooken-Smith—Can I make a couple of very quick summing up points from the aid side. First of all, Percy has pointed out to me that I was remiss in my answer about water supply. We have not identified it as a priority sector but we have done it a lot in components with other sectors—over 100 water tanks with different schools, and they have been added to the health components of other projects.

I would like to leave a package of briefing material from AusAID with the secretary. It contains a couple of brochures on the aid program, including a leaflet that we distribute in Bougainville, and detailed descriptions of every project, so some of those components will pop out of there.

Finally, when the final details of your trip are arranged, I wonder if AusAID could come and talk to you about the likely projects that you would see and just give you an update of where we are at before you actually visit the island?

CHAIR—I was being a bit presumptuous but I assumed the committee would like an oral briefing before we went and I was going to suggest that we could have it at our regular Monday meeting, on 8 March, or would you prefer a Monday morning meeting or on the Friday before we go? My bet is that we would probably like it on the Monday if we possibly could, so could we look to a 5.30 meeting?

Mr Ritchie—Yes, no problems.

CHAIR—Thank you all very much indeed for your attendance today. If we do need any additional information, I am sure the secretary will write to you about it.

Proceedings suspended from 10.56 a.m. to 11.07 a.m.

BALAZO, Ms Joy Concepcion, Member, Bougainville Working Group, Australian Council for Overseas Aid

GREGORY, Ms Sally, Program Coordinator, Membership Services, Australian Council for Overseas Aid

NEWSOM, Mr John Christopher, Vice-President, Finance, Australian Council for Overseas Aid

SCOTT-MURPHY, Mr John, Convenor, Bougainville Working Group, Australian Council for Overseas Aid

CHAIR—Welcome. The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give any evidence in private you may ask to do so and the subcommittee will give consideration to your request. Although the committee does not require you to give evidence on oath I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as the proceedings of the House itself. I would invite you to make an opening statement if you wish and then we can proceed to questions.

Mr Scott-Murphy—Thank you, Mr Chairman. The Bougainville Working Group is a meeting of the member agencies of ACFOA that have been concerned with Bougainville and are now operating programs in Bougainville. I will start by giving you some more information on my colleagues and I.

John Newsom, whose field is microcredit and who has worked for many years in the Pacific and Papua New Guinea in microcredit, is now doing a program with the Overseas Service Bureau in Bougainville. Joy Balazo is the International Human Rights Officer of the Uniting Church and has been strongly involved with the women's forum in Bougainville from well before the peace settlement. You might have had some mention of the role of women in Bougainville in establishing the peace process, and Joy has been part of that. I am the Public Policy and Advocacy Coordinator of Caritas Australia, which is the overseas aid agency of the Catholic Church in Australia. We are establishing a rehabilitation program in Bougainville now. I will ask my colleagues to give their presentations. John can start.

Mr Newsom—I may be of some use to the committee with regard to the theme in the submission about working very closely with beneficiaries, with people at the grassroots, because I have made at least 10 trips to Bougainville—in fact, I have lost count—over the last 2½ years, which, of course, precede the arrival of the peace process. Although it has been a government originated project, I have always been working with people who are designing their own futures.

I think that element in the ACFOA submission is a very important one. It is important because, unless lots of projects—not all of them perhaps—are done in that way, involving the people themselves in making their own decisions, they may not endure. The projects need to take into account the unique problems of people in Bougainville. In other words, we cannot import solutions from somewhere else and apply them immediately in that context.

That is the way I have been working in microfinance, in small microenterprise development, and I commend to you that element, that strain or theme, within the ACFOA submission.

Ms Balazo—As a member of ACFOA, the Uniting Church has been working with Bougainville since 1991-92. At that stage you could not really get into Bougainville. We had to deal with our partner church through the Solomon Islands and so our first contact was through the refugees. In 1994 we were able to get in there, and I was really impressed with the participation of the church. It was probably 99.9 per cent; the church was very much involved. In fact, the church was one of the main things holding the people there in that time of crisis. I was churched out, I tell you, because when people attended church it gave them hope that something could be done through the church. So I think, through the church, we were in a very good position to help them.

My first visit to Bougainville itself was concentrated on the women in the church, mainly because there were hardly any men to talk to and the women were very much affected by the war—their children taken, their daughters raped and they themselves left bare. So we thought we should do something along the line of the women. In 1996 we had 700 women grouped together from all the different factions that were explained here earlier. What came to mind was their very strong cry for unity and their strong aspiration for self-determination, so I would like this meeting to focus on negotiations which would very much include the aspiration of the people for self-determination.

Mr Scott-Murphy—Caritas Australia has been involved with Bougainville since the beginning of the crisis. The diocese of Bougainville was one of the wealthiest and best organised Catholic dioceses in Papua New Guinea. It ran some of the elite schools of Papua New Guinea and had extensive property and plantation interests and so on in Bougainville. In many ways the present situation of the Bougainville diocese mirrors the situation of Bougainville as a whole. There are now almost no expatriate religious in Bougainville. They have all gone back to their old countries. All the parish priests are now Bougainvilleans. There is no bishop at the moment because one has not been named, but it will be a Bougainvillean when a bishop is named.

Mr HOLLIS—Liberation theology?

Mr Scott-Murphy—There has been an element of liberation theology in Bougainville for some time. The pertinent fact is that the diocese now has no income. It is run completely by Bougainvilleans. They have no telephone, their administrative buildings have been destroyed, their cathedral has been destroyed and many of their churches and associated infrastructure have been destroyed.

They have to start from the beginning again, and they are going to do it in a Bougainvillean way. They are not necessarily calling on expatriate religious people to come and run the diocese for them whereas, for example, other dioceses in Papua New Guinea are still run in a very mission orientated way. The way in which they do that is unknown at the moment, just as the future of Bougainville is not known. They have considerable ability and determination to do it in their own way. That is the point that we would like to make really very strongly: the recovery of Bougainville will be achieved by Bougainvilleans. Many of

the reasons for the rebellion have to do with the way in which outsiders have impacted on Bougainvillean society, and there is a very strong determination to do it their own way.

I would suggest that the outer political structures are of less importance in the minds of ordinary Bougainvilleans than how they go about their task of reconstructing their own families, their own villages, their own districts and the island itself. It is a Melanesian society: it is very locally oriented, it is very family oriented, it does not fit easily into grand political schemes that we tend to think of and impose as solutions to these particular problems.

We are very strongly of the opinion that the recovery of Bougainville should be led by Bougainvilleans. It is rather disturbing to see tenders for large infrastructure projects, for instance, advertised in the Australian press for Australian companies to take part in those sorts of projects. That may not provide opportunities for Bougainvilleans to reconstruct their own society in the way that they want to do it.

A large part of the reason for the rebellion is resentment: at outsiders, at the scale of developments like the Panguna Mine, even at the way in which towns are created and how they are governed and so on, and at the role of what are perceived to be wealthy outsiders—for example, Australians or the management of the mine—or other Papua New Guineans who have come to supply the more menial labouring tasks. That causes a wide range of different resentments and tensions. We would suggest that the aid program has to be very mindful of that sort of tension.

We ourselves are experiencing, on the ground, very difficult situations in which to operate. We have two staff on the ground in Bougainville—one a Bougainvillean and one a New Zealander—and they are having some very substantial security problems. These are not problems that can be solved by the peace monitoring group or by outside involvement. It requires that ordinary people, particularly young men who have been fighters, have something to do other than drink and go back to their weapons. The weapons are still there. Alcohol is available. Anybody's worst nightmare of confronting a gang of young blokes is just around the corner. That is the main point of our submission.

CHAIR—Sally, do you want to make any further comment?

Ms Gregory—No.

CHAIR—Joy, just for my own clarification, I want to pick you up on one point. You were talking about the refugees—the people who had cleared out from Bougainville. There have been some efforts to get them to go back. How successful have they been?

Ms Balazo—I do not think they have been very successful because, mainly, those who were refugees to the Solomon Islands were from central Bougainville. So they are coming out with basically an illegal way of going to the Solomons. In the early 1990s it was very difficult for them to get back into Bougainville, not just because there was war but also because it was difficult in the sense that those refugees, apart from running away from war, were also refugees because of health reasons.

It is a matter of either going back there and dying without having all the medicine or remaining in the Solomon Islands, really wanting to go home and having the dilemma of 'I want to be cured and I want to have all the facilities'. So I do not think they have been very successful because of those two dilemmas, the dilemmas that were factors in why we had to come out of Bougainville.

CHAIR—I will ask too about the statements that have been made. You emphasise the fact that you want to see the locals really take over their own reconstruction. Have you got any magic formulas on how you would harness any sort of coordination, any sort of management or any sorts of resources locally to allow that to happen? Is there any way we can help?

Ms Balazo—The last time I was there—in the middle of last year—everything was practically changed from 1994. From the women's point of view, they just felt that everything was going on without them knowing what was going on, so they said, 'Everything is happening but we don't even know where we are. We seem to have been left out of what is happening.' That was the impression of the people at the grassroots—they were not part of what was being developed.

Mr Newsom—Although Bougainville is a relatively small area, there is really quite a diverse culture with about 20 or so languages—I am telling you things that have probably been put before you before—so it is very difficult to find one solution that even fits within that environment. Maybe I can suggest a method, which I think is what we are driving at here. It is always possible to work at village level and to build on the structures that exist at village level—perhaps with one exception. It is not always the case in villages—this is not universal—that women, for instance—the groups that need special attention—are empowered within the village, so one needs to take those sorts of things into account.

Generally speaking, one works within a village and uses the structures and works with the structures that are there and that survive and that the people are seeing to have strength. One of the ones that has been mentioned in submissions before, which can provide considerable assistance, is the council of chiefs or elders, for instance. It is a structure that then moves upwards from village level up through districts and so on.

Again, with care that sort of structure can be used to support or reinforce grassroots decision making. That is certainly the way I have been working for the last two or three years. The progress is slow. This is one of the things that has to be emphasised. Quick-fix solutions will probably turn out not to be solutions at all unless we work that way.

Mr Scott-Murphy—Perhaps I could add an example to that. I was here before when you were discussing the possible involvement of the Australian Electoral Commission in the holding of elections. There have been many elections in Papua New Guinea and Bougainville over the years but very little voter education as to what the meaning of voting is.

In the last elections in PNG, our partner in Papua New Guinea, Caritas PNG, ran a nationwide information campaign on what it means to vote and not to allow people to buy your vote for a few cases of beer or whatever it happens to be. That was done at a local level in the national language. That sort of education process has to be done.

When you get a response from Australian government bodies like AusAID and so on, they immediately think: Australian Electoral Commission, computer systems, counting votes and whatever. There is a huge need for local understanding of what the nature of giving a vote is. Political arrangements which are outside the local village are as foreign as the United Nations. It is a very different world.

Senator BOURNE—In the first Cambodian elections, I think the Australian Electoral Commission had something to do with the campaign in Khmer to tell people about voting. I loved it. There were these ads on the short-wave radio where the bloke was saying, 'I will buy your vote for $5 or something,' and another voice said, 'What you do then is take the $5 and then you vote for whomever you like, because it is secret. He doesn't know.' It was a very accurate sort of thing. I think that they have had some involvement in that sort of thing. But I agree with you that it has to be reinforced that it has to start with the very basics of voting systems, although it was a very educated society.

Mr Scott-Murphy—There are so many systems of obligation to people and other different forms of obligation which we do not recognise.

Mr Newsom—The giving of gifts can often create obligations.

Dr THEOPHANOUS—That is a big problem in New Guinea generally.

Senator BOURNE—Joy, are the women's groups and the church groups involved in any sort of organised way in what is going on?

Ms Balazo—Yes, they are very much organised. In fact, there are different women's groups but they all belong to the church, so the church group is very big. The project that we have there is the Bougainville Interchurch Women's Forum, which is conducting a literacy program in one of the remotest areas of Bougainville. There has been an attempt to have all the women's groups come together because, as I said earlier, there are a lot of factions. The women's group is not exempted from that, so there are also a lot of things that have to be sorted among women's groups. But I think there has really been an attempt to come together and see what they can do.

Senator BOURNE—Do you think that is being effective?

Ms Balazo—I think so.

Senator BOURNE—That is good.

Ms Balazo—In Arawa for example, where most of the women are coming from the controlled area, they are very much pro-BRA people. The women from Buka, Talina and all these places have not been very much influenced by the BRA. But they are now working together, even trying to understand what were the human rights violations that did happen during the crisis. In fact, there are two Bougainvillean women here—one from the BRA area, one from the non-BRA area—working together on computer and data processing so that they can work together and start together.

Senator BOURNE—That is excellent. Do you know if there is anything happening with the immunisation of children?

Ms Balazo—No, I do not.

Senator BOURNE—I should have asked AusAID that. Never mind, I will find out a bit later. I have one more question on microcredit. Do you already have a system going on Bougainville?

Mr Newsom—Yes, we have been taking it slowly. We have already reached the end of the second phase and, thanks to AusAID, we will enter the third phase shortly.

At the time I started it was not possible to go into the main island of Bougainville to any extent, so we managed to get people of different persuasions together in Buka and run workshops that way. So we really covered the whole island in Buka. The first year got those people, in a broad way, to design their own microfinance or microcredit systems—to understand generally what the possibilities were and how they might apply them back in their own environment.

Since last year we have been able to move around much more effectively. We chose four areas; collectively, we decided that we would pilot four areas. Those areas are in Siwai, around Tonu down in the south-east, and around Tinputz in the north-west of the main island. There is a village on Buka Island itself and Nissan in the atolls to the north, so we have taken a spread.

At the end of last year, there were 15 savings facilities operating in various villages and places through there. As well as that, there are women's credit groups operating. They are in the very early stages yet but we are aiming to coordinate those efforts. The main effort will be to provide the training to the people that is necessary to make those sustainable and give them the skills so that they can manage by themselves. I am sure there are more than 15 now. They have probably brought about 20 or so. Some of them are making loans.

Senator BOURNE—Excellent.

Dr THEOPHANOUS—I would like to ask some questions about your impressions of the culture that is being created on the ground now for peace. We have heard how the actions with the women and other groups have created this atmosphere that people want peace. Has it gone beyond that into the idea that they need to all work together as Bougainvilleans? What is your impression about the desire to achieve a government for the whole of Bougainville and to work through political problems—all those things? Is that present in an active way or is that still developing?

Mr Scott-Murphy—I personally think they will create a reconciliation government. Their capacity, as Bougainvilleans, is really quite remarkable to actually accomplish things that we often think are not going to happen, and the reconciliation government is probably one of those. Towards the end of last year nobody gave it any hope. Suddenly there was a meeting, and people have come together and they have created their own. In that sense, I do

not think it matters all that much what happens in Port Moresby—constitutional amendments and the rest—but it does matter what really happens on the ground in Bougainville.

The difficulties are going to be in reconciling the differences that have arisen, not just in the last nine years but pre-dating that. There are differences between language groups, differences over land and so on. Reconciliation is really the key, I think, to peace. There are established mechanisms for reconciliation in Melanesian societies. There is also a lot we can learn from other countries that have gone through these sorts of upheavals.

One idea that we are workshopping in Bougainville with a number of people is that of a truth and reconciliation commission. There have, in fact, been 25 governments around the world that have instituted a truth and reconciliation commission of some sort. It is an effort to enable people to tell their story and to establish the truth of what happened so that the beginnings of reconciliation can take place. The essential principle is that you must recognise the fault of what happened and then proceed to establish a way of living together in future. There is interest in that from people in the Bougainville reconciliation government. They have been thinking about some of these issues themselves.

What sort of cooperation that might get from the PNG government and the PNG Defence Force is completely unknown. I personally think that that is something the Australian government could play in its relationship with the PNG government. These sorts of processes have been developed in post-conflict situations in other countries and there is no particular reason why it cannot work in Bougainville.

Mr HOLLIS—Could I ask a question on that? I do not know if you were here when the departmental witnesses were giving their evidence. They actually touched on that reconciliation process and they emphasised to us that it would have to be approached in a Melanesian way.

Mr Newsom—Yes.

Mr HOLLIS—They were stressing that, even with the best of intentions in approaching it from the Melanesian way, it would take at least five years.

Mr Scott-Murphy—Yes. The time frames are very long in anything to do with Bougainville. Essentially, I think I would agree with that. It must be done in the Bougainvillean way. There are lessons that we can bring to that from overseas and they are very interested in those. When I go there they ask, because they know we work in a number of countries—Cambodia, Rwanda and so on—what they do in other places where this has happened.

Dr THEOPHANOUS—What was interesting, though, about the department's evidence was that they did not seem to know much about what had actually happened in terms of the killing—how many people were killed and how many people died from malnutrition. How much information is there on the ground about events of the past? Obviously, going back to Mr Hollis's point, Melanesian culture might be such that people may not want to talk about this much.

Mr Newsom—That would be part of it. We also say that it is one of the characteristics of our own culture that we tend to count these things. Other cultures do not necessarily count, but tell stories. That makes it very difficult even from the start, even if we could get into the areas. As the previous people said here, even if one could get into those areas, it is very difficult to trace the history in statistical terms. That is why, of course, it is very difficult to find out just how many people there are or were in Bougainville.

I know that the Bougainville transitional government, for instance, was trying to start working on a census for planning purposes but I do not think that got very far. It is extremely difficult. I do not think any honest person could claim to give you a good answer. It is just exasperating but one really has to live with it.

There are various elements, of course, to bringing about a new social cohesion in Bougainville. It is not, of course, just obvious political structures. It is possible to build other structures amongst Bougainvilleans, just as we do in our society, because we have ACFOA, for instance, and Joy mentioned the women's group. I found, after working there for about a year, that by the end of 1997 the people I was working with decided that there should be formed a Bougainville-wide organisation called—and I will give it its local term—'Haus moni bilong ol manmeri long Bogenvil', which really means the Bougainville people's bank or the village bank. That is going ahead.

It is interesting that, even when the conflict formerly was unresolved and there was no sign of a political future, as we are seeing it now, people from all over Bougainville, brought together, made a decision that there should be a total Bougainville solution. Not only should it work—this is their mission which they agreed on in December 1997—but it should not necessarily return, I should say, the Bougainville culture that they knew before the troubles or the crisis, but in fact it should adjust—their word—culture to today's change. They are in fact a very creative and practical people with the ability to form, despite the obvious difficulties we can see, national and cooperative organisations. It is very impressive.

Dr THEOPHANOUS—You mentioned census. I raised before with the department the question that if there is going to be an election for the new government, there will obviously be problems of an electoral roll, who can vote and so on. Can you give us, as people who have been on the ground, some idea of what difficulties are going to be encountered in this? Is this going to be a serious issue, a really difficult problem or are we going to be able to deal with this?

Mr Scott-Murphy—I think every conceivable problem will be on the ground. Part of the really difficult problems, I think, is that leadership at the local level has, in some cases, flipped to younger people with guns—

Mr Newsom—Especially in the bad areas.

Mr Scott-Murphy—and negated the influence of older women and men. Whether those younger people will adapt to a system of democracy is completely unknown. So is whether they will stand over people for votes rather than buying them with cases of beer, as happens elsewhere.

Dr THEOPHANOUS—Which is illegal.

Mr Scott-Murphy—Everything is possible. I cannot give any easy answer, I am afraid.

Mr Newsom—I think we should take some comfort. The Australian Electoral Commission is quite sensitive to issues like this. They have had Aboriginal people working with Aboriginal communities for a number of years assisting Aboriginal communities to come to terms with voting procedures. I have been involved previously in that area, and that in itself is an extremely difficult task. There is a similar level of difficulty, I might say, in Bougainville, but it is a different shape of things. There is geographical impenetrability, which is just one dimension of the problem.

CHAIR—Can I move this line along a little bit and relate it to the law and order issue. Certainly your submission has been reasonably critical of things past. We have heard this morning of what has been happening in terms of trying to get some presence together. How the devil do you get it if you have had these warring factions there for so long? How can you get these disparate groups to come in and form some sort of police force? Are they all going to buy it?

Mr Newsom—I would have to admit that a very good friend of mine is one of the trainers from the PNG police force based in Arawa. I think a fairly sensitive and intelligent thing has been done, because he is a Bougainvillean and is using Bougainvillean people to find the solution. I have seen them briefly together, not in any depth. While it is again a slow process, I think approaches like that are likely to bring the results. So there is a common acceptance that law and order is desirable. If their approach is also to that lost generation—that 10 years of youth that has really known nothing else—and if they can be involved with good programs, then, I think, there is a hope.

I think most people over 25 years of age do want reconciliation. There is no question about that. They understand what reconciliation might be. They have an educational background which makes it possible to communicate and discuss that. That is important. I think it is very valuable and also can be built on. I think the good thing about the PNG constabulary is that they were using Bougainvilleans to bring it about. I think that is good.

Dr THEOPHANOUS—On the other hand, the under 25s, that lost generation, have got guns.

Mr Newsom—Yes.

Dr THEOPHANOUS—And they have got little education and they are involved in various actions which perhaps they do not want to talk about.

Mr Newsom—Yes, and I think we have all been in contact with them.

Dr THEOPHANOUS—How are we going to overcome this problem, in your experience, of the under-25s, who have the guns and perhaps do not respect the cultures and methods of their elders?

Mr Newsom—I can say that every area that I am working in, the four pilot areas—and the most sensitive is the one in the south—has programs at village level or above which focus on that group. Nobody that I have talked to would be confident that they have an answer yet. The good thing is again that it is the people themselves that are aware of the problem and aware of the need to find a solution. Strange as it might seem, even in the work I am doing in microfinance, they are building the rehabilitation of youth into microfinance programs because they want to open microfinance programs for youth which will turn in due course into them being usefully occupied and acquiring skills that they just do not have at all. In other words, quite simply, they understand the need to provide an alternative to the guns and the lifestyle they have previously had. That, I think, would be echoed in the experience of my colleagues. Indeed, in the Siwai area, around Tonu, there actually is a youth finance organisation opening up specifically targeted for young people in that district.

Mr Scott-Murphy—What a lot of those young people are doing is rebuilding buildings, classrooms, aid posts and so on. They are using local materials, a chainsaw or something like that. There is a limit to how many of those buildings can be built, and at some stage they are going to run out of those sorts of things to do. That is why some of the larger infrastructure programs—like building bridges, roads, schools and so on—have to focus on employing some of those ex-fighters, not necessarily bringing skilled tradesmen. I know it is going to cost more, but it is crucial that those people be given something to do and a way of earning money.

Mr Newsom—And develop enduring skills that they can then apply in their own communities.

Senator BOURNE—Do you think that is happening?

Mr Scott-Murphy—No, I do not think so. Most of the larger projects have all been done in the north—the high schools and the hospital in Buka.

Mr Newsom—The airstrip and things like that.

Mr Scott-Murphy—It is very difficult for larger projects to commence in the south, partly because the PNG government administration is not confident of its ability to be present in those places. The restrictions placed on the Australian government's aid program really come from the PNG government's restrictions. I think that is creating a problem because a lot of these projects are happening in the north and are not happening in the south, and there is resentment about that. This is a very egalitarian society; they immediately notice when someone has something and they do not.

Dr THEOPHANOUS—Could you elaborate on that? Are you saying that the PNG government is actually giving Australian AusAID some direction?

Mr Scott-Murphy—We cannot put anything on the ground without the permission of the PNG government.

Mr Newsom—Their agreement to it, anyway.

Mr Scott-Murphy—Essentially, you are stuck, even with low level grants to community projects, with their being submitted through PNG government administration. That creates not only a particular inefficiency but a political problem for some of the people in those local areas who may not welcome PNG government administration people at all. There are places where we are simply not allowed to go.

Dr THEOPHANOUS—Until the autonomy issue is resolved—

Mr Newsom—Yes, that is the other side of the coin.

Dr THEOPHANOUS—you will not be able to put in place those projects, presumably.

Mr Scott-Murphy—I do think government aid programs do not necessarily have to work through the sovereign government. They can fund through non-government organisations, as the New Zealanders are doing.

Dr THEOPHANOUS—Are they doing—

Mr Scott-Murphy—They are instituting their official aid program. There are something like 16 Australian NGOs present in Bougainville at the moment. There is an issue to do with coordination of the government aid programs—not just the practicalities of who goes where, but the policies around why you do certain things. NGOs really are not particularly welcome in the coordination meetings that AusAID has with the PNG government and some of the other international players like World Bank and the European Union and so on. There are coordination meetings and, essentially, the only NGO invited is the Red Cross. In fact, there is a wide range of non-government organisations in Bougainville.

That reflects a general problem that our official aid program has had with PNG over many years. We have always, basically, given budget support to the government, and now we are turning this to program aid. Our focus is on government and getting government to work. There has been very little effect on civil society and how ordinary people can organise themselves. We have a very governmental approach which is, essentially, a colonial approach to administering a country. That is part of the problem in Bougainville as well. There is the lack of civil society, lack of people's organisations to participate in this election, for instance. All the people who will win at the election are the current leaders, self-proclaimed generals and formerly corrupt politicians.

Dr THEOPHANOUS—Yes. You are saying this disproportion in aid is creating some kind of resentment between the north and the south. Could you tell us more about that? How intense is that? Is that likely to interfere with the actual process?

Ms Balazo—The people in central Bougainville feel they are very much left out because all the big development is in Buka. If you go to Buka you have all the people from central Bougainville—some are ex-fighters—coming to Buka and they find themselves with no job. They immediately see that people in Buka are more well off than them so they make a conclusion that it is because people in Buka are very much associated with BRA and people in Bougainville are associated with the PNGDF or the government. It creates a rift again,

instead of unifying the whole island. It is an unconscious way of putting the aid where it should be that really divides the people instead of putting them together.

Dr THEOPHANOUS—What we have just heard seems to me to be a pretty serious issue. We should write to AusAID about these matters and, in the briefing that we get before we go to Bougainville, I personally would like to see some answers to these sorts of questions such as: why should we be so determined by the determinations? It is one thing if the government of Papua New Guinea is saying that they want the peace process to proceed but, if, in fact, in the concrete expression through aid, they are preferring one part of Bougainville to another and creating further tensions, I think that is a serious matter for us as an Australian government, especially since it is our aid.

Mr HOLLIS—AusAID identified that problem in evidence. They were talking about the difficulties of it.

Mr Newsom—Exactly so.

Mr HOLLIS—They actually said that, when the group went there, it would be put to them that one area was favoured over the other. You have said that you often cannot get into an area; it is a real difficulty. I would like you to elaborate a little on the move from budget support to project support aid. A few years ago, we went on a trip—not the former trip to Bougainville—when we were doing our inquiry into PMG. David, you were with us when we went to PNG. That was actually one of the recommendations that the committee made. When we were there, quite frankly, we were horrified with the budget support that we were giving. It was big money we were talking about—I think $300 million or something like that.

CHAIR—$300 million.

Mr HOLLIS—I am simplifying it greatly, of course, but what we were very concerned about is that we were giving money and it was just going to provincial governments who were buying votes. That is a gross simplification. I admit that. At the time we were there, law and order and the rascal issue were very much on the agenda. We went to one police training academy and there was absolutely nothing there for training. Whether it was a colonial overview and we went there with a colonial mentality, I do not know. Vicky, you were there as well. The group felt very strongly that, until we put money into some of these projects for training—whether it be law and order, education, health—we were not going to make any progress at all there with the aid money. That was a recommendation that came from that committee report. That has just been implemented now, and that was six or so years ago.

Dr THEOPHANOUS—It has had an impact because it actually led to a change in the direction of PNG aid, in the way in which we handled it with the government. This is a new problem, though, because while we have made it more program aid, what we have not done is make it regionally specific in the same way. We now have to look at this in the case of Bougainville.

Mr Newsom—I would not for a moment suggest that you were wrong in making that recommendation or that the direction is inappropriate. I would not say that at all. The difficulty is—and the World Bank and the IMF have pointed this out and they are putting pressure on the PNG government about it—that these programs that we are working on do not really reach the rural poor. In these circumstances, very roughly one could classify nearly everybody in Bougainville as part of the rural poor. There is no doubt that it is extremely difficult, as the AusAID people say, to devise how to get into areas if you are providing official aid to areas where the rural poor exist—doubly difficult, of course, in Bougainville.

Here I might make a claim on behalf of NGOs. NGOs cannot deliver every type of project. There are significant ranges of projects, I believe, that can be delivered in rural areas, which are alongside the more official and formal aid programs. If there is a solution to be found—and this is the thrust of our report here on Bougainville—it is that there needs to be more emphasis on those programs.

For instance, to take my own program, I was able to talk to both sides in devising a microfinance program long before the peace process was formally arrived at and able, therefore, to begin to set up a process in difficult areas, to get them to do it, where it is impossible for the formal government or the national government to penetrate. Now that is only a small example and one should not generalise too much from one example, but I could think of many others actually in other areas where similar approaches build the strength of people to help themselves and break a cycle, I might say, of reliance and dependence, so that they become self-reliant. This is a very important way to go and probably we have not done enough of that.

Senator BOURNE—In 1994 or 1995 there was a reconciliation ceremony and I think it was the church that was involved because there was someone from the church there with a cross. There was the widow of a very prominent individual who had been killed. It was somewhere down south. We could not get as far as Buin or even Tonu. It might have been near Tonu, though. A lot of the young men who had been with the group who had killed, or everyone thought had killed, this bloke had come down and they were being accepted. The way they were being accepted was that they were paying—not money, but paying something: shells and goodness knows what. And the widow then accepted that they were truly repentant and she shook their hands. The young men then went go along, shook the hands of all the people from the village and the church assured us that they would be accepted back as villagers. Does anybody know if that sort of thing has been happening anywhere else?

Mr Scott-Murphy—Yes, in a couple of places.

Senator BOURNE—And is it still ongoing, do you know? And is the church involved in organising it?

Ms Balazo—Yes.

Mr Scott-Murphy—There are lots. There are even NGOs set up by Bougainvilleans to do that sort of process, to help that process along—the Melanesian Peace Foundation, for instance,

Senator BOURNE—And it is working?

Mr Scott-Murphy—Yes. That is extremely important work. There are very local level examples and big examples like that one.

Senator BOURNE—Yes. Because it involves the local payback mentality and the women and the church. Excellent. Thank you.

Dr THEOPHANOUS—In your submission, you talked about a need for ongoing support for the working committee on the interim constitution. You highlighted some areas such as immigration development and arms disposal. Are you in a position to tell us something about what, from your point of view, needs to be done in some of these areas? I am especially interested in the area of arms disposal.

Senator BOURNE—A large point.

Dr THEOPHANOUS—Perhaps you could take that on notice.

Mr Newsom—Yes.

Dr THEOPHANOUS—Sally might have something.

Ms Gregory—I can just comment a little bit. Moses contributed to the putting together of this submission. That was one of the points that he raised. We can follow it up and get more information for you.

Dr THEOPHANOUS—That would be good.

CHAIR—That would be marvellous. Thank you.

Ms Gregory—But I think it was generally along the lines of supporting the process of leading to self-determination so that the peace process can go forward and facilitate the other elements of reconciliation and reconstruction.

CHAIR—I thank you very much for your attendance today. If there are any matters we might need additional information on, I am sure the secretary will be in contact. We look forward to getting that information.

Resolved (on motion by **Dr Theophanous**, seconded by **Senator Bourne**):

That this subcommittee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.01 p.m.