COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

(Foreign Affairs Subcommittee)

Reference: Bougainville: the peace process and beyond

MONDAY, 12 APRIL 1999

MELBOURNE

BY AUTHORITY OF THE PARLIAMENT

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **http://www.aph.gov.au/hansard**

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

Monday, 12 April 1999

Members: Senator MacGibbon *(Chair)*, Dr Theophanous *(Deputy Chair)*, Senators Bourne, Chapman, Cook, Ferguson, Harradine, Sandy Macdonald, O'Brien, Quirke, Reynolds, Schacht and Synon and Ms 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 and Mr Andrew Thomson

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

Senators and members in attendance: Mr Jull *(Chair)*, Dr Theophanous *(Deputy Chair)*, Senators Bourne and Sandy Macdonald and Mr Gareth Evans, Mr Hollis, Mr Martin, Mr Price and Mr Pyne

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 9.32 a.m.

CHAIR—I declare open this hearing of the Joint Standing Committee on Foreign Affairs, Defence and Trade which is inquiring into the Bougainville peace process and the prospects for the future of peace, including restoration of civil authority. The committee's review covers the whole peace negotiation process from the time of the first meeting at Burnham military camp in New Zealand in June 1997, and extends into consideration of future reconstruction and rehabilitation programs for Bougainville.

Today's public hearing resumes the program which commenced in Canberra in February this year. Since then several members of the subcommittee have had an opportunity to visit Port Moresby and Bougainville as part of this inquiry. In the busy four-day program of meetings, formal discussions and inspections we were able to meet with most of the key participants in the peace process and to see for ourselves the situation in Bougainville. The visit was a valuable opportunity for delegation members to gain insights into the problems with the peace process and the work being done to move that process forward. While we did see evidence of the almost total destruction of Bougainville's economic, social and communications infrastructure, we were pleased to see also that there was almost universal support in Bougainville itself for maintaining the peace and restoring civilian authority.

On 31 March 1999 the committee presented a short report to parliament on preliminary conclusions reached as a result of that visit, including some suggestions for further consideration. Today we have invited representatives from several non-government organisations with long experience in Papua New Guinea, as well as representatives from Bougainville Copper Limited, the company which established the Panguna mine. The information gathered today will assist the subcommittee's examination of the many issues surrounding the Bougainville peace process, its successes and setbacks and ways in which Australia can further assist. I welcome the representative from a Bougainville Copper Limited.

[9.34 a.m.]

TAYLOR, Mr Peter Robert, Executive Director, Bougainville Copper Ltd

CHAIR—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 proceedings of the House itself. I would invite you to make a short opening statement, if you wish, before we proceed to questions.

Mr Taylor—By way of personal background with Bougainville Copper, it may assist you to know that I first joined that company in 1985. I spent three years on site as company secretary until 1987. I was then redeployed in the Rio Tinto Group and I have held my current position for the last two and a bit years.

Bougainville Copper was created for the sole purpose of operating the Panguna mine. Mining operations were undertaken between 1972 and 1989 when the current civil unrest resulted in the mine closure. Income from cash investments that the company still has allows it to maintain an administrative function. It obviously currently does not undertake any mining.

The actual arrangements for the company are managed under a long-term service agreement with its largest shareholder, Rio Tinto Limited, Bougainville Copper Limited having no employees of its own. This has always been the situation from the very beginning, save that the BCL once had some employees of its own, but they were not at senior management level. All senior managers were seconded or otherwise employed by Rio Tinto Limited, or CRA as it then was.

Bougainville Copper has maintained a non-interventionist position during the conflict. It has done this in the belief that that would be in the best interests of the prospects for settlement. The company believes that without a sustained peace on the island, there is no prospect of the mine resuming, even under the management of BCL or anybody else.

The company has nonetheless endeavoured to assist people on Bougainville where it can. It has attempted to help in the peace process by, for example, helping the peace monitoring group with facilities and technical advice when it is asked. It has also attempted to assist some agencies, in particular the Catholic Church, in its efforts to continue education.

It indirectly assists with the welfare programs on Bougainville through the Bougainville Copper Foundation. The Bougainville Copper Foundation was established by Bougainville Copper Limited in the early days of mining as a charitable institution. It is a company limited by guarantee in PNG. Its assets were originally provided by Bougainville Copper mainly in the form of shares in the company, which was once very lucrative. Now, of course, the income flow has stopped. The foundation does have minor assets.

BCL assists by providing free administrative services to the company and also some funds, which have allowed the Bougainville Copper Foundation to continue with educational, medical and social programs on the island. In fact, it prides itself in having been able to get medical supplies into Arawa on site when other agencies were unable to do so during the main periods of the conflict. It continues to do that and as recently as early this year we provided medical supplies into Arawa.

At the annual general meeting of Bougainville Copper earlier this year it was announced that the company would investigate disposing of the Bougainville assets, that is, the prospect of actually exiting the island. This would mean a major change in strategy for the company, because, until this year, it has always maintained its intention to return. I need to emphasise, however, that this investigation into exiting the island or the assets on the island is only one of a number of options being studied and, of course, may not come to fruition. There are many parties to be consulted and many consents to be obtained.

On this latter issue of the strategy for the company in respect of its Bougainville assets, if the committee was minded to ask questions on that particular aspect, I would ask that those questions be asked in camera. Because of the particular time at which this matter has been raised, I have not yet had an opportunity to discuss this with some of the important—for this process—ministers in PNG, nor have we had an opportunity to meet with the Prime Minister of Papua New Guinea on this issue and I would not like to publicly pre-empt any of the matters that might be discussed there.

CHAIR—Thank you very much. We may take that offer up a little later. You made a statement a minute ago that you were prepared to assist whenever you were consulted or asked for help. Are you asked often?

Mr Taylor—We are asked for assistance weekly, if not daily. Some are unrealistic requests, there are some nobody could grant and some are simply outside of our means anyway. But with the coming of the peace process, I think there was an anticipation that things would return to what people on Bougainville considered normal, that is, stepping back ten years or so in history. There was an initial rush to put things back where they were. People with businesses wanted access and people who had houses wanted us to evict people and let them in—those sorts of things.

At a higher level we have administrative officials approaching us for the use of this, that and the other and so on. When we are asked for the use of equipment—assuming that it is still in working condition—there is usually no problem in granting those consents, providing we can establish the bona fides of the parties involved, because there is no end to the sensitivities in this. You can allow somebody the use of something and find that, as a result, you have gained a few more enemies.

CHAIR—How does this process come about? Have you actually got agents in Bougainville, or is it done through the Port Moresby office? And can you tell us how that Port Moresby administration works?

Mr Taylor—With the Port Moresby administration, Rio Tinto, as the principal shareholder—it has 53 per cent absolute majority so it controls the company for company

law purposes and otherwise—has maintained an office in Port Moresby ever since the company opened. That is not its only function. There are other projects; for example, Rio Tinto is the manager of the Lihir operation on Lihir Island. It has about 18 per cent of the equity. It has some explorational projects. The best known—in PNG anyway—is the Wafi project which it owns 100 per cent. The Port Moresby office acts as a service provider for those companies. For example, when Comalco goes to PNG to discuss the proposed gas pipeline, it would use the facilities of my office in Port Moresby. We maintain about a dozen staff there—three of whom are expatriates. One—who has the sole responsibility for government-community relations—is a person who, although not born in Papua New Guinea, has spent all of his life there and his family has lived there for generations. He understands the situation very well. We also have another chap who has long service in PNG and who manages the office. They maintain a network of contacts, both on Bougainville and throughout PNG and the provinces and so on.

Government-community is a relatively small business as access to senior government officials and ministers is very easy in PNG. We all congregate safely at the same few places in Port Moresby where you may well have been yourselves. So government is very accessible, as is our High Commission there where we spend quite a bit of time—although I am sure that sometimes they see us coming. They are not always glad to see us, depending on what the issue of the day is. Of course, Bougainville Copper, or BCL as it is known in Papua New Guinea, is very well known. I doubt that there is a PNG citizen who does not know it.

So they know where to go to find us and, if there is something they want, or an issue they wish to discuss, they also know that they can come into our office at any time. That is a very common event. When people from Bougainville travel to Port Moresby they will, typically, find their way into our office for a discussion, no matter what side of politics they are on. We encourage that. It is typical of the way business is done in PNG, I might also add. It is a very open society when it comes to these things. We have not, in the past, generally sought people out, although that will change, because of the proposal I have put before you this morning to look at the possibility of exiting the island. We are now deliberately going out and talking to all sorts of people—political and non-political.

On the actual welfare side of things, PNG citizens generally are not backward at coming forward if they want something; so we do not have to go and ask what they want, they will come and tell us.

CHAIR—You referred to the people on Bougainville wanting to go back to the situation that was there ten years ago. How far do they go back? Is there a body of feeling on Bougainville itself that they want the mine to reopen?

Mr Taylor—There is no general answer to anything that happens on Bougainville and, indeed, PNG. I should preface this perhaps by saying there are Bougainvilleans who are excluded from Bougainville just like I am, who reside in Port Moresby, the Solomon Islands, Australia—wherever. By and large, they were the well-to-do. They were the ones who had made a good income out of the mine and were therefore excluded as a result. They obviously may have a different view of what should happen on Bougainville from those who have had to sit out ten years of deprivation. Those people have access to our office—if they

are in Port Moresby, anyway—and some of them express the view that they would like to go back and restart their businesses. They want to take repossession of their land.

The land tenure situation itself is complex. Most land in PNG, as you probably know, is customary, something like 97 per cent. There is only a very small part that has been alienated in one way or another. Even most of the alienated land that is available for commercial use is by way of lease from the government. That is certainly the situation with Bougainville Copper's land. We have a 99-year lease with respect to all the residential property we have in town, which is most of the town. We built the town. We cut it out of a former plantation. The mine leases themselves are for a 21-year period, renewable at 21-year intervals until such time as we are finished mining. It was a very open-ended arrangement in that regard. The Loloho port facilities are under a similar arrangement, they are subject to the mine continuing, and so on. So the tenure situation is quite complex, but there are some people who had subleases from us for their businesses, so they come to us seeking our assistance in getting possession, as it were. But, of course, to try and do that is going to start more problems.

I was speaking to the Catholic Archbishop only a few days ago. Two weeks ago, he very bravely drove all the way around the island. He went from the west coast up through the mine and back to the east coast again talking to people. He reports that even the church is coming across difficulties now. People are saying that all former laws in PNG no longer apply on Bougainville. Therefore, anybody who has land tenure has had it cancelled, including the church. It now reverts back to the people. I have no doubt that any attempt to dispute that would cause some difficulty in various parts of the island. That is not just restricted to the Panguna area; there are other areas as well. It is a generalisation, but the hardened resolve tends to be south rather than north.

CHAIR—When we were there we visited a number of offices in Arawa. My understanding is that most of those buildings belong to the mine. What was the arrangement with that, if any? Is it a fact that the Australian government hijacked—for want of a better word—a lot of your facilities without consultation?

Mr Taylor—Technically, you are trespassers. But we have not made a point of that. What happened in the town of Arawa is typical of a new mining town in that the company built all of the facilities initially, the aim being to commercialise them as soon as possible. That in fact had happened by the time of mine closure. The supermarkets, for example, were in semi-private hands and most of the other businesses in town were in private hands. We tried to encourage local small business rather than run everything ourselves.

So that was a typical situation. They may have had a sublease from us; they may have leased directly from the government. That was possible as well. The government had a certain percentage of the town lots. We leased them all from the government on a 99-year basis, as I said, but it retained quite a number of lots for itself. But there was no freehold, to my knowledge.

Mr GARETH EVANS—Could I ask some questions about the economics of reopening the mine. I appreciate how difficult it is to pull together all the different elements, but I just want to get it in context. Given the decline in gold and copper prices, if the mine was a

going concern at the moment with no huge start-up cost, how viable would it be in terms of current international mining operations?

You say in your submission that the price level is 30 or 40 per cent below that which was prevailing at closure. It is a pretty tight market environment at the moment. That must make it pretty close to unviable even without the start-up cost, or is that not so? Is it still a profitable enough operation for you to have a bit of fat in it?

Mr Taylor—We have not really run that exercise because it is just hypothetical. When the mine closed, it had reached the stage where we were starting to look at efficiencies, if I can put it that way. Even at the time of closure, the mine was becoming very deep. We had to put in an in-pit crushing system because it was taking the trucks too long to get to the top of the haul roads. They were wearing out too quickly and the rest of it. So those concerns were certainly around.

Even so, Bougainville Copper was a very efficient mine. Whether you survive or not usually depends on where you fit on the cost curve, and Rio Tinto always aims to be in the lowest quartile. Bougainville Copper was able to do that. Whether it could maintain it, given the mines that have opened in South America since the start of this conflict, I am not sure. There would have been concerns, I have no doubt about that. Once you have sunk capital of over a billion dollars, you do not quickly close the operation down. You may stay operating, even though it is marginal, even slightly unprofitable, in the hope that it will come good again because of the sunk costs. It is one of those situations where, if you close something that massive, as we know now, it is very difficult to reopen it.

But, yes, it would have been fairly marginal. The profits that were once realised certainly would not have been there. It was an accident in the history that, when this mine opened in the mid-seventies, gold and copper prices were at their historical highs and the company happened to have a negotiated tax concession from the Australian government that made it extraordinarily profitable in those first couple of years. Those days have never been seen since.

Mr GARETH EVANS—What proportion of the original reserve is still left?

Mr Taylor—I cannot tell you a proportion, but I can tell you there are about 500 million tonnes of reserve at about half a per cent copper and about half a gram gold, which was the general mining rate. They are not exact, but it is slightly less than half a per cent and slightly less than half a gram. If you looked at what we would normally call normal mine production, that represents about 10 years of production. Obviously, if you mine at a slower rate, you are going to get more years; at a higher rate, fewer years. In addition to that, there is at least as much again of ore of a lower grade that can be upgraded. Whether that would be economical in today's climate, I am not sure. Once we used to process that, today you might not.

Mr GARETH EVANS—How does a reserve of that size compare with other currently viable mines around the world at start-up stage?

Mr Taylor—That is a large resource by anybody's standards. Any mine that processes a million tonnes a week is in the big league of any commodity. To give a comparison in Australia, it is about what is produced by Hamersley Iron, which is another one of our companies. It produces about a million tonnes of iron ore a week, as I understand it. We were not producing a million tonnes of copper, of course. We were merely processing a million tonnes of ore; the grade being very low, the concentrate being very small in comparison.

Mr GARETH EVANS—I understand that you have not had the opportunity to check the state of the capital assets that are already there, so all of this is totally speculative. But can you give us a ballpark order of magnitude of the capital cost of the start-up?

Mr Taylor—We have stated somewhere between $0.5 billion and $1 billion. Again, it depends on the scale at which you want to start. On the assumption that you would want to have a fairly large production to try to recoup your capital as quickly as you can, that is the sort of order of investment you would need. That is also assuming that everything is pretty well destroyed. Although I, personally, and none of my staff have been to the mine site, we get a fair amount of intelligence. People do go there, particularly people from the church, and reports are that almost everything has been destroyed one way or another, either deliberately, through deterioration, theft or whatever.

On the other hand, there are certain things in its favour. Because we walked out virtually on a particular day, there is a whole lot of production in process, so there is a lot of ore just stockpiled ready to be processed immediately. You do not have any overburden to strip away to get started; you have a road, you have haul roads and you have a port. You have a number of facilities that would be very costly to build, particularly the road to the mine. They are there.

Mr PRICE—Have you done any other exploration on Bougainville? Did you have any other leases?

Mr Taylor—We actually have seven titles on Bougainville. Just after consent was given for the mine to open, there were quite a few protests from the locals about the mine being opened at all. As a compromise the company agreed on a moratorium on exploration, and that moratorium has never been lifted. The last onground exploration would have been just prior to the mine opening in the late sixties.

In 1985 or thereabouts, the West German government did an aeromagnetic survey over about two-thirds of the island. I have never seen the full report, but I have seen that part of the report that relates to our tenements, and there is no doubt it has prospectivity. There are a couple of targets that most exploration companies in the world would very much like to go and have a look at.

Mr GARETH EVANS—The tailings operation was always very controversial, as I recall, way back when. It was also pretty primitive, with the utmost respect, by comparison with standards that are regarded as acceptable in contemporary terms. Would you have to do something about that operation in any start-up environment, or would the working assumption be that you could live with the disposal system you had in the past?

Mr Taylor—It would have to be different. There is no doubt about that. In fact, had the civil unrest not come when it did, we were about to open a new system any way. A tailings pipeline disposal system to take the tailings into much deeper water had been put in place to stop the Jaba River delta—it was not originally a delta—becoming larger. So, yes, there was a system being put in place. We have conducted a number of studies in recent years looking at the options for tailings disposal because the environment is one of the big issues.

Mr GARETH EVANS—And that is part of that ballpark calculation you mentioned before in terms of the capital cost of restarting?

Mr Taylor—Yes, although one then has to make a guess at what would be acceptable or unacceptable. The options can have infinite expense if you are prepared to take the stuff away somewhere else in a ship or whatever. In these studies we do at the level at which we are able to do them, we are only talking about 30 per cent or so, plus or minus any way. It is somewhere in that area. We certainly included tailings disposal in that. The tailings disposal we looked at might not be the tailings disposal you would look at if you tried to start a small operation, and that is not beyond question. Somebody might want to just mine the ore that has been liberated, and you might be able to do that through settling ponds and various things on site.

Mr GARETH EVANS—How much life is there in the operation if you just mined the ore that has already been stockpiled?

Mr Taylor—Not very long at the rate we used to mine it. You might have a few weeks or even a month or so of supply at hand at any one time. So by our operating standards, it would have been a relatively short period, but somebody who was just coming in to mine a few hundred thousand tonnes could perhaps make a business of it.

Mr GARETH EVANS—What would be the time frame involved in mounting a start-up operation, given the necessity for a lot of data acquisition, feasibility studies and God knows what else? How long could it all take from go to whoa?

Mr Taylor—Are you assuming that there are no political obstacles?

Mr GARETH EVANS—Assuming that you got the green light politically and it is a technical exercise, just for the sake of the argument. How long technically would it take for you to make the economic judgments based on engineering feasibility and everything else?

Mr Taylor—I would have to say that it takes at least three years.

Mr GARETH EVANS—Three years from green light to production?

Mr Taylor—I am not sure whether you would actually get production in that time, but you would probably get to the stage of making a decision about rebuilding. There is a lot to be done. If you look how long it takes, at the lead time for large mines in Australia, you go through a series of feasibility studies refining the process. When you are going to invest half a billion to a billion dollars, you do not get a second chance—not and retain your job, anyway.

Mr GARETH EVANS—What is BCL's state of mind about preparedness to sell the operation to someone else who might conceivably be more acceptable if there turns out to be a political constraint on your resumption? Are you prepared to think about that?

Mr Taylor—In camera, I am prepared to tell you what I believe, but on the record I would be reluctant to.

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

Mr HOLLIS—One thing that came across to us very strongly was that people were very worried about the developments in Timor and they were seeing Australia's support for PNG waning. It was put to us that it could be waning because Australia would be putting a lot of effort into Timor. Other people were seeing Timor, now that they have their so-called independence—although they have not got it yet—having a big impact on Bougainville as well.

Mr Taylor—I have heard the same, but I am not sure there is any logic in that argument.

Mr PRICE—You mentioned that the Bougainvilleans had it all in that they had good health facilities, education and what have you. To what extent should the mine reopen? Do you think an income stream needs to flow to Bougainville or Bougainvilleans?

Mr Taylor—If the mine were to reopen, there would be cash flow, but whether there would be any profit, at least for a long period of time, I am not sure. I have tried to speak to some PNG politicians even before this latest strategy was put forward about their—in my view—unrealistic expectations of a restart to the mine. You talk to them and say, 'This mine might never start again simply because it is uneconomic or, if it does, you are not going to have the profits you once had.'

As I said earlier, when the mine first opened it just happened to be one of those rare occasions in history when the capital was paid back in the first couple of years. That will not happen this time. You can run the figures over us and see a scenario where the mine will be closed before it actually returns a profit. It will simply be paying off the cost of the capital.

You would not necessarily not open the mine just because of that, because there are lots of flow-ons from having any sort of major development. There is the infrastructure that goes with it, the training that goes with it, the fact that there is employment for people, the businesses that start up around it and so on. In my strategy one of the reasons I think the national government could be important is that it has motives for taking over this mine and possibly starting it that are not simply commercial. It might see all of those other things as being more important. Indeed, Australia might in its strategy for Bougainville or PNG. In my personal view it has nothing to do with company strategy.

I see the major single issue on Bougainville at the moment is unemployed youth. It is not just Bougainville. Wherever that happens you will have the same problems. Since the so-called peace accord, the crime rate has exponentially increased. You have these young guys who once had a cause to train for and all the rest of it who are now running the streets with

nothing in their background except war. You have to do something with them. Education is one of the ways of doing it. I put a paper to AusAID suggesting what I personally—it was not a company thing—think they should do.

Mr PRICE—Could you make that paper available to the committee?

Mr Taylor—I certainly could. The reason for seeing the Archbishop was principally not to ask him how his trip went but to see what I could do. I am dealing with former company employees in New Zealand to try to put some resources into starting up community schools or schools through the church, not necessarily to formally train kids but to get them off the street—vocational training. If they cannot read and write there is no good saying, 'Come in and we'll do calculus.' You have to get them into some vocational training. If they are interested in motorbikes or cars, get them to build them or something. That is a major issue. You do not have a real problem with the older people.

Bougainville probably has two generations to go before it gets over this, assuming it starts now. The paybacks will be there to get the next generation of kids on it. But if it is to stay a united Papua New Guinea it will not be long—I think it is happening already—before people realise that the promises of peace have not been delivered. There is nothing coming in for them. They have got nothing out of it. Okay, you can walk around Arawa a bit more freely than you could before. But the crime rate is increasing. The kids are running the streets. They are not getting the sorts of things they expected to get, the goods and services.

The Archbishop tells me that you go down to Buin and there is nothing in the stores. There is not nothing in the stores because you cannot get it there, it is because they are stealing if off one another. You have got these sorts of issues. They are not the macro issues that maybe AusAID is attacking with hospitals, bridges and so on, but they are fundamental to society and the payback has not even started yet. As the Bishop put it, people have not started to grieve. When they start to grieve, that is when the paybacks will start. That is a generational thing. You will not get rid of that in the present generation.

CHAIR—Mr Taylor, this is good stuff. Do you still want it in camera?

Mr Taylor—No, sorry. I was just answering a question on what I thought the future of Bougainville was; it is not good.

CHAIR—It is good to get this on the record.

Mr PRICE—The other leases that you have, are you quitting those as well as part of exiting Bougainville?

Mr Taylor—It would be a package. Some of the immediate benefits that will flow will be the fact that what are left are the houses, and I understand quite a few are still there in reasonable condition. Those sorts of things—the port and so on—will all be owned by the government or the people of Bougainville or whatever. There will be no question about us having to take possession or any of the rest of that. Whatever we had would be handed over.

Mr PRICE—Sorry, I mean the mining leases.

Mr Taylor—The mining leases? Yes, they would all go. That is all part of the deal. What we in the industry call the 'blue sky' in those mining leases might be more attractive for some companies than the actual hole in the ground.

Mr PYNE—Mr Taylor, as part of this peace process and the thawing, I suppose, of strong feelings between the groups on the island, is there any emergent critical mass of Bougainvilleans who are saying that they want the mine to reopen, that they want the mine to be cooperatively mined with the PNG government, and that they want the benefits to re-establish the economy on Bougainville, or is there just an understanding or a feeling that the mine will never reopen and they do not want it reopened? What do the Bougainvilleans see as their future in your mine?

Mr Taylor—Again, one cannot generalise about the Bougainvilleans, but a lot of small shareholders are Bougainvilleans. When we have our annual general meeting some of them turn up and say, 'When are you going to start the mine? When are you going to pay a dividend?' and all the rest of it. Some of those who have an economic interest, some of those who used to have businesses that were supported by the mine, have expressed a view to us that they would like to see the mine reopen and get back to the old days. There is a group which has no economic interest in the mine at all. There are those people who live in villages that are now part of a tailings dump or whatever who probably never want to see it open again. There are a range of views on it.

Mr PYNE—But it is not a zero sum gain for the Bougainvilleans, is it? If you quit the mine, if the mine never reopens and the Bougainvilleans see that they will never have any benefits again, then why will they see the benefit of the peace process? They might just go back to the war that has raged there for 10 years. I am saying that there needs to be built a critical mass of people who want to get Bougainville economically on its feet again. I am just wondering if that exists there or if there is any possibility that it will exist.

Mr Taylor—If Bougainville is going to be independent it has got to be economically independent as well, unless the Australian taxpayer or some other company is going to provide it with sufficient aid to survive. I would not put too much emphasis on what the mine is going to do in the immediate future for the economy. I think that is unrealistic. In the longer term, mining may be one of the things Bougainvilleans endorse. It is a very prospective island. There are probably other ore bodies there to be exploited and, indeed, as I said, the Bougainville copper resource itself is not exhausted. But that is pretty long term.

Mr PYNE—Do the Bougainvilleans understand that—that there is a likelihood that the mine will never reopen—or do they think that the war finishes, the mine reopens?

Mr Taylor—I do not think they do understand that. If one is to generalise, I think perhaps the general feeling is that, once the Australian government gets rid of all the troublemakers, Rio Tinto will move back in, the mine will restart and it will be back to where it was before. It is very difficult to tell people anything different because that is what they want to believe.

Mr PYNE—So there will be a general sense of frustration and unhappiness when they find out that in fact they finished the mine 10 years ago and it will probably never reopen?

Mr Taylor—Yes, I think that could happen when that reality finally sinks in, and it is something that as a company we have had to consider. It is the expectation that you can just turn a key and it all starts again that is truly unrealistic. No matter what you say, it seems to be difficult to get the message across that that is not the present situation. Even if what Senator Evans said before—

Mr PYNE—He was 'Senator Evans' in his glory days.

Mr MARTIN—He saw the light; he is right.

Mr Taylor—The Hon. Gareth Evans asked before about the question of the economics now. I doubt that anybody anywhere in the world would start a copper-gold mine of that size right now. The prices of those commodities just do not sustain it, and there is no shortage of commodities.

Senator BOURNE—I just have one question, Mr Taylor. I take you right back to what you said in the beginning about the Bougainville Copper Foundation. I did not quite catch what you said. Are you doing something now under that?

Mr Taylor—Yes.

Senator BOURNE—What sorts of things are you doing?

Mr Taylor—The foundation has continued on. It does not have the financial resources to do major activities but, quite often, the return for your investment is much greater in the smaller areas. For example, the most recent thing we have done is provided some more medical supplies. We have kits that we provide—I think they are about $10,000 each or something like that—of supplies. They give us a list of the actual things they want, like packets of bandaids or whatever, and we are able to make them up. Whereas, quite often, aid agencies will say, 'You are going to have syringes this week, whether you want them or not.' We provided a vehicle to a small Catholic school that is re-establishing itself after being burned down, and we sponsor probably 25 or 30 children at various educational institutions, including a couple in Australia. We have tried to make sure at least some of them are educated up to a competitive level. There is quite a list of small things that we do on a continuous basis. I am now wearing my foundation hat. I happen to be a member of the foundation's trustees as well as being a director of Bougainville Copper; that is how I am able to speak on its behalf.

Mr PRICE—So you are at least three hatted?

Mr Taylor—Yes. Does that not make me a court jester?

Senator BOURNE—I do not think we should comment on that. Thank you for that.

CHAIR—Mr Taylor, I thank you very much indeed for your attendance here today and for the manner in which you addressed our questions. If there are any matters on which we might need additional information I am sure the secretary will be in contact with you. We

will send you a copy of the transcript of your evidence, to which you can make corrections of grammar and fact.

Proceedings suspended from 10.33 a.m. to 10.43 a.m.

BROWN, Mr David James, Regional Manager, Latin America and Pacific Rim Program, Community Aid Abroad

HOBBS, Mr Jeremy John, Executive Director, Community Aid Abroad

O'KEEFE, Mr Damian Marcus, Program Officer, Pacific Program, Community Aid Abroad

CHAIR—On behalf of the subcommittee, I welcome you. 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 that request. Although the subcommittee does not require that you give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and, therefore, have the same standing as proceedings of the House itself. I invite you to make a short opening statement, if you wish, before our proceeding to questions.

Mr Hobbs—Thank you for the opportunity to appear. I will make some brief introductory comments, and then ask Mr Brown to present our main points.

Community Aid Abroad has been long involved in Bougainville. My memory of our involvement at least goes back to putting to Mr Bilney a submission on behalf of AusAID and the government of New Zealand along with ourselves and Oxfam New Zealand; that was to put together an aid and development process which preceded the peace process. Obviously, for reasons of security and the escalation of violence, that had to be abandoned.

More recently we have again approached AusAID about aid into central, particularly to a group called BOCBIHP in Paru Paru. Again, I think it has been too difficult politically for that to be countenanced. But I suppose our general point very much picks up on the point of your visit: there needs to be more aid on the ground at the grassroots level; there needs to be reach into central, not just into other areas. We are a little concerned that central seems to have missed out on that direct contact.

The broader point we would make goes to the question of absorptive capacity. We are concerned that there be no undue emphasis on infrastructure spending. Whilst we very much welcome the government's push towards some kind of peace dividend through the aid program, we are concerned that that funding be not unduly focused on large infrastructure programs and large programs of spending at an official level. There is quite a strong spirit in Bougainville for a process which is much more bottom up, which is much more in line with the absorptive capacity of the communities to spend the money.

What we do not want to see is a honey pot syndrome. Everyone is aware of the issues; I think the committee itself has identified them: how do we practically move away from the honey pot syndrome, as I have put it? Perhaps I will ask David to go into a bit more detail about those, and I will make a concluding remark at the end.

Mr Brown—Thank you for inviting us to appear. I will make a few comments relating to our submission, of which you will have a copy, extending some of the information and updating some of the content.

Recently, just prior to the delegation, Damian O'Keefe and I made a trip to Bougainville. We were there for 10 days during which several points came to our attention of which I will give illustrations in support of our submission.

The first point relates to mistrust of outsiders and of aid. We experienced a lot of wariness of outsiders, particularly in central Bougainville, where we were fortunate enough to spend four days. Movement is still restricted, and there is suspicion of purpose. At one point we were asked whether we were exploring for minerals—and we were not, of course.

There was also a suspicion that outside agencies will undermine some of the work that has continued to be done by local organisations during the blockade, particularly through the recruitment of skilled and experienced personnel who have been working within these blockaded areas and now are working for international NGOs. There was certainly one case of a worker who had been recruited from central Bougainville to work in Arawa.

There does appear to be some lack of consultation from outside agencies. Agencies, we were told, often arrive unannounced by chopper, have a very short visit and then leave. We certainly feel it very important for outside agencies to listen to local organisations; that means giving a bit more time, if at all possible. Also, some frustration was expressed to us about some of the ongoing administrative mechanisms for AusAID funding, particularly that which is directed towards more grassroots organisations.

We note that the interim report does mention quite a few of these things; it touches on the issue of the number of AusAID staff and on coordination of aid approaches. I think the report is to be welcomed by us, and I will pick out a couple of extra points to which I will add.

Mr Hobbs has just mentioned high spending on infrastructure projects. That, of course, is to be welcomed, but we feel quite strongly that the development model which Bougainvilleans are going to choose is still a bit up in the air. Over the last three years, we have been supporting two organisations in Bougainville: one called Leitana Nehan, which the delegation met with, based in Buka Island; and one called BOCBIHP, which has been working out of Honiara, being the Bougainville community-based humanitarian integrated program.

The BOCBIHP program has worked in central Bougainville over the last nine years in quite remarkable circumstances. It has supported the development of almost 100 village schools and something like 95 health clinics in central, south and north-eastern Bougainville. For example, it has a particular approach to health care: it works very much around preventative health care, primary health care. That is the emphasis which works best in the village context.

When we have a very large hospital being built at Buka or in other places, or when we have large schools being built, we are supporting a particular model of development. I think we need to make sure that the village grassroots approach is also supported through appropriate support. We suggest that that is one of the things that AusAID should be looking at.

One of the other issues from our report goes to the speed and appropriateness of aid delivery, and I have just mentioned this: a lot of attention is being directed to getting a quick peace dividend. However, we suggest that it is important not to push a certain approach to either health or education but, rather, be open to other models. We note that the report does talk about working more at the grassroots level, particularly in health.

Another point we make relates to the exclusion of women from the consultative process. We feel strongly that the voice of women needs to be heard more formally. One of the recommendations talks about AusAID providing support for a forum to establish a platform for women in the peace process.

We notice that there is a need for NGO exchange and cooperation as well as coordination of aid effort. The report talks about increasing the number of AusAID staff. We suggest that coordination mechanisms need to come out of the BRG; they need to be owned by local organisations. AusAID should be supporting those local mechanisms rather than necessarily increasing the number of AusAID staff involved.

We also believe that many Bougainvillean NGOs are anxious to promote and strengthen civil society. AusAID could look at encouraging the growth of, and supporting, those particular NGOs on a more formal basis through the establishment of an ongoing forum for local NGOs. Many of the NGOs to whom we spoke have heard about other organisations doing very fine work but, because of logistic problems and finances, have been unable to make contact with those organisations. There is a lot of very good sharing, particularly around models in education and health, that could take place if it were possible to fund these types of forums and exchanges.

Perhaps I will come briefly to the recommendations that we would make. Our original submission does not make any formal recommendations, and we do have copies of these particular recommendations. I have mentioned these. The first, obviously, is continuation of support for the peace process; that a viable BRG, politically independent or otherwise, is fundamental to the peace process—and I think the interim report supports that.

Our second recommendation is that AusAID recognise and take seriously a local structure for donor coordination—and I have also mentioned that. Our third recommendation is the strengthening of civil society, which I have just touched upon. The fourth recommendation goes to the involvement of women in ongoing consultative processes: we recommend that AusAID explicitly support the coming together of Bougainville women to discuss a national platform for women.

Several of these points are mentioned in the report, and we wholeheartedly support those aspects of the delegation's report. I will hand over to Mr O'Keefe.

Mr O'Keefe—Finally, on the question of coordination, there has been some suggestion that the CDS in Port Moresby be responsible for donor coordination in Bougainville. We are on the board of the CDS. Our view is that the CDS is not yet ready for that role.

Mr PRICE—What is the CDS?

Mr O'Keefe—Community Development Scheme. It is a kind of coordination mechanism for non-government organisations in Papua New Guinea. We think it has a fair bit of ironing out of its own issues before taking a role in Bougainville itself. It is obviously difficult for AusAID to be the coordinating body in Bougainville; it is probably not appropriate for any one international NGO or local NGO. But there is no question about there being a need for coordination. I think we are looking at some kind of consultative process that leads to a credible mechanism to do that on the ground. That is the final point we want to make. We will now take questions.

CHAIR—Can I open by asking: briefly, how would you describe the relationship of NGOs and AusAID?

Mr Hobbs—In general, very good. There are times when we feel that we make the points and they are not listened to, particularly around the question of support for BOCBIHP and Paru Paru, where I have made repeated representations at various levels. We have understood the reasons given back to us, that it is politically too difficult for AusAID to be funding, either through us or by other means, a group in central. Your report at 268 says quite specifically:

It is the delegation's view that AusAID, in partnership with the PNG government, should continue to avoid factional demands and base all aid development decisions on sound non-partisan criteria.

To be excluding a major party seems to us to be a mistake, if that is what you are suggesting.

CAA should be careful not to appear self-interested in this. We have put forward a submission for funding for BOCBIHP. I want to make that quite clear. We are not arguing necessarily for us, but we do want to see that central is not ignored and that an alternative model of development, which we believe is highly successful—these people have done amazing things during a war period—is not ignored. I do not think there is a problem with our relationship with AusAID. There is a debate about particular points. That is the thrust of our submission.

Senator BOURNE—Who did you think we were excluding under 268—the one that you have just read out?

Mr Hobbs—I am suggesting that we have put a fairly clear case for a particular group in central and I do not feel that that has been heard adequately in AusAID.

Senator BOURNE—Yes. I see what you mean. I do not think that was the committee's intent. I think the committee's intent with 268—it was certainly mine and I am sure it was everybody else's—was to make sure that everybody was included and that nobody was excluded.

Mr Hobbs—I am acknowledging that. Given that that is your view, it is a problem for us that AusAID is not necessarily following that line.

Senator BOURNE—As for the Bougainville Working Group that you mention in your first submission, how well do you think that is working? Do you think that has been as effective as it should be?

Mr Brown—I think there are some problems with the Bougainville Working Group in terms of our response to the ongoing changing situation in Bougainville. There is no doubt about that. At the same time, whilst it may not formally have made representations over the last few months, it is still working as an ongoing channel of information amongst NGOs. From the point of view of people exchanging information in the NGO world, it is doing its job.

In terms of getting the debate out there and making contact, exactly; I think that is where there is a problem. Certainly, after our visit we came back very interested in trying to reactivate the working group, but the working group, like most working groups, depends not just on a couple of agencies to be involved and promoting it. It really is a wider effort. I think the Bougainville Working Group still has a role to play, but there are certainly some issues in the coordination and the ongoing processes of getting the debate out there and making contact with the different interested parties.

Senator BOURNE—Do you know whether there are any other significant structures where the government and NGOs exchange information about aid on Bougainville? Is it really just that one?

Mr Brown—It is only through bilateral meetings.

Senator BOURNE—Are there enough of those, do you think?

Mr Brown—Agencies that are interested in making those contacts and representations will do that, but, of course, as Jeremy has mentioned, there are times when there are particular differences of opinion, but I think that is always going to happen. That is fairly normal and healthy.

Mr Hobbs—And we also understand that governments have different imperatives to spend than NGOs do, and things like peace are obvious areas of difference.

Dr THEOPHANOUS—In your recommendation 1, you stated:

We recommend that the Australian Government clearly acknowledge and reinforce, both through word and action, that a viable BRG, politically independent or otherwise, is fundamental to the peace process.

You would be aware that there are, obviously, very serious disagreements within the parliament of Papua New Guinea about the elections, the role of the BRG and even whether the whole thing should proceed. On the other hand, you were saying that the Australian government should clearly acknowledge and reinforce this process. Is there now a danger that that might be seen as Australia intervening in the affairs of New Guinea?

Mr Hobbs—I think it is pretty obvious to everyone that Australia has interfered. It has happened. We welcome the position taken by the government to push the peace process and

to use the political leverage that the government had. We think that has been entirely appropriate. After all, the situation in Bougainville is partly a responsibility of Australia's previous administration. The involvement of Sandline and all of that was entirely inappropriate, and we publicly supported Mr Downer's stance on that. I think Australia has an interest in seeing not only from its own point of view but also from the point of view of innocent people on the island that the peace process is followed through with due care. Certainly we respect the sensitivities that would need to be maintained with the PNG government, but we also believe it is important that principles that relate to self-determination are clear in this.

Dr THEOPHANOUS—When we were there we had different views expressed to us about what the BRG was and what its role was going to be in the future. Have you received representations on this, or do you have a position on this issue?

Mr Brown—No, we do not have a particular view on it. We have a view on process. And, just reinforcing what Jeremy said about the particular position that we would be recommending, the original Burnham agreement, which is in the annex of the delegation's report, mentions very clearly that we are ensuring that the people of Bougainville freely and democratically exercise their right to determine their political future. So what we are saying is very much in line with that. I think among Bougainvilleans there will obviously be differences, and there are certainly very delicate conversations and negotiations occurring. But, in terms of us having a particular position on the formation of the BRG and on different factions, we do not particularly have any, apart from the process that we have already mentioned.

Dr THEOPHANOUS—What do you make of statements like the one made by the council chief on Buka who vows to boycott polls? The chairman of the Leitana council of elders said that the Buka people will not take part in forthcoming elections. In the light of statements of that kind, what would you suggest would be the position of the Australian government?

Mr Hobbs—It needs to be patient. I think you are always going to get those kinds of calls being made publicly. No-one is saying that this is an easy process. Just as in the East Timor situation, which we are very closely following—we have a strong interest in that as well—you are going to have a lot of political posturing. We do not have a view on that.

Dr THEOPHANOUS—Have your workers on the ground observed events taking place leading up to the election—arrangements for the elections and that sort of thing?

Mr Brown—We work through local organisations, so basically we are relying very much on receiving information from people like Helen Hakena from Leitana Nehan. Her position has always been that the chiefs should be participating in the election. That is her position, and certainly the position of the other organisations that we have supported in central Bougainville is very much in favour of Bougainvillean elections. So, in terms of observers on the ground noticing preparations prior to the election, we really rely on our partner organisations.

Dr THEOPHANOUS—So you have no information—especially, for example, in the central area that you talk about with very great interest—as to whether preparations have taken place or whether they are adequate for the elections?

Mr Brown—I defer there to Mr O'Keefe.

Mr O'Keefe—I can only say that the parties that we have been in contact with and with whom we spoke on our visit are very committed to the process of negotiation. It is very clear from people like Helen Hakena that people are working overtime to bring parties together and to mediate. On one of the days that we were present in Buka, Helen Hakena and other women from the Buka area had been up all night in a 24-hour meeting with the chiefs and other parties to try to bring them together, and I received a report on Friday that the Buka chiefs had actually agreed to take part in the election process, which is quite a breakthrough.

The impression that I have got is that people are very positive about the election process. They are working incredibly hard to try to resolve differences and to include all parties, and I think it is very important to try to support that process. One of the problems that has arisen is the communication difficulty between parties. It is very important that the Peace Monitoring Group and the Australian government support the transport of the leaders and the chiefs and continue to bring them together to talk.

People were very positive about the election. From the reports I got on Friday, there has been a very good response to the calling of the poll. There have been a lot of nominations—something like 400 people contesting—and it seems as though every party is now involved in that process.

Mr PRICE—Are there going to be international observers at the election?

Mr O'Keefe—The BRG, or the constituent assembly, are calling at the moment—again, this was a report on Friday; and it is all happening very quickly—for some sort of international team of observers. But that, again, will be dependent upon the will of outsiders, and that will need to be supported. But there was a formal call on Friday. I have not seen any response to that as yet, but they would like there to be some sort of team of observers.

Dr THEOPHANOUS—Is there a firm date for the election?

Mr O'Keefe—It is 24 April, I think.

Dr THEOPHANOUS—Because we were given an earlier date when we were there. But, anyway, is 24 April firm now?

Mr O'Keefe—I am pretty sure it is 24 April.

Mr PYNE—In your supplementary submission—or maybe it is in your submission—you talk about civil society in Bougainville. In the last 18 months since the cease-fire has come into place has there been an emerging civil society or the structures of a civil society that previously might have been in existence over 10 years ago that went into abeyance because

of the civil war? Is there evidence that those people who previously were leaders in the community in the peaceful times have taken up where they left off, or is there basically a wasteland in terms of civil society?

Mr Brown—We have seen over the 10-year period that a lot of the leaders who were part of the Bougainville social and political scene have maintained leadership but in other forms. They have actually looked for other spaces in which to demonstrate that leadership. Certainly in central Bougainville I was very impressed by the number of professional health workers, education workers and social scientists, for example, who had originally come from that area and had been working either in Moresby or in Arawa or in some other urban centre and had gone back to central Bougainville and spent those 10 years working, using their knowledge and their skills, to develop a different kind of system—and, really, more than a survival system—a system that actually looked to generate an approach to health and education that was able to support itself and to actually generate new ideas in things like alternative technologies.

A number of people who were leaders in the whole area of electrical engineering went back and have set up a series of mini hydro-electric schemes so that the area which was blockaded actually had power—certainly, enough to run small generators and lights and stuff like that. So there were people who were leaders, who were part of what was a civil society, even though it was not expressed through the normal mechanisms and structures that were effectively dismantled during those 10 years.

Since the cease-fire, I think there has been a slow recovery of ground, but because of the history of the peace process, people are still very wary about going back to the same structures. This is the point of our submission: whether it is a system of district administration, government or education, there are quite a few different models around now; and people who have come back, for example, to central Bougainville are not going to say, 'I am going to go back now to Arawa.' For a start, there is not a structure for them to go back to. But at the same time they have become very wedded to and very involved in the development of these new structures.

Over the last 12 months, a number of small women's organisations have appeared, to try to make the most of the fact that many donors are interested in supporting women. We say there needs to be some caution in dealing with those organisations, because some of them do not have a whole lot of connections to communities and to their grassroots. They are figureheaded by key women but I think we need to proceed with caution. I do not see that as a real emergence of a new sort of civil society. I think that it is actually the development of organisations to try to fill a gap in an ongoing system, but I do not see it as representing a really strong civil society. I think the fact that we have less fear, and people are able to meet and be part of an ongoing, very Melanesian process of reconciliation in dealing with trauma is very positive. That is laying the basis for what will be a strong civil society.

Mr PYNE—What about in economic terms? Obviously, Bougainville was a very wealthy province before the civil war. I did not have the advantage, unlike some of my colleagues here, of going to Bougainville on your recent trip—

Mr PRICE—We all voted for you, Chris.

Mr PYNE—I did not stand, thank you Roger; I know you would have voted for me if you had had the chance. In terms of economic civil society and the chambers of commerce and organisations like that, is there any suggestion that they are taking a role in trying to rebuild the economy of Bougainville? Or is it still too nascent for them to be taking a serious role in the process?

Mr O'Keefe—I think discussions about economic development is something that has been postponed, from what I can gather, from within the negotiation process. The leaders have concentrated on resolving a whole range of other political issues and reconciliation has been the main objective of that process. From the impression I got, it seems there has not been a lot of discussion about what sort of model of economic development will take place in the future. People are now talking about it and the constituent assembly has put together a strategy which they see as something that will happen after the election. I think that there are still some differences about models of economic development.

In central Bougainville, while it is recognised that there is a need to develop Bougainville economically, there are a lot of views about the model of economic development which took place in the past. There is a strong vision, in that area anyway, that Bougainville's model of economic development should be community based. They want to avoid the sorts of problems that caused the crisis in the first place. They are talking and thinking about small scale community managed types of economic development, such as plantations owned at the village level and managed at the community level.

I think there are probably some differences between the approach in the north, in the government held areas where there still is quite a strong cash economy, compared to central and southern Bougainville where people have been living in a type of subsistence economy throughout the war. But in that area they believe strongly that they have learned from that experience that they can survive economically through a model of self-reliance and through small-scale development rather than big commercial operations that create the sort of social and environmental problems that occurred beforehand.

Mr MARTIN—In any of the discussions that you have held, has there been much emphasis placed on Bougainville Copper's future; and secondly, and as an adjunct to that, on the potential mineral development that might take place other than Bougainville Copper—which, I understand, has been proven as a way of enhancing economic development within Bougainville generally and not just confined, say, to the mine's present location?

Mr Brown—We have heard a number of different opinions on this—I am sure you have too—again, they are linked to the geographic area. Quite a few people in Buka are saying to us, 'Yes, we have got to reopen the mine. That is very important for our economic development.' People in central Bougainville are much more inclined to say, 'It is not on the agenda at this stage; we have to resolve our system of administration, government and delivery of services before we even talk about that; and we need to talk about how that fits into a strategy for economic development for Bougainville which we, as Bougainvilleans, will decide.' So there are those two—if you like—quite stark opposite approaches.

Mr MARTIN—But can't the delivery of services be effected by an appropriate economic opportunity that might be there? The economic cost that exists for the island

community itself is alleviated with mineral exploration and development to provide foreign revenues which, in turn, then go to the delivery mechanisms of services which enhances, therefore, economic opportunity.

Mr Brown—I have no argument with that. I am simply reporting that the people in central Bougainville were saying very clearly, 'We are not going to go down that path yet because what happened with the mine is a very controversial issue.' When I say 'the people of central Bougainville', obviously there are a lot of nuanced opinions there too; I do not argue with your point; I am simply reporting.

Mr MARTIN—Who tries to influence those opinions though, across the island? You say, for example, that in Buka there might be a stronger view that the mine needs to be reopened and for other mineral exploration to take place. As you move to central parts of Bougainville itself, people are more concerned about subsistence forms of agricultural pursuit and community based economic activity. Who is trying to influence those options across the development spectrum?

Mr Brown—The point about it changing in central Bougainville is very much linked to what the mine did in that area. People in communities have seen the effects of the mine not only in environmental damage but in disproportionate accumulation of wealth, which goes against a whole model of how wealth is distributed in Bougainvillean society; and in a lot of other issues which other people are much more qualified to talk about. I think the issue of influencing opinions is part of the debate. One of our recommendations is to actually bring people together so that those kinds of debate can be held—so organisations, which are traditionally non-government and close to communities and village elders, are able to have those debates face to face—because they have not been able to.

Mr MARTIN—Why? What is the basic difficulty about doing that? Australia has its peacekeeping operations over there and it is costing Australia considerable sums to keep them there, and ostensibly peace is there. From your perspective, what is the fundamental problem with getting those identified leaders together to sit down and do that?

Mr Brown—I think it is not seen as a priority at this stage in the AusAID program because it involves quite a bit of spending on transport—on flying people around and bringing them together. There is the consultative mechanism to actually set up those discussions. People all over the island whom we talk to said, 'We want to be able to talk to other people. We want to talk not just about the way they have practically dealt with problems in the communities but about what vision they have for the future,' which is really about that question.

The problem is that we have not seen it high enough on the agenda of priorities. We have been looking at other things. We have been looking at consultation between identified leaders about government, about when the elections are going to be held and about what the BRG will be. It is almost as if those discussions about policy have not been thought about. Ironically, the women we spoke to had thought about them much more than the men we spoke to. We had a number of women saying, 'We're very worried not just about this BRG thing; we're worried about what kinds of strategies we're going to have as a people, whether

we're an autonomous province or independent. We are worried about those debates occurring. Can you give us some help?' That was certainly something they asked.

Mr MARTIN—But not everybody is going to participate in those elections on 24 April either. So if you cannot get everybody agreeing first and foremost that they are going to participate in elections to have a government of sorts, how then do you proceed down the path of the next process, which is consideration of policy issues?

Mr Brown—One does not preclude the other. I think—

Mr MARTIN—But it has so far. If people have been worried about what sort of government they are going to get and the process of electing that government and bringing the appropriate community leaders together to hold those discussions, it seems to me from what you have said that that has precluded discussions of policies. If everybody is still not going to participate in that, when do we get on the table the policy issues?

Mr Brown—No, what I was going to say is that it has not precluded discussion of policy amongst people who are close to each other, such as within communities or organisations. Across organisations within the same factions, there have been those discussions. What has not happened is that those discussions have not been broadened out across Bougainville. So there are people who do have ideas—particularly some of the key women—but they have not been able to talk those ideas through with different groups, whether they are from Buka, Buin or wherever.

Mr MARTIN—It sounds like a Labor Party conference of the 1960s.

Mr Hobbs—We would not want to comment on that. I would make the point, however, that to push the economic argument about the mine prematurely is probably not helpful. We are involved in a lot of work with mining companies, including Rio Tinto. They acknowledged very frankly with us that they handled that situation extremely badly. I think they are on the public record as saying that. I think to push a focus on the mine and on minerals when people are still trying to work out basic peace processes would be premature. We are not opposed to mining at all—we are not opposed to that kind of business—but we are very aware of some of the negative consequences of insensitive community relations between mining companies and local communities.

Mr MARTIN—What if there were different owners in some form or other?

Mr Hobbs—Frankly, Rio is one of the better. The large Australian mining companies do not have a fantastic record, but they are more conscious of environmental and community standards, partly because of what has happened in places like Bougainville and Ok Tedi. We are having a very solid debate with a number of those companies about a constructive approach to community relations and environmental questions. So I think it would be a shame to muddy what is obviously a fragile political process with those economic questions. Certainly, they should be on the table for later.

Senator SANDY MACDONALD—Mr Hobbs, in your opening statement you said that you felt there should be less AusAID emphasis on major projects. I am not saying that that

might be regarded as gratuitous advice. I am asking you this: if it were not for AusAID, who would build the new Bishop Wade High School, who would fix the Buka airstrip, who would build the hospital that has been destroyed? These are major projects which need to be done, and it is unlikely that NGOs or other aid organisations could be in a position to do that. That sort of view is quite headline grabbing—that our major project initiatives in Bougainville are unsatisfactory.

Mr Hobbs—Let me clarify my comments. I said that we welcomed the Australian government's support for the peace process and for aid delivery. We are concerned about an undue emphasis on infrastructure, and I think that really is a question of balance—that when you have large infrastructure spending, you also look at the local level. That is about perceptions on the ground. BOCBIHP has done amazing things with no support from anyone. We actually went to the British High Commission for money because we could not get it from AusAID. If you cannot support people in central doing things that are meaningful directly to them but you can find money to repair the docks, the roads or whatever, that sends a signal. All we are saying is that that needs to be balanced.

We are also saying that we need to be careful about not creating a honey pot. Let us not create the perception that Australia is going to fix everything, and let us not create aid dependency. I think that is a fundamental point. It is very interesting that communities on the island are saying, 'We don't want to be dependent. We don't want to be in the mendicant position of some of our colleagues in Papua New Guinea.'

Senator SANDY MACDONALD—I think you are absolutely correct in that, but they are also saying, 'We don't want you to leave either.' So it is very hard to fight that sort of view.

CHAIR—It is funny. One of the lines we got was that, until the roads are fixed, until the infrastructure is there, nothing can happen. A lot of them seem to see that as a priority and that is a really big one.

Senator SANDY MACDONALD—I think you are right, Chair. In terms of the priorities of health, education and transport infrastructure, I cannot see who else is going to do it. I am not discounting the points you made, Mr Hobbs. You have to encourage goodness in society, and that organisation you were talking about is one of those that does that. It is a very helpful preserve of NGOs to do that.

Mr Brown made a point quite separate from that. He said that one of the problems of the mine was the disproportionate accumulation of wealth. Are there some very wealthy traditional land holders? Is there a lot of money that has been hidden away or taken out by individual people? Is there any money still left there?

Mr Brown—I am not really in a position to give you a good answer on that, apart from what was reported to us—that is, a number of the communities were very concerned that a small group of landowners had been paid quite high sums of money in compensation for the use of their land, and that money, because it was such a huge amount, had led to some changes in the way wealth has been traditionally distributed. There is a traditional approach

for people to share basically what they have at the village level. That was reported to us. I do not know if Mr O'Keefe has something to add to that.

Mr O'Keefe—No, I am sorry. I cannot add anything.

Mr PRICE—Are you involved in the other 19 provinces in PNG?

Mr Brown—Yes, we have a Pacific Program, a major part of which is supporting organisations throughout PNG. Some of those organisations are national NGOs that operate throughout all of the provinces and some of them are local organisations, such as a major one in East New Britain and East Sepik. We also have quite a large emergency program in Aitape.

Mr PRICE—Are you surprised that all the Australian aid for Bougainville is coming out of the PNG budget and that effectively we are not investing one extra dollar in peace in Bougainville?

Mr Hobbs—No, we are not surprised. We are aware that possibly money that was destined for Sudan is now going to be destined for Kosovo. That is quite common. We always argue strongly that there should be extra money. We represent to a lot of you gentlemen and Vicki about the need for increased Australian aid and better Australian aid. We do that regularly. I am sure you are aware of our submissions. The reality of life is that often money is swung from one bucket to another. We obviously find that disappointing.

Mr PRICE—So at least in theory it is possible that PNG budget aid could be swung into East Timor?

Mr Hobbs—I have no comment on that.

Mr PRICE—Isn't one of the problems of Bougainville that AusAID really is the biggest game in town whereas in other situations there has been a much more multinational approach to reconstruction after a war and that AusAID really has no experience at being the biggest act in town?

Mr Hobbs—AusAID are the biggest act in PNG as well, so they have experience but not in an emergency.

Mr PRICE—But in a postwar reconstruction context?

Mr Hobbs—Sure. I also think that the particular cultural context is different. Obviously some outcomes reflect that inexperience. That said, certainly our discussions with Mr Downer and with senior AusAID people are that there is an awareness of the potential issues that we have been raising with you this morning. I think there is perhaps a lack of experience in how to actually manage that out. Frankly, we share that inexperience. We have not been in that situation in the Pacific either.

Mr PRICE—In the interim report at the top of page 20 we suggest four areas of priority for aid. Would you agree with that order?

Mr Hobbs—We believe that, with the addition of your comments about the need for aid delivery, small scale projects at 2.70 balance the comments we have been making.

Mr Brown—I do not think we would have any quarrel with those sectors in terms of priorities. What we would be interested in knowing in unpacking them is seeing how that is going to be delivered. The point we are making quite clearly is that there are different ways of delivering in the health sector. There are different ways of delivering in education.

Mr PRICE—When you were in Bougainville, were you transported by the PMG, the Peace Monitoring Group?

Mr Brown—No.

Mr PRICE—So you had to hire things and so on?

Mr Brown—Yes, we had to hire the chopper and pay for it.

Mr PRICE—How many NGOs would be in Bougainville?

Mr Brown—Local NGOs or international NGOs?

Mr PRICE—International.

Mr Brown—Roughly, there is the Red Cross, Oxfam New Zealand and quite a few international NGOs that are funding through, but I will not include those. I will include ones that actually have a presence. It would be ADRA, Oxfam New Zealand, Red Cross and OSB. That is probably about it—four.

Mr PRICE—And the local ones?

Mr Brown—If we include a lot of the nascent ones that have come up in the last year, we would probably have—

Mr PRICE—Are they marketing ones?

Mr Brown—They are the ones I said we needed to treat with caution as to where they are coming from.

Mr PRICE—The ones who say, 'We've been to Bougainville. Here's our photo,' and they are out again?

Mr Brown—There are those too, but there are probably half a dozen local ones, maybe a bit more than that. We have the Bougainville Interchurch Women's Group. It depends how we classify them. At the village level, there are a lot of small community based organisations that exist around the church's functions or they exist linked to a certain social group or activity. Most villages have a group, whether it is a group of women, who meet together to talk about particular issues related to home economics or management.

Mr PRICE—So has there been a meeting in Bougainville of the international and local NGOs?

Mr Brown—Not to my knowledge; not at all. What has happened is that the CDS—the Community Development Scheme that Jeremy mentioned earlier—had a meeting in Buka and tried to let people know that they were having this meeting. A number of mainly Buka-based NGOs attended that meeting.

Mr PRICE—How would your people on Bougainville interact with the PMG?

Mr Brown—When we were there we visited the PMG. We have good relations. One of our staff workers who has been on leave and working with OSB for the last six months has also had contact with the PMG. But we do not have a recommendation relating to the PMG in our submission.

Mr PRICE—But they would be in contact with your people who are outposted, as part of their responsibility?

Mr Brown—Not necessarily, no. I am not aware of any formal mechanism by which there can be exchange of information between the PMG and people. It is more informal—like courtesy visits.

Dr THEOPHANOUS—Have you seen the submission presented by Judy Eagles, CAA's Pacific Program Coordinator and other District Development Officers working on the ground in Bougainville?

Mr Brown—Yes.

Dr THEOPHANOUS—Would you like to comment on that submission?

Mr Brown—I would prefer not to comment on it, simply because it was written in her capacity on leave from the organisation and working as a District Development Officer. Perhaps the only comment I will make is that there are things in there which are really echoing our original submission and there are other areas which they go into more detail about and which we do not have a particular position on. I do not know if one of my colleagues wishes to comment on it.

Dr THEOPHANOUS—Does the CAA have any direct input into the District Development Officers project?

Mr Brown—No.

Dr THEOPHANOUS—What mechanisms would you suggest for concreting cooperation and dialogue between the Australian government and the NGOs working in Bougainville?

Mr Brown—One of the recommendations we have made is that AusAID looks seriously at supporting a forum of NGOs from different parts of Bougainville which can meet together to work on specific exchanges of information related to overcoming practical problems and

at some of the broader issues that are facing Bougainville society. That is one of our recommendations and I think it would be a very worthy initiative for AusAID to support.

Dr THEOPHANOUS—What about at the more central government level?

Mr Brown—In terms of coordination of aid?

Dr THEOPHANOUS—In terms of working together, exchanging views about what is going on in Bougainville and so on. Are you satisfied that there is enough interaction between yourselves and, for example, the Department of Foreign Affairs about these matters?

Mr Hobbs—The Australian Department of Foreign Affairs?

Dr THEOPHANOUS—Yes.

Mr Hobbs—We work through AusAID with direct representation to the minister; so far it has been satisfactory.

Mr PRICE—Do you have a view about disarmament and the process of disarmament?

Mr Brown—Obviously disarmament is very important. We understand that many people from the BRA are saying they will not disarm entirely until the PNGDF leave Bougainville. I do not think we have a particular organisational policy position on whether disarmament should occur prior to that or in line with it.

Mr HOLLIS—It was put to us that it would be pointless because if disarmament were made compulsory, people would wrap the weapons in plastic—as they do in Australia—and bury them until an appropriate time, when they could dig them up and use them. One of the points put to us is that people are saying there can be no process until disarmament is achieved and it is pointless going ahead with it. Other people said to us, 'You have to be realistic. Why push it when you know it is not going to happen? It is better to go along with the flow.'

Mr Brown—I do not have anything to add to that.

CHAIR—Thank you very much indeed for your attendance today. If there are any matters which we need to follow up I am sure the secretary will get in contact with you. The committee accepts submission No. 22B from Community Aid Abroad and exhibit No. 9, the Bougainville Copper Ltd Annual Report.

[11.44 a.m.]

ARMSTRONG, Mr William, Chief Executive Officer, Overseas Service Bureau

JESSEN, Ms Patricia, Senior Manager, Papua New Guinea Program, Overseas Service Bureau

SYDER, Mr Martin, Project Manager—Bougainville, Overseas Service Bureau

WISE, Mr Keith, District Development Officer, Overseas Service Bureau

CHAIR—On behalf of the subcommittee, I welcome you. 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 do so, and the subcommittee will certainly give your request consideration. Although the committee does not require to you give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and, therefore, have the same standing as proceedings of the House itself. I invite you to make a short opening statement, if you wish, before our proceeding to questions.

Mr Armstrong—I will make a brief opening statement. First, I would thank the committee for giving us the opportunity to make a submission. Our organisation has had a long association with Papua New Guinea and Bougainville; I think we sent our first Australian volunteer to Bougainville in 1964. I personally came across the issue of Bougainville and the Bougainville people's desire for self-determination as far back as 1964. At that time I had quite a lot of contact with students from Bougainville who were studying in Papua New Guinea; in those days, they were studying at the Catholic seminary.

It is our firm belief that the situation for the Bougainville people has probably not changed. While a lot of good progress has been made, particularly with respect to the peace process, I believe that we have to be very, very careful not to read that as having changed the Bougainville people's desire for a process and a form of self-determination if not, in the long term, independence. I think anyone reading it in that way will misunderstand what has been happening in Bougainville.

I realise that this is a very delicate debate for the Australian government, because the Australian government needs to weave its way between its loyalty to its closest neighbour Papua New Guinea, the government of Papua New Guinea, and its loyalty to the people of Bougainville. It is a delicate process. It is a process that will not be easy, and it has not been easy up to now.

We believe that it is very important for Australia to use this opportunity to build relationships between ourselves and the people of Bougainville at as basic a level as possible. We believe that this opportunity is there now for us.

Our concern as an organisation is primarily to look at the whole question of reconstruction and rehabilitation. Fundamental to that is, in our belief, the need for us to work as closely as possible with civil society and civil authorities in Bougainville, and to be able to work with the people to increase and develop what they have in recent times

developed themselves: an independence and an ability to be able to look after themselves at that local community level.

A real danger exists at this point in that I could wax—I do not know whether it would be—lyrical, but I could say quite a lot about Cambodia, having watched the international community come right over the top of the Cambodian people, and right over the top of local community organisations and groups, and destroy the grassroots of what could have been a massive and tremendous reconstruction; they come in too heavy, too big and too large. I think that is a huge danger that we have with Bougainville. Perhaps Mr Syder could very briefly talk a little more about what we have been involved in since making our original submission in June of last year.

Mr Syder—It is a pleasure to have the opportunity to make a brief presentation to you today. I first travelled to Bougainville in 1996 to visit various OSB personnel working in a number of projects there. Since June of last year, I have been back to the province on four occasions. During those journeys I have had the opportunity of speaking to a whole range of people: from those who are very senior political leaders, right through to people at the community or grassroots level on Bougainville. So it has been a very interesting experience and opportunity that I have had.

One of the reasons for my travelling to Bougainville quite consistently in recent months is that I am the project manager for the Bougainville District Development Officer's Project, which is an AusAID funded scheme. The scheme was a pilot project, and its first phase has just been completed. Essentially, it involves five personnel working at the district and local government level in Bougainville.

The aim of this project is to strengthen the capacity of local government in Bougainville: to assist with restoring government services; to assist with training district personnel in administration; and to re-establish administrative systems in Bougainville. The five people working on the project are all based in central and southern Bougainville. From that point of view, it has been a very interesting exercise because the Overseas Service Bureau and, indeed, AusAID have not really had personnel working for long-term periods in that part of Bougainville for quite some time. The project itself has brought to light a lot of information about what is happening at that level, and the various needs, in Bougainville.

I am not sure how much time we have left to continue this discussion, or whether you want to start questions. But, essentially, there are a couple of things I would like to say.

Firstly, with respect to the Peace Monitoring Group, I applaud the Australian government for funding the ongoing activities of this group. I think it has been absolutely crucial in its role of facilitating the peace process in Bougainville. Sometimes there is a bit of tension between aid agencies and the Peace Monitoring Group. But in my travels to Bougainville, they have been really helpful to me.

One of the major issues for setting up reconstruction and development programs in Bougainville is the lack of telecommunications, particularly in south and central Bougainville. PNG has a satellite telecommunications system; we have established a formal relationship with it, and it has facilitated us with the use of that system. That has been

extremely helpful in terms of maintaining communication and reporting back to AusAID on our activities.

Firstly, I do hope that Australia can continue to facilitate the smooth running of the peace process through the PMG. Secondly, with respect to a lot of AusAID programs, and particularly the larger infrastructure style programs that AusAID is now beginning to fund in the province, I note that AusAID seeks to involve local labour and tries to build the local capacity. I think that is extremely important.

There is often a misunderstanding, I think, that AusAID is coming in, essentially using Australian companies and not really involving the locals in the process. We could probably debate that for the rest of the day. But essentially, I think it is important that, wherever possible, we seek to use local capacities and employ local labour in the implementation of these projects. I know that AusAID is attempting to do that.

That is not an easy process; in fact, it is a process that may well slow down the delivery of some projects. However, I think that the whole process, the way in which you go about doing things in Bougainville, is essential if you want to achieve sustainable outcomes. I might just leave it at that, and I would be more than happy to take questions.

CHAIR—I will go back immediately to your statements about the Peace Monitoring Group. Universally it has been transmitted to us that it has done a tremendous job. You are now saying that you want to see that group continue. How long does it have to stay? If there is no timetable for its withdrawal or gradual wind down, do we defeat its purpose in that part of its reason for being is to push the peace process along?

Mr Syder—I would not want to put a number of months or anything like that on it. I think it is important that that group stay at least until the Bougainville Reconciliation Government has been established and had a bit of time to find its feet, as it were. The other important factor is the training of a locally staffed police force; I would not want to see the Peace Monitoring Group leave before that happened.

There have been various sorts of timetables for the implementation and training of a locally staffed constabulary. I know that because of a lack of resources, lack of capacity, logistical difficulties, and so on, those timetables have not been stuck to. It seems that that process is becoming more and more drawn out. But, until those two factors have been dealt with, it is important that the PMG be around.

CHAIR—One of the real problems is recurrent funding, isn't it, with organisations such as a police force? Should Australia get involved in that, or should we try to have some sense of responsibility for the locals and/or the PNG government?

Mr Armstrong—A fundamental question is involved here. It is the kind of moving from that policing situation to the development, reconstruction, rehabilitation phase that I think is an extremely difficult one. It is exactly the same when you go from emergency relief to development: you leave a hole, you leave a gap. Often the two processes operate on different philosophies. We have to look at that very closely.

Personally, I do not know enough about the Peace Monitoring Group and its day-to-day activity. But I would like to see our working with them to make sure that the philosophy that underpins their operation is community based, civil society based—exactly the same philosophy that underpins the development programs that are coming in and will come in following that. At some point in time, I do not see anything wrong with Australia assisting in the training and development of local authorities, human rights and policing authorities at all, as long as they are rooted in the local community.

CHAIR—Just for the record, could you give us a bit of a list of what projects you have going on in Bougainville at the moment?

Mr Armstrong—Yes. In our June submission, we listed the involvements at that particular time. There is a contract that we have with AusAID called the 'PNG/Australia Volunteer Medical Personnel Project'. Currently, we have one person working under that at Buka hospital.

CHAIR—Whom we have met.

Mr Armstrong—Yes. We have just signed an agreement with AusAID for a project called 'Bougainville Haus Moni', which is a micro-finance and micro-enterprise project. Four pilot groups have been established in different locations throughout Bougainville; people are being trained in financial management and establishment of financial cooperatives, and so on. Just last week, a work supervisor went to Bougainville to begin work on reconstruction of health centres in Arawa, Buin and Wakunai, under a contract called 'Medical and Allied Personnel Project'.

Then there is the Bougainville District Development Officer's Project. Up until last week, that project involved five personnel. One person, who is based in Wakunai, currently is still in Bougainville working on that project; others have returned home. AusAID has indicated that it wants that project to move into a second phase. So we are currently working on some design issues, and we are sort of re-evaluating and redesigning that project at the moment. Pat Jessen might want to talk about our Australian Volunteers Abroad who are there.

Ms Jessen—There have been a number of Australian volunteers under the AVA program. Phillip Miller has worked with the Peace Foundation Melanesia. Since January 1997, he has been there working with local communities and conducting training workshops in conflict resolution, lifeskills and community planning. As of June or July, when this submission was written, I think they had conducted 68 of those workshops. He has worked with both the Bougainville transitional government and the interim government, and with church organisations, local government organisations and communities in Bougainville.

We have had two vocational education people help construct a vocational centre based in Tinputz and on Nissan Island; they were up there for 12 months and have now returned. In January this year, we sent two high school teachers to Hutjena High School. Also, we have one Australian volunteer working with the Catholic diocese, coordinating the work of the church with the local communities, based in Buka.

CHAIR—If this is not an unfair question, could I ask: have we had any disasters?

Ms Jessen—None.

Mr Armstrong—Are you talking about us?

CHAIR—No. Do some of these programs work better than others?

Ms Jessen—Depending on your definition of 'disaster', with the personnel we have had stationed in Bougainville—both north Bougainville and now, in the last year or so, central and south Bougainville—from a security point of view, to my knowledge anyway, there have been no problems. I think the major constraints that have faced the people working there have been lack of resource difficulties.

For example, with the vocational centre, our person turned up on the first day and something like 80 people just walked in; they wanted to be involved in the vocational centre. But there was nothing there, except the bare frame. Our person working at that centre had a very difficult time. But after 12 months they had got things moving. A local person has taken over and there is the potential there to carry on that work. Similar things happened on Nissan Island. The set-up which the worker originally was to go into was not workable, so he connected with the local high school. I think the major constraint is the lack of basic resources.

Mr Armstrong—One of the problems, which is a general problem, is moving again from those small scale projects—individual people doing a magnificent job at that level—to the next stage, rather than moving from that stage to the large scale infrastructure. In general terms, that is a problem within our Australian aid program that we really need to face.

When we talk about lack of resources in these cases, we are not talking about large amounts of money; we are talking about small injections of money, which are very, very difficult to handle bureaucratically. But there is a linkage problem in there—and I believe it is the same in Bougainville—in that money is not, I do not think in the short term anyhow, the problem. The problem lies with ensuring that that money and those resources are given in such a way that they can be used appropriately to build on what is already there, rather than swamping what has already been done.

Dr THEOPHANOUS—You refer in your submission to concerns that you have, and you list a number of them. I just want to ask about two: one is the need for the peace process to be on a much firmer footing; the other is the need for greater community involvement in rebuilding their future. I assume these two are interrelated, anyway. Can you comment further on that? What do you mean by 'much firmer footing' for the peace process?

Mr Armstrong—I think that what we really mean by that is—again, it is coming back to what I have been emphasising all the way through—that it has got to be very much based on a relationship that is built with the local people, that it has got to be built on the processes that over recent years, because of necessity, the local people have actually themselves established. They have established their ways of doing things. The peace process has got to build on that and gradually and slowly assist Bougainville and the Bougainville people to rebuild contact with the outside world, which I presume also means with the rest of Papua

New Guinea as well as with Australia and the international community. It is a delicate process, and it is a process that needs a lot of—I cannot think of any other term—'grassroots discussion' and talks, sitting with people, listening to them and understanding where they are coming from.

The peace process operates at many levels. Of course, it has to operate at the macro level, but it must also operate at the grassroots level, at the community level. We hear nowadays a lot of discussion about the building of civil society. Documents you read anywhere around the world talk about building a civil society. I am not sure that anyone has actually translated that into basic community development processes in which local people themselves are actually taking responsibility and control of their own lives in a process in which outside people can assist but cannot come in over the top and pretend to teach them how to build civil society; it is that kind of process that we are wanting to push. I do not know whether anyone else wants to comment.

Mr Syder—I would like to say a few words on that, Bill. We have brought with us a summary for the committee about the main points we wanted to make today, so I will just leave a few copies of that here. It is just a 1½ page document. One of the points that we have emphasised in that relates to the two issues that you have raised. We really believe that one of the most effective things that the Australian government could do from this point on is to establish some kind of mechanism to build capacity within the new provincial government so that that government can begin setting its own policy for aid, reconstruction and development.

I then believe that there would have to be some kind of mechanism established for coordinating the inputs of international donors and foreign non-governmental organisations in Bougainville. There is a lot of evidence starting to bubble to the surface now that Bougainvilleans are becoming a bit concerned about some of the activities of foreign agencies and foreign organisations. Some people are becoming frustrated. They feel that they do not have adequate input into the development activities that are going on in Bougainville and that they are not being consulted. Other people feel that there is some wastage going on with an overlapping of the work that some NGOs are doing. So I think that one of the most effective things that the Australian government could look at doing is establishing this process, mechanism, or capacity within the BRG so that they can establish policy. Then, building on top of that—

Dr THEOPHANOUS—Can you be a bit more specific? Are you suggesting that there would be officials from Australia helping in the actual training of the people in this government? I am just trying to get at what you are really saying.

Mr Syder—I would like to see what I would call a 'working conference' in Bougainville, which would bring together representatives from the new provincial government, representatives from international donor agencies and representatives from the foreign non-government organisations that are operating there. That working conference would establish a basic framework for policy. That framework would then be taken back to the Bougainville Reconciliation Government, and the appropriate personnel within that government structure would develop the policy. Then I think it would be important that they have the financial capacity to employ, I would say, at least two people in an ongoing

capacity to appraise against that policy all development proposals and projects that are going to be operating in Bougainville and to be also involved in monitoring and evaluating the impact of development activities in the province.

Mr Armstrong—And that directly could involve Australians working with the Bougainville Reconciliation Government as employees of that government—again, not as experts coming in, but as employees of that government with the technical skills to be able to assist the government to decide and to monitor its own programs. It would be very similar to a program that we are running throughout the Pacific at the moment called PacTAF, the Pacific Technical Assistance Facility. In other words, Australians would work within the structure and be responsible to the government itself.

Dr THEOPHANOUS—Mr Syder, on your suggestion, what would be the role of the PNG government in this? What if the PNG government takes the view that they should have a very big role in the determination of development projects?

Mr Syder—If I were charged with the responsibility of establishing some kind of working conference to set the ball rolling, the Office of Bougainville Affairs would certainly be involved in the process. Where it would go from there I am not 100 per cent certain. It is a delicate political issue; I acknowledge that.

However, I am suggesting this for two basic reasons. if Bougainvilleans do not have adequate input into development programs in their province, then those programs will not be sustainable. That is one reason. The second reason is that many, many Bougainvilleans right across the spectrum are committed to independence. A lot of people are not committed to political independence, but when they say 'independence' what they mean is 'We want a say in our education system and our health system, et cetera, and in how that runs and how that operates.' People will become frustrated if they feel that they do not have that say. So this is a way or a mechanism of providing that opportunity.

Mr Armstrong—I would like to add to that answer, because it is a very important point and it is a difficult one. Without sounding self-serving for organisations like ours, I want to say that it is possible for the Australian government to be one step removed from some of these processes by working through community organisations—as we did in Cambodia and Vietnam until such time as we had an official program. It is possible to provide that kind of technical assistance in this way. It is also possible for organisations like our own and Community Aid Abroad and others to work with some of our partners in the rest of Papua New Guinea. One of our partners in Papua New Guinea is the national volunteer service. It would be possible for us to work in partnership with them in a process like this. So there are ways of doing it other than doing it at that highly official and exposed level.

Dr THEOPHANOUS—Can you send us information about the Cambodian experience? That might be useful.

Mr Armstrong—Yes, we will.

Senator BOURNE—Ms Jessen, you talked about the re-establishment of vocational training and how both of those people, the AVAs, are now back in Australia. Do you think that that will be permanent and ongoing with the local Bougainvillean teachers now?

Ms Jessen—I believe so. There has been some assistance from GTZ, the German training organisation. They have specialised in vocational training in Papua New Guinea and have done training in Lae for some of the people in the Tinputz vocational centre. But there is obviously a great need to rebuild the vocational area, and it is certainly an area that our organisation is very keen to co-operate in in the future, because—as you would be aware—it is the youth that need to work and to rebuild and reconstruct Bougainville. It raises, as it does in Australia, the fact that young people need to work, and there is a great need for this.

In our work with the Australian volunteers program, it is the tip of the iceberg. But it was very, very early on in the peace process and we wanted to, I suppose, prove that we could make some headway in a very small way for something much bigger that could be instituted further along the line. Now is probably the time that the ideas for vocational education should be starting to be developed and implemented.

Senator BOURNE—Do you think that is happening?

Ms Jessen—I think there are some moves in that direction. Martin might be more aware of that from his travels. It is certainly something that we are very keen to focus on ourselves, but there have been piecemeal attempts from various organisations in Australia and New Zealand and I think there is interest from elsewhere. There could be something far more dynamic if the key players in this area were able to develop something together.

Senator BOURNE—So coordination of the international and local NGOs who are actually on Bougainville at the moment would be a key?

Ms Jessen—I think the whole question of coordination is absolutely crucial. It is to do with the NGOs and international donors, including ourselves, and also the coordination within Bougainville. There is a very important role and function to be had there.

Mr Armstrong—Could I just add to that. Often I hear people say coordination of the NGOs, and there is a separation then. Increasingly now, in a project like vocational training, we have examples where we are involved with other organisations. We have worked with RMIT and other universities. So there is a partnership relationship between the universities and organisations like ours in developing programs, and I think Bougainville lends itself to that.

So you have an authority that can give out the certificates, look after the accreditation and so on, and you have an organisation that is providing people, as through the volunteers program, within that program. So you have a marriage between the two. I plead with the committee to not compartmentalise NGOs, government and the commercial sector but to look at a way in which we can all work together much more than we have in the past.

Senator BOURNE—Do you think that is going to be ongoing? Have you seen any concrete evidence that more vocational education will be starting with help from Australia?

Mr Syder—I have not seen any concrete evidence that it is going to come from the current Australian funding for projects in Bougainville. I have heard a lot of people talking about it, both Bougainvilleans themselves and personnel within AusAID. I have some projects that I would love to be able to work on with local people. There is a very active group in Siwai that has land and everything set aside and they have plans for what they want to do.

There is also the work that was done by our volunteer in Tinputz. He has now finished his assignment there, but the work there needs to be ongoing. The Canada fund has provided a small amount of funding for the work to continue in Tinputz. Apart from those small examples, I do not see a lot of evidence of things happening on the ground with vocational education in Bougainville.

CHAIR—Could I just bring the focus around to Keith Wise.

Mr Wise—I thought I was going to escape.

CHAIR—You have just been there and done that. Could you briefly give us a run down of what your responsibilities were as the DDO? What were the greatest frustrations in your dealings with the Australian government? Have you got any specific areas where you think vast improvements could be made if relatively simple steps were taken by government instrumentalities?

Mr Wise—My responsibility as District Development Officer was working with local level government. There was a local level government officer there who was very active and I was initially tasked to be a counterpart with him. In explaining that duty, I could probably get on to the next question. One of the frustrating things was that the Bougainvillean people, quite rightly, are very suspicious of outsiders. It took possibly four to five months to develop a relationship where I was trusted enough to be consulted and get a better response from the people I was working with. So that was one of the frustrations in working there.

One of my big interests in the development of areas such as Bougainville is in the sporting area, so I did a lot of work with the soccer coaching program there. That was possibly my biggest impact on the place. I will not say that the administration role did not have its impact but, as I say, it took four or five months before people really took any notice of what I was actually tasked to do. Through that, eventually, I got through to some of the people and they realised that I had no hidden agenda and I was not there to look at mineral resources or things like that, because that is an area where they are very suspicious. Eventually I got a counterpart whom I could work with at length. He was also one of the soccer coaches so I got a great deal out of him and there was a great deal of interaction between us. His feedback to me was that he had gained a great deal of experience in leadership and managerial qualities, so in that respect, it was a success from my point of view. But in the early stages it was very frustrating because people had their own agendas. There was a lot going on in Arawa—a lot of politicking, a lot of meetings.

One thing I would strongly stress from my experience is that we come from a society that is very much based on getting results. With a lot of aid that comes from areas such as New Zealand and Australia, the people that put the money in and the organisations

themselves want to see results. They also come up with schedules and guidelines that are written by people who have maybe spent one or two days in the country that they are going to affect and they know very little about it. We cannot put ourselves in their heads, but we can at least try and look at it from their perspective. They are not as results-oriented as we are and things go a lot slower. That criticism came up a lot in chatting informally with a lot of the Bougainvilleans. They criticised many of the NGOs, governments and donors for pushing too hard and too fast.

I think we have to be patient. There is a lot of mending that has to go on. In 10 years a lot of atrocities were committed. It created a lot of problems and a lot of trauma for people. It is going to take a long time for these people to get over that. So many different people there have different ideas of where they want to go with their development. The donors and the NGOs have their ideas of development. We have got to look at the issue not as development so that they can become like this. I do not think there is one Bougainvillean who wants to become like this. They have got their own ideas. That is a very important thing, that we should be very patient.

CHAIR—You mentioned your affiliation with soccer. Is the re-emergence of sport happening to any great extent; and does the advent of sport act as a means of helping the process?

Mr Wise—Definitely. I think it is crucial to these people. It takes the focus off the problems that they have had in the past and are having now. They are very fanatical sports people. On any given Sunday, they are all down at what is left of the soccer fields—they are a little bit under disrepair at the moment—or the basketball courts and volleyball courts; but I think number one is soccer over there. In Arawa itself, I think there are 12 teams each with an A-grade and B-grade side. That is in a population of possibly 2,000 people. They are very keen on it. Because these people have a lot of potential in the sports area, I was trying to push the idea of having youth programs so you could combine the effect of building up their potential as internationally-recognised sportspeople with giving the children a focus—particularly in the ages between 10 and 15 where 90 per cent of their lives have been lived through a crisis situation, so they need that focus away from the problems.

CHAIR—I guess because of communication problems there would not be any interaction between the teams of Buin and the teams of Arawa. It would not have expanded that much.

Mr Wise—We are trying to mend that. It is a bit of a problem. It is mainly to do with transport. Word can filter through, but actually transporting a team to these various areas is difficult.

Mr Armstrong—That is a very important point. In our aid programs we often have great difficulty funding transport to allow soccer teams or basketball teams to go from one place to another because it would not be seen as developmental. Keith is reinforcing that—and he did this in Afghanistan with the disabled Olympics—in giving people back hope in their own lives and their own future, sport and recreation are probably far more important than jobs. It is often missed out when we start laying down criteria for giving assistance. In recent years in our organisation we have found how important that is in many countries. It is very

difficult to get financial support to do that. It is regarded as playing games. It is not playing games; it is giving hope back to the people.

Mr Syder—Keith has been a little bit self-effacing in talking about the things that he has been involved in. He was involved in a whole range of activities, including liaising with foreign aid donors and NGOs and assisting elders and communities and so on apply for grants to run community projects, and working with the councils of elders and assisting them to boost and re-establish their administrative systems.

The soccer coaching program that he organised is really interesting. It is something that he did in his own personal time outside his standard capacities on Bougainville. It actually involved bringing a professional soccer coach from the Victorian Soccer Federation. He went to Bougainville for five days. The interesting thing about this was that the Victorian Soccer Federation donated his time completely free of charge. Puma—or one of the big soccer manufacturers—donated 30 soccer balls which this guy went to Bougainville with. They also had training strips and everything. They had all the gear.

From reading Keith's reports and discussing the situation, I think one of the most significant things was that it involved 30 people from all around Bougainville who came together. In this situation, peace and reconciliation was taking place. The peace process was actually happening through this sporting event. People from Buka, people from the remote atolls, were mixing with people from the central and south areas—the so-called rebel areas—and living cheek by jowl with those people for five days, and doing something that they were all committed to and enjoyed doing.

That is the kind of role that sport can play in the reconstruction of a civil society in Bougainville. I certainly hope that AusAID will consider building on that process and doing more. It has been interesting to see the response that has come from the Victorian community. Keith contacted the Victorian Soccer Federation and they said, 'We think this is important. We will make a voluntary contribution to this process.' They have since indicated, because it was such a positive experience for them, that they want to make a further contribution in the future if it is possible.

Dr THEOPHANOUS—You would be aware of the submission from Julie Eagles and others to this committee?

Mr Wise—I spent this morning re-acquainting myself with the document; I had read it on one other occasion before this.

Dr THEOPHANOUS—Are there any points in that submission that you would like to emphasise to the committee?

Mr Wise—You may laugh when I bring this up, but there was an item that said PMG should stop handing out lollies and other things to children. It might seem very minor, but it is a small representation of a bigger problem. That was part of what I asked to be put in. They said, 'Okay, Keith, put that in.' It was basically because, walking to and from work, I get kids coming up to me calling me 'master' and putting their hands out and saying, 'lollies, lollies'. It seems very poignant to me: that is such a representation of one of the big

problems there and we as Australians are responsible in large part for the development of the hand-out mentality that is there in Bougainville at the moment.

Mr Armstrong—I can add to that. The whole example of road building is really important. Those who have known Papua New Guinea in the past would know that local communities were involved in building their roads. They were involved in building roads—we might call them tracks—that enabled them to take their goods down to the market. That again is what is necessary in Bougainville. The local people need to be involved in doing that work themselves, with money made available for the basic materials. Unfortunately, often when we start looking at road building we go in with the big machines and we build roads which are not used by the local people but by the government, the army and foreigners. We plead that that kind of example, where you are supporting the local people in building the road that they want by providing them with the basic materials for it, is a very important part of the process. That moves away from a hand-out mentality to one of involvement.

Ms Jessen—It is also a relevant development. Picking up what Bill was saying earlier about the ability to fund small projects, it is just so important in Bougainville. There is not going to be a lack of money. There is going to be a lot of money invested in Bougainville, but it has to be spent wisely and appropriately. Mechanisms need to be set up to enable small projects to be funded where community development work can really happen. We should allow organisations to come in for $5,000 or $10,000 or however much is needed to carry out the work that has been initiated by the local people—instead of overseas consultants putting up their hands for $4 million.

Mr Armstrong—One final word on that: we are not foolish enough to not recognise that there are a lot of agendas operating here. A lot of people see the peace process as the first step, if you like, on the way back to money, copper, mines and so on in Bougainville. They are very powerful forces and very powerful voices and they are not just inside Papua New Guinea. On the other hand, this process is seen by some Bougainvilleans as another step on the way to independence. Neither party, as far as I can see, has really got, at base, the interests of the ordinary Bougainville people. Rather than coming in over the top, where again the Bougainville people will have no say, Australia has a chance through its aid program, our relationships with the Bougainville people and our organisations in this country—like the soccer groups and the others we have been talking about—to do something quite unique in terms of reconstruction, and that is to go in at that local level and work with the local people so that they can ultimately decide whether they want to sell their copper or whether they want to be independent. Going in over the top has been the process I have seen most of my life in this field. This is a great opportunity for Australia to do something quite different with regard to aid and development, reconstruction and rehabilitation.

Mr Wise—I want to reiterate that point. The Australian government has a huge responsibility to take the role of protecting Bougainville from the self-seeking moves of some of the companies we are talking about. When CAA were talking somebody said, 'We are not against mining.' From my experience in the last six months in Bougainville, I am against mining. Most of the people in the street that I met in Bougainville would take a very strong view if anybody starting talking to them about considering opening up the mine again.

Mr Syder—I work very closely with the AusAID officers that are involved in the administration of the aid program to Bougainville and I believe that the government needs to boost its capacity in that area. I have a lot of respect for all the AusAID officers. I work closely with them and we have a good relationship. They work very hard; I think they are overworked. It is very difficult for them to adequately manage and administer the range of problems that are currently going on in Bougainville. Some of the smaller, more community based programs, are actually administratively more intensive and more time consuming than the larger projects.

Larger projects are put out to tender and a subcontractor will take over and report to you on a regular basis. Extra capacity is required to effectively administer some of the smaller community based projects. If you do not have the capacity you end up with very bad PR on the ground in Bougainville. Unfortunately that is happening at the moment. I do not blame AusAID or the personnel involved at all for that. Those people are overworked; they need more assistance at that level.

Dr THEOPHANOUS—Aren't you assuming in all of this that the political process of reconciliation is going to work? It is not just a question of outsiders; the Bougainvilleans themselves, at least in our observations, have quite significantly different views about what they want for their own future. It is not just a matter of saying, 'Get all the outsiders out and they will reconcile.' That has been tried. The situation is that, even amongst themselves, they have significant political differences and differences about the constitution and the relationship to PNG and things of that sort. I am not sure that one can simply blame outsiders.

Mr Armstrong—We are not blaming outsiders. There are political differences in Australia but people do have a say and an involvement. Building the capacity at the local level is one of the things outsiders can support a lot, so that people can have their say within a climate that is not at war, so that they are not being pushed by outsiders. The people on the ground can make decisions. The Bougainville people have been making decisions for themselves in lots of ways for years. Now they have to be given that space. It is not a question of outsiders being pushed out—outsiders have a role—but we want to try as best we can to ensure that people going into Bougainville are going in to work in partnership with the people of Bougainville in the best interests of the people of Bougainville and not of somebody else somewhere else—be it New York or Port Moresby.

Dr THEOPHANOUS—Fair enough.

CHAIR—Thank you for your attendance today. If there is anything we need to follow up, the secretary will contact you. We will send you a copy of the transcript in case there are corrections you wish to make, either in fact or grammar.

Proceedings suspended from 12.43 p.m. to 2.01 p.m.

COLE, Mr Jeremy, Program Officer (PNG), World Vision Australia

McDONALD, Ms Roslyn, Education Adviser, World Vision Australia

WALKER, Mr Roger, Senior Adviser, World Vision Australia

CHAIR—On behalf of the subcommittee, I welcome the representatives of World Vision Australia. 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 proceedings of the House itself. I now invite you to make a short opening statement, if you wish to do so, before we proceed to questions.

Mr Walker—We thank the committee for the opportunity to speak to our submission. We would like to add the brief following comments in addition to the submission we put in last year.

Regarding the peace process, independence, self-government or autonomy is still very much on the agenda and is now more advanced. The Bougainville Constituent Assembly, the BCA, comprising all factions is in place and elections for the Bougainville Reconciliation Government will be held in April. Yet there are still members of the PNG government, including some of the Bougainville members, who seem to be opposing the elections for the BRG, claiming that it is unconstitutional. Francis Ona has still not joined the process but Bougainvilleans continue discussions with him and places have been kept in the BCA for him and his representatives.

We believe that decision making has been impeded to date by the political uncertainty on Bougainville. Once elections are held and there is a common democratic, political voice for Bougainville, decision making and implementation will be more feasible. Political resolution will also facilitate the reconciliation, rehabilitation and development processes. Withdrawal of the PNG government defence forces and disarmament remain unresolved issues.

The Council of Elders is making more attempts at a local level to deal with the law and order problems caused or exacerbated by the consumption of home brew. Some of these problems need to be addressed through long-term development and employment opportunities as much as through punishments. The emphasis now must be on development, especially at the community level as well as at the infrastructure level, if the peace process is to deliver stability to Bougainville.

The Peace Monitoring Group, the PMG, continues to contribute to stability and should continue to build trust and engage in honest discussions with Bougainvilleans. We are not aware of any plan for the PMG's withdrawal from Bougainville but we still advise a withdrawal plan with indicators to be implemented after the elections and the establishment of the BRG.

Regarding the Australian aid program, there has understandably been much focus on the political processes to resolve the Bougainville crisis. To ensure a continuing peace and reconciliation process, it is essential that social and economic development, particularly at the community level, now be a major focus. The establishment of one elected political voice for Bougainville through the BRG can create both difficulties and opportunities for this development process and for Australian aid; the former if the PNG government does not recognise the BRG, the latter in that a BRG can facilitate negotiation, policy implementation and equitable distribution of aid.

The reality on Bougainville is that the process is as important as the task. Honest consultation with all groups on Bougainville is a prerequisite for rehabilitation and long-term development aid. We welcome the fact that AusAID has based a representative from its Port Moresby office in Bougainville to facilitate greater awareness of the situation and needs there. AusAID has also conducted workshops throughout Bougainville to help communities make the appropriate applications for program funding.

Acknowledging the importance of process is also to acknowledge the need for flexibility in program implementation. Capacity building based on the strengths and capabilities of the people should be an aid priority. Education and training should be a component of both government and non-government aid programs on Bougainville.

NGOs have extensive and particular experience and skills in human development, community consultation, process and program flexibility that are so necessary for appropriate aid programs on Bougainville. AusAID can use this NGO expertise to channel aid funding to communities on Bougainville, and World Vision is available to assist at the community level in helping in the long-term rehabilitation and development processes. Building capacity and giving hope, especially with things like micro-enterprise development, education and training—these are the things that the people are asking for.

CHAIR—Thank you. You put great emphasis on the importance of this election, and I think you just said in your statement that nothing is really going to happen until that is over. What do you see as the game plan following the election, which I think is now scheduled for 24 April?

Ms McDonald—I cannot really predict what will happen. As we have said and as you know, there are members in the PNG government and opposition who see the election as unconstitutional, yet there certainly seems to be very great support through much of Bougainville for independence or a lot greater autonomy from PNG. I find it difficult to predict what will happen and what the reactions will be. The elections are intended, I understand, as a preliminary to the setting up of the Bougainville Reconciliation Government, so this is just another step in that process. It is being taken slowly, presumably so that as much negotiation as possible can take place along that track.

CHAIR—I guess the Peace Monitoring Group, as much as ever, is going to have a role following the elections. You made some suggestions in your submission and said that they could be better informed and better deployed. Could you just expand on that and, if that is the case, what needs to be done for the PMG following the elections?

Ms McDonald—I must say that overall we thought the work they were doing was excellent. The Bougainvilleans whom I spoke to had very high regard for the Peace Monitoring Group. I think we may have mentioned in our submission that the fact there were women there showed great trust. One of the things they said to me was, 'And your men don't touch our women,' and that to them was very important, because it was quite different to what the PNGDF behaviour had been towards their women. So I think there was good trust being built.

I suppose one of the things is that, because it is pretty much a military situation, the PMG are very cut off. They are in their own posts. They are very self-sufficient and the relationship with locals is like sorties out of their own enclave. Nevertheless, I did actually stay with the PMG a couple of nights close to Tonu and even went on one of the patrols with them, so I have experience of that. I also went with them to Panam to a meeting with the women there. I suppose it is as much as anything trying to continue those relationships with local people and really listening to what the local people are saying.

CHAIR—From our point of view, I do not think we would want to see an open-ended situation with the PMG. Ultimately, we are going to have to look at just how and when you withdraw. Have you thought about that? How long that time process might be or what signs there may be that would give us an indication of when to start moving out?

Ms McDonald—I think we may have made a recommendation in our original submission that even by July of this year there should be at least some looking at indicators for withdrawal. Again, it might depend though on what happens with the election, so it is a bit hard to say. Certainly, I think it would not be good for the PMG to become a kind of de facto occupation force.

Perhaps once small community based development aid gets going more in Bougainville, that too would facilitate the withdrawal of the PMG, because they are getting up to quite remote villages with some of their patrols and helping in various ways there. I know that lives have been saved through PMG nurses being in the right place at the right time and so on. I think once more community based development aid is undertaken that too could help that withdrawal of the PMG.

Mr MARTIN—What is your definition of community based development aid?

Ms McDonald—I guess World Vision is involved in programs that are working with communities, and have sat down with communities to talk to them about their needs and they are using local people. It contrasts with some of the large infrastructure that has been happening—which is also necessary I know in Bougainville—like the big high schools, the hospital in Buka, road building and so on. Some Bougainvilleans were criticising that on the grounds that there was not a component in there for more training and more involvement of local people. It was outside contractors and very much a top-down approach.

Mr MARTIN—So if there was a greater component and commitment to training local people, would that provide something of an economic base for them in terms of their future?

Ms McDonald—Yes, I believe so.

Mr MARTIN—In your submission you talk about the question of employment opportunities. You say:

> There is an urgent need to offer education, training and employment to former combatants. Otherwise, there is potential for crime and violence.

You just made mention of the training component associated with infrastructure development and so on. Can you offer some suggestions as to what employment opportunities there might be for people in Bougainville generally? Are there regional variations, as we have already heard some suggest to us this morning? Where can Australia play a role in that?

Ms McDonald—I would agree that there are certainly regional variations. I have heard from a number of BRA/BIG people that they do not want education for jobs; they want education that will create jobs, particularly in a village situation. What the economic foundation is going to be for future Bougainville is a difficult one.

I just know that when I was there my experience was that a lot of these young men had put down their guns and some of them were picking up a bottle and drinking because there did not seem to be a peace dividend that was offering them the sorts of economic opportunities they wanted. Admittedly, I was there when they were first coming out of the bush. That may be settling down a little more for some of them now who have gone back to their villages or found other kinds of work. I am not sure of the numbers that are still worried about what the future will be for them. It is a long-term process and it is also tied up with the reconciliation process.

Mr MARTIN—What has your experience and your discussions with people led you to conclude about the future of Bougainville Copper or any subsequent mineral exploration and mining operations that might occur?

Ms McDonald—It simply was not on the agenda. Reopening the mine is just not something that anyone talks about or has on their agenda.

Mr MARTIN—Anywhere?

Ms McDonald—Not from my experience, but certainly not in terms of reopening it. As far as other mineral exploration goes, I know one of the rumours that was around about the PMG was that they were really out there looking for gold or other minerals. There was this mistrust at first about what they were really doing. There were night flights sometimes, and the women up in the mountains were really worried about what was going on, what were people flying around at night for and what were these helicopters really there for.

There is a bit of fear and concern, not so much about what the people themselves might do with minerals. There were a lot of people, Bougainvilleans, who were panning for gold themselves. So long as it is small scale and people can control it for themselves, that seems to be what people want and what they can accept. But for outsiders to come in and do that kind of thing, or mineral exploration or wanting to reopen the mine, is simply not something that people—while I was there anyway—wanted to talk about.

Senator SANDY MACDONALD—You say in your submission in reference to the PMG that their future deployment should be staggered and that it should take place through Arawa, both of which happens already. Why any criticism of the PMG? What makes you take a view on the PMG's role? I do not think we have not heard any criticism at all of the PMG in Bougainville.

Ms McDonald—I suppose it was because I did have some comments from people about their concerns, such as I have just mentioned, things like the mineral exploration and what they might really be doing. It is a question of ensuring that good community relations and talking to people continues. I am quite sure that progress would have been made since my departure. I left in November.

Senator SANDY MACDONALD—Clearly the peace dividend has been paid in this respect, that at least people are not shooting each other now. Obviously that is the result of the PMG being there. That raises two questions. One is when the PMG leaves, and you say that the process could start as early as July. I wonder whether you have a view about the retaining of civilian authority through the Royal Papua New Guinea Police. Could they possibly be in a position to maintain the civil authority and the order that is provided by the PMG at this stage or in six months, 12 months or 2 years' time? What is your view on that?

Ms McDonald—You are asking me whether they could adequately replace the sort of work that the PMG is doing?

Senator SANDY MACDONALD—Yes.

Ms McDonald—I cannot predict that. It is true that they are helping to create stability, but the PMG is unarmed. They are monitoring. They can take no action. In the few shootings that have occurred, the PMG has not taken any action. The Bougainvilleans themselves are doing a pretty good job too of maintaining that peace and taking responsibility for that. They have a commitment to the peace. That is why it is so important that the peace process goes hand in hand with rebuilding a community.

Senator SANDY MACDONALD—You make a very interesting point in the sense that a peace movement has a momentum of its own. It only works because the participants want it to work. I suspect that lots of things in life have this corporate momentum. I think we all wonder what might happen if the PMG does leave, or starts to talk about leaving, in six months. What would be the position in 12 months time if the PMG was not there, the police force was not operating, the infrastructure projects were going ahead and the NGOs were playing no greater role than they are playing now, which is certainly important?

Ms McDonald—I do not believe that the PMG should just plan unilaterally. Once elections are held, they should be talking to the representatives of the Bougainville people and working with them about what is an appropriate withdrawal plan. The way things are going, maybe July is too early to get indicators in place. I felt that consultation with as many groups as possible was absolutely essential in Bougainville to get anything done. It was the most democratic place I had ever been to in that respect. You had to talk to everyone.

Senator SANDY MACDONALD—In the pursuit of consensus, you have two choices; you either do nothing, or 'do as I say.' Therefore, very little is done.

Dr THEOPHANOUS—In your submission, you talk about the independence autonomy issue and say:

This issue has been left off the agenda in talks to date. That has allowed the talks to proceed to date. Sooner or later this issue must surface and be included in talks agendas.

You wrote this in July, did you?

Mr Walker—Yes.

Dr THEOPHANOUS—We were very interested when we got there that, even though there was talk of an election and a formation of some kind of assembly and a government, the issue of the powers of that government and how much autonomy it would have was basically still being kept off the agenda. The chairman asked you earlier what you thought would occur after the election and I want to pursue this.

It seems to me, from the views that we received, that there are a variety of views about the links with Papua New Guinea; whether there is going to be autonomy or independence, the levels of autonomy, what powers the assembly will have and so on. Perhaps you can give us your assessment of what has been going on and what may occur after the election. Have you done any work in discussing these matters with people on the ground?

Mr Walker—We believe that the issue itself needs to be thoroughly processed with the people. The underlying cause—what occurred 10 years ago or whatever—needs to be dealt with. Whether that be autonomy, continuing with PMG or full independence, it is up to the people themselves to decide.

Dr THEOPHANOUS—What if they cannot agree?

Mr Walker—Whatever the process, there has to be some resolution that enables the people to make a decision. It may not be a uniform decision. Very seldom do you have 100 per cent of the people agreeing on anything. It is our feeling that, unless that process is thoroughly aired and dealt with, the underlying issue will not have been dealt with and, therefore, it will pop up again in several years' time. Whatever that will be we do not know.

Dr THEOPHANOUS—How do you envisage that it might be finally aired after the election, for example?

Ms McDonald—I am not a politician, so I am not really sure how this will develop. The thing is that this whole independence stuff did not start in 1989. It has been going on for a long time and so, as Roger said, I think it is not going to go away until there is some kind of resolution that the Bougainvillean people themselves accept.

I also found that there was widespread support for it among people. I travelled to the ceasefire ceremony with a group of Buka women, and one morning one of the women was

talking to the others about this independence issue and about what would have happened if the crisis had not started, if they had not taken up arms. She wept as she talked about it, and she said, 'If we hadn't done this, if this hadn't happened, other people, foreigners, would have come in and taken all our resources and Bougainvilleans would have been slaves.'

Whether that is true or not, that is her perception, and it is the perception of many people. To hear a woman from Buka, which is not exactly BRA heartland, weeping as she talked about this, for me showed the strength of the support among ordinary Bougainvilleans for independence and for their right to have a say in their own future.

Dr THEOPHANOUS—Mr Walker, it is all very well to talk about this in general terms and say, 'It has to be resolved,' as you do in the submission, but have you discussed the possible options that people may have in relation to this?

Mr Walker—No.

Ms McDonald—Not at a political level.

Mr Walker—We are a non-government organisation. There is a fine line in working with communities. One can be involved, and we are involved. But then to what extent do we, as a non-Bougainvillean NGO, advise—

Dr THEOPHANOUS—I only asked this question because you raised it as a major issue.

Mr Walker—Yes, and this is our observation. This is our feedback from the people, but we have not engaged in a process of education on political processes, for example.

Mr MARTIN—Why shouldn't you, though?

Mr Walker—That is a good question.

Dr THEOPHANOUS—This is a serious issue.

Mr Walker—Yes.

Dr THEOPHANOUS—It is all very well to say, 'People have to make important political decisions.' Mr Martin has made a very important point.

Mr HOLLIS—This is really the crux of it, isn't it? If you are talking about independence, what has changed in 10 years? This is what happened 10 years ago. People were talking about independence. There is some feeling that maybe Moresby wants to give them independence to be rid of a problem of 10 years. But when we talked to the opposition there, we most certainly got a totally different point of view. Even on Bougainville we got a different point of view on whether people wanted independence. What they were saying on Buka was different from what they were saying on Bougainville. There are half a dozen or a dozen agendas being played out as well.

Mr Walker—I was thinking as you asked the question that one entity, such as the Australian Electoral Commission, may play a more positive role in this. It is just that our expertise has not to date been in that type of community capacity building. We have worked with communities in health and in other areas, but we have not worked intentionally or overtly in political capacity building. This may be an omission on our part, but that is the reality.

So, at this point, we do not have expertise in that. But it comes to mind as we talk now that the Australian Electoral Commission has been involved in elections in various countries in recent years, and I understand that they have done a very good job in helping those communities come through a political process.

Mr MARTIN—One of the concerns people may have is about the expectation that Australia will always be there and that assistance will be provided in the financial sense. Also, that there will be a presence in terms of the peacekeeping force and so on. At some stage, though, someone has to put their hand up and take some responsibility. The thing that comes from what Mr Hollis was saying is that 10 years ago people were talking about these sorts of questions.

I guess we then start to ask: for all the investment and all the time and effort that NGOs like your own have put into the processes on Bougainville to educate people and so on about some of these things, 10 years down the track are we any closer to getting to a solution? What is a decent time frame to be able to come to these sorts of decisions about self-determination and where they want to go? What is the time frame for people to actually put their hands up and take responsibility for their own environment?

Mr Walker—That is a question that requires a lot of thought and consideration before I would be prepared to respond—not off the cuff necessarily—with a thoughtful answer. Perhaps I could ask Mr Chair whether we could take that question on notice and give some more thought to it, because we recognise the fundamental significance of the issue you raise and would not want to just give an off-the-cuff response.

CHAIR—That could be handy.

Ms McDonald—Are you talking about Bougainvillean people putting their hands up and taking responsibility for their own future?

Mr MARTIN—As part of the process, I am. Yes, indeed. If you are talking about educating people on the ground.

Ms McDonald—Yes.

Mr MARTIN—You are education adviser. I asked a question before about employment opportunities and educating people for jobs and so on. At some stage, there has to be a decision taken by the communities themselves, is there not, to take some responsibility for where they actually want to take their society?

Ms McDonald—Yes, I agree, and I would just make the point that I do believe, because of the crisis, that there is need for some help in the rehabilitation phase. But, certainly before the crisis, I understand that Bougainville was the best run and least corrupt province in the whole of Papua New Guinea. So you are looking at a people who do not shy away from taking responsibility and running their province very well. I would like to think that, with some help beyond this crisis and early rehabilitation phase, these are people who are well capable of doing that.

On the time factor again, we have emphasised the importance of process. I think one of the dangers is to impose a western time frame and say, 'This must happen.' I know we have done it a little with the PMG, but time can be flexible too. It does take time and we need to be prepared to invest time as well as money, I believe, in bringing about a long-term and lasting solution to some of these issues.

Mr HOLLIS—This question is related to what Mr Martin is asking too. I just wondered, with this long-term process, the reconciliation aspect of it is something that the Bougainvilleans will have to go through. It is part of their custom. It may take two generations for this. People are saying that the reconciliation process has not even commenced yet and will not commence until people start to grieve for their losses. Do you have any views on how long this reconciliation process will take?

Ms McDonald—I have been told that the reconciliation ceremonies to reconcile people who supported the Japanese and the allies on opposite sides during the Second World War continued into the 1980s.

Mr HOLLIS—That is true. That coincides with what we have been told, that it could be two generations. The other point is that I note in your submission in recommendations (e) and (f) you talk about the handing in of guns and other weapons. Is it realistic to expect that these people will surrender their weapons?

Ms McDonald—I think it is as unrealistic to expect that all weapons would be surrendered in Bougainville as it was unrealistic to see all weapons handed in in Australia, and that is even when we were not in a war situation and were not making our own.

Mr HOLLIS—It has been put to us that one of the reasons that people were not stressing the handing in of weapons is that it was unrealistic. People just wrapped them in plastic and buried them.

Ms McDonald—That is how they got some that were left after the Second World War, which the Americans buried. I think the important thing is to—and I do not know if it is an education process—perhaps encourage people to take responsibility and to offer viable alternatives to wanting to gain whatever you gain at the point of a gun.

Mr HOLLIS—While people are not satisfied or comfortable with the result, they are not going to hand in their weapons until they can be assured that the process—whatever it is—is going to work.

Ms McDonald—I agree.

Senator BOURNE—I just have a couple of questions. Ms McDonald, from your experience there, how long would you say it takes before local Bougainvilleans are prepared to talk to you and trust you—maybe not completely trust you—but to at least have a reasonable conversation, ask for advice and that sort of thing?

Ms McDonald—People will talk to you pretty much straight away I have found. I suppose them knowing that I was from a non-government organisation and that, presumably, we would at some stage be able to do programs with them that would be helpful was certainly reason for them to be encouraged to talk.

I personally found that living as close as possible with the people in a village, which I was doing after the first couple of months, was very important, and learning pidgin. Because the thing about being able to speak the language is not just that you can understand, but that people open up. People would come over and tell stories in the evening. They would tell stories about what had happened to them during the crisis, and you realise that pretty well everyone has a story to tell and everybody has been traumatised.

Senator BOURNE—Trauma counselling must be something that is desperately needed.

Ms McDonald—Definitely.

Senator BOURNE—That brings me to my second question. Do you know of—or are you doing any yourselves—any trauma counselling exercises or of any vocational training, this is obviously for the young men, mostly, who have not had any education?

Mr Walker—As an organisation we have been recognising the issue of trauma counselling in recent years in Cambodia and Rwanda. Those are two places that come to mind. We have been seeking to grapple with it on a personal level in those areas. We are learning as we go. To date we have not been involved in trauma counselling in Bougainville, but I imagine this could be something that we could become involved in.

Ms McDonald—I think that kind of thing is very important in any program.

Senator BOURNE—Do you know about any vocational training?

Ms McDonald—That is something again that we have recommended as a component of any kinds of programs that we do. We are not involved in programs currently. I did a small sewing program with women while I was there, just to do something immediate and practical, because that is what people are crying out for.

Senator BOURNE—I found that too. Thank you.

Dr THEOPHANOUS—Are you involved in any way in assisting with the elections due to take place on 24 April? Are you monitoring them? Are you doing anything at all in relation to the elections?

Mr Walker—No, we are not.

Dr THEOPHANOUS—What is your view about international monitors for the elections?

Mr Walker—I participated in the Cambodian monitoring—the non-government one—and I can say I thought it was a very useful, positive experience for both sides. It was rather controversial but I would judge it to be positive and useful, both for the local people and for the non-local people. Therefore on that basis I would think some international election monitoring—and it may be too late to organise it if it has not been organised—would be appropriate.

In the Cambodian case, we took certain steps. From my own participation, for example, we did not go into communities where we had been working in community development, so that we would not be misjudged either way. There was some exploitation of the foreign presence by the various political parties both ways, so we had made a previous decision that the communities that, for example, I would go into because World Vision is working in Cambodia, would not be those same communities.

Dr THEOPHANOUS—The UN has a presence in Bougainville. Do you have any links with it at all?

Ms McDonald—I do not know if any UN people were even there when I was there. I think they may have come more recently.

Mr Walker—We do have quite close links with UN agencies, such as the UNHCR, Unicef, UNDP, et cetera.

Dr THEOPHANOUS—I know that, but you have not followed through in terms of any links with the UN presence in Bougainville?

Mr Cole—I think our national office in Port Moresby might have spoken to its regional representative in Port Moresby, but I do not think it has gone beyond that.

CHAIR—May I thank you very much indeed for being with us today, for answering our questions and for the information you have given. Should we require any more, I am sure the secretary will be in contact with you. We will make sure you get a copy of the transcript of evidence so that you can make any corrections to grammar or fact.

[2.45 p.m.]

COULTER, Mr Jim, Past Chairman, Board, Moral Re-armament

WEEKS, Mr Alan, Assistant Secretary, Moral Re-armament

CHAIR—On behalf of the subcommittee I welcome the representatives from Moral Rearmament. 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 proceedings of the House itself. I would invite you to make a short opening statement if you wish before we proceed to questions.

Mr Weeks—First of all I would like to commend the committee on its report of the recent visit to Bougainville for the evident understanding of the situations and issues involved. I found it a very interesting and helpful report.

Secondly, I want to make it quite clear that Moral Rearmament is an overtly faith based organisation with Christian origins but a broader perspective now. The observations in the submission which we put forward and the supplementary documents are based on years of involvement with the people of Papua New Guinea, on the ground in PNG as opposed to necessarily theoretical involvement from outside the country. My colleague here was on Bougainville back in the late sixties, right at the start of the Rorovana troubles.

We feel we have an ongoing role of encouragement, of offering inspiration and hope to the people of Bougainville in facilitating the peace process in any way that we can and in helping to keep the lines of communication open. I must say it was a temptation on my part earlier on to see this as an occasion where MRA—Moral Rearmament—could be better served, but we now see it as how we, with all of you, can work to advance the establishment of peace and normality on Bougainville. There is nothing in it for us. That is the bottom line.

CHAIR—Could you explain what the trust building project is. I understand that AusAID in fact gave you some assistance with it and then withdrew funds or have not renewed their funding?

Mr Weeks—That is not strictly true, but I will explain it. We have had two sets of funding from AusAID, the first lot was from AIDAB as it then was, and then from AusAID. It started off with an invitation from Gordon Bilney, who was then minister for Pacific island affairs. We had been up to Papua New Guinea, actually in an attempt to make contact with an old friend of ours, Sir Paul Lapun. We failed to make contact with him. But on our way back we called in on Mr Bilney as a courtesy, to tell him what we had found about the situation. He asked us how the government could help us with the work we were doing up there.

That resulted in a submission going to AIDAB for funds to set up what we called the Bougainville Trust Building Project. We put in a further submission when that one expired. I am a bit muddled as to the dates. I have got them but I am afraid I am a little bit nervous. That was also granted. The last one was in the region of $83,000 and the first one was a bit less than that. Both of them were granted.

When I was up in Bougainville this time last year, I talked with my partner organisation, the Provincial Social Development Authority—Jobson Misang—and we agreed that the project had reached the point where there was no longer any necessity for Moral Rearmament Australia to be involved, that they had everything in place to put in fresh submissions themselves and to carry it forward on their own accord.

With regard to AusAID, we had put in an application for accreditation as a Non-Government Development Organisation. We had problems there. We are a fully voluntary organisation, but we had to somehow produce evidence about which proportion of the work we put in was for Bougainville, and which proportion was other work, et cetera. So it was hard to quantify our voluntary contribution in terms of our proportion of input, with which we had difficulty.

We complied in every other way with it, but we are a very small organisation and we did not have the administrative capability to produce the paperwork required to qualify as an NGDO. Since we had come to this arrangement with the PSDA in Bougainville, we felt there was no real need at this time to pursue it. It was too hard, so we put it to one side for the time being. We have had a letter from AusAID since then saying that if ever we wish to reapply, we should be free to do so. If we see the necessity, we shall do so.

The one project we were knocked back on was because AusAID had a problem with our initial work which had a two-tiered element. The trust building project, as such, comprises an element of exchange program between some people in Milne Bay who have had contact with Moral Rearmament over many years, and the people of Bougainville. It involved a group going in and teaching conflict resolution at grassroots level.

None of those involved had more than year 10 education, most were year 6 or less, of the group of six. They taught basic practicalities, such as a balanced diet; they reintroduced the skill of making clothes with sewing machines which had been put aside; they took in bolts of material and helped the women make clothes for their kids; and they constructed ovens out of 44-gallon drums and showed others how they could do it. Side by side with that was how to make enemies into friends, how to acknowledge what had gone wrong at the village level during the crisis and how to put that right. I suppose, in our terms, we would call that trauma counselling. They just looked at it as making enemies into friends. Probably the most significant element was helping the churches within the villages work together.

Then, side by side with that in the earlier days was what I saw more as networking. I met many of those involved in the dispute on both sides, Papua New Guinea, Bougainville, et cetera. AusAID had a problem with that. They saw it as potentially politically damaging. Their interpretation of my work was potentially, ‘If you talk to somebody and say the wrong thing, it reflects on us.’ I do not know myself how valid that argument was but, nonetheless, they were quite clear that the subsequent project must be purely and simply the development

aspect, which I can understand. They confined my visits to one at the start and one at the middle of the project, which I made last year, because the project is still continuing until this month.

CHAIR—But didn't you have the capacity to act as a bridge between say, the BRA, the resistance and Bougainvilleans in general with certain elements in the New Guinea government?

Mr Weeks—I think so. In fact, the lack of funding from AusAID has not prevented me from doing that in my capacity as a friend. I have some documents—which I think you have got—which show that I made phone calls last week to Joseph Kabui and Chris Siriosi—actually Chris Siriosi is not there, because that was a rather lengthy document—Sam Akoitai and Kapiatu Puaria on Bougainville.

Yes, I can pick up the phone and speak to any of the leaders. I am a friend and I am grateful for that. I might use an example which happened about nine months ago. I make a point of ringing these folk just to say, 'Hello, how are things going?' Very often, that is all it is.

On this occasion I rang Joseph Kabui and I said, 'How are things going?' He said, 'Well, we are having a problem. We are insisting on the clause within the Lincoln Agreement that the call-out be rescinded,'—you are all familiar with the call-out on Bougainville? It is the presence of the PNG Defence Force—'and the Papua New Guinea government seems to think that what we are asking is that the Defence Force be withdrawn here and now. That's not what we are asking. We are asking simply that the call-out be rescinded and that, in each place, as a civilian law-keeping authority is put in place, the army then be withdrawn from that area—step by step, not a total blanket.'

So I was in touch with friends in Port Moresby and the answer I got from there was, 'Well, what we need is a piece of paper—or, better still, Joseph Kabui himself, but we know he can't come to Moresby—considering his position.' So I rang Joseph back again and he said, 'Well, I did send a fax to the minister,' and he then sent me a copy of the same fax in which it was spelled out quite clearly. I relayed that to the other parties in Moresby. I presume then it was circulated. A couple of days later I was speaking to Kapiatu Puaria on Buka and he said, 'I have got with me the local Defence Force commander and he is most troubled about this call by Kabui for the rescission of the call-out.' I said, 'Have you seen this fax?' He said, 'No, I haven't.' I said, 'I'll send you a copy.' I think it was within a fortnight that the call-out was rescinded and I had a call from Kabui saying, 'Thank you for your help.'

That is just one instance of numerous occasions where a simple act of communication has enabled things to go forward. That has been largely our role, to listen to what is going on and to reflect that listening to others—not in any way betraying confidences, but to be used as a communication tool.

Dr THEOPHANOUS—Mr Weeks, Moral Re-armament had a lot to do with Mr Narakobi in the beginning. Are you aware of his current position in relation to the elections and everything else?

Mr Weeks—I am very much aware of the fact that Mr Narakobi was extremely distressed at the end of last year when his colleagues on the opposition did not come in and make up adequate numbers to get the legislation through. He voted for the legislation. He found the fact that John Momis and others did not come into the House and vote most distressing.

This constitutional problem is a problem. It is one which Sam Akoitai touched on in that phone call I had with him last week. How do you insist on something remaining within the Constitution with a group of people who have divorced themselves from the PNG Constitution for the last 10 years—that being the position of the BRA in particular?

I tried to speak to Mr Narakobi last week but he was away in Manus and I have not been able to get through to him. I do know that he is a man who conscientiously carries the PNG Constitution very much on his heart. After all, he was a young lawyer at the time when the Constitution was written and had a big hand in writing it. He feels that is terribly important. This is a problem which I do not have the inspiration of how to see a way out of it. I do know, as you probably do, the faction leaders are meeting today in New Zealand to try and work through this situation.

Dr THEOPHANOUS—But going back to Mr Narakobi, when we met with him, he was of the view that the election was totally unconstitutional and should not proceed.

Mr Weeks—Yes.

Dr THEOPHANOUS—He has also made various statements against the Australian High Commissioner and so forth. Can you help in any way in changing the position of the opposition in relation to this matter? Because it is not just Mr Narakobi; it is the opposition in general that seems to be taking a pretty negative position in relation to these issues at the moment.

Mr Weeks—I wish I could pay a visit, but our finances do not permit it. If I might take this opportunity, we did put forward a proposition that was turned down by the government once Burnham got under way. Our involvement on the peacekeeping line was deemed to be no longer appropriate and so I have not been able to make the kinds of visits I would have liked to have done and to maintain that. So all the work I can do now is purely by telephone.

It was with that very thought in mind that I tried to get hold of Mr Narakobi last week, and previously, without success. I found him away from Moresby quite a lot. Maybe we can help. I would like to think that we can help in that regard, because some change is needed. You must appreciate it is a very difficult situation. I am not a constitutional lawyer; I am not a lawyer at all. Here you have the constitution, and I do not know whether what they have done is constitutional—for the NEC to suspend provincial government and to appoint the minister as governor. It may be highly constitutional, but there is obviously some contention as to it not being so.

Mr PYNE—Obviously, before 1989 there would have been a leadership in the community that was of a civil nature and then, after the uprisings in 1989 and continuing

since that time, many of those people would have either died or been killed or left Bougainville. Now after that period I am just wondering whether there is evidence of a new generation of civil community leadership that is springing up in Bougainville which provides us with some hope that there will be a continuing civil society, assuming that peace lasts in Bougainville.

Mr Weeks—Some have died. A lot of Bougainvilleans are still involved within the public service in PNG generally. The ombudsman is a typical example of that. There may be some who would be prepared to go back and help with that. A number of those who have been involved in the public service behind the scenes, with the BTG, are, in my view, very competent. Francis Kabana in the provincial administration is a very fine man. I have a lot of time for Kapiatu Puaria. There are some very competent women. I think, having visited there, you have probably met more of them more recently than I have, and saw the position of leadership that is there.

Bougainvilleans in my view are a very competent people, and I think that they have the expertise to bring the place back to normalcy, provided the other physical elements are in place. As long as the Papua New Guinea Defence Force is there, there will be problems because of the extremist views of the BRA. As long as the BRA and the resistance have weapons, there is a problem. How do you train a local police force? There have been obstacles put in the place of that.

I believe Australia and New Zealand are both prepared to support the infrastructure being developed, but with our expertise rather than using the Papua New Guinea constabulary to train them, which is what the Bougainvilleans want. They want the external component—the Australia-New Zealand component—not the local constabulary. That is another factor that needs to be covered.

I think that the desire for peace—the desire to get away from the violence of the past nine or 10 years—is very, very deep. A return to violence of any kind would be seen, I think, to be unacceptable to the people of Bougainville. But when you have a group of young men, many of whom have had no education at all in the last 10 years, you are dealing with a very volatile group.

Mr PYNE—I did not have the advantage of going to Bougainville, unfortunately. Those young men and that resistance would not be regarded as part of the mainstream Bougainville society.

Mr Weeks—I think they are all part of it in a way. There was a period of anarchy. I had the opportunity of being there during that period, in Arawa in 1990, and it was a very frightening experience being with a group of young men who did what they wanted to do, with guns around the place. But it was after all the BRA, the resistance and the defence force who got together at Burnham and said to the politicians, 'We're fed up with fighting. Come to some sort of agreement.' The initiative came from the fighting men. So I think there is a desire within them to get to a state of peace.

The political situation that they are prepared to accept, of course, is an extreme and negotiation has to be carried out to win them to accept something different, if it is not to be

independence. I do not know what the political future of Bougainville is meant to be. I would not presume to assume that.

Mr PYNE—Moral Rearmament has as its centre a faith-filled development, et cetera. What role do the churches play in Bougainville and are they well accepted by the Bougainvilleans?

Mr Weeks—Yes. The Bougainville society is very much a faith-centred society. I do not think I have attended any meeting on Bougainville totally unrelated to us which has not started with a prayer and probably concluded with a prayer. There have been problems of divisions between the different churches at work in a single village. By and large, Bougainville is fairly well separated into areas of responsibility, but there are lines where there is a cross-over.

When I was in Marau last year with the trust building project, there was the Catholic Church, a united church and a charismatic group, which considered itself separate from the other two. But all three were working together with the trust building project by the time the group had finished, and they had decided that they would work together. I think the churches have a very major role.

If there is one element missing from the report and the other submissions it is the ongoing healing process that is taking place and being conducted by the churches. This is an area where much more could be put in and a lot more assistance could be offered in facilitating the process happening. I do not think it is happening enough. I have had quite a few exchanges with Joe Taruna who is the coordinator for spiritual development on Bougainville. I do not know of any other province in PNG which has a coordinator for spiritual development. He sees this as his role, trying to bring the churches together to work together to move through the province and bring healing to the trauma of the last years at a grassroots level.

Mr MARTIN—I want to pursue that issue for a moment before I come onto some issues I wanted to raise. What proportion of Bougainvilleans would have some sort of religious affinity?

Mr Weeks—I would put it very high. I could not say whether it is 100 per cent, 90 per cent or whatever, but I have not yet met a Bougainvillean who denies having a faith, or one who felt that any faith situation was unacceptable.

Mr PYNE—This is largely a Christian faith?

Mr Weeks—Predominantly Christian. In fact, as far as I am concerned, totally Christian, except of course there have been the cargo cults and the rest of it.

Mr MARTIN—In your supplementary submission to us you have indicated that you believe that consideration should be given to prolonging the presence of the PMG, or some alternative peacekeeping force, and you said that this may take years rather than months. The witnesses who have just appeared before you said that after 1 July they believe that the PMG

should probably start to be phased out. Why have you come to almost a direct opposite point of view?

Mr Weeks—I should have had a talk with Roger before he came in. What has helped the process develop so far has been a determination to be process driven, rather than timetable driven. You might say that Honiara and *Endeavour* both fell down on a timetable basis rather then a process basis, but things had to happen within a certain framework and, because they did not, the thing collapsed.

I am not sure that the PMG will need to be there forever and a day. What I feel is necessary from Australia's angle is to be ready to leave it there as long as it is needed. We are looking at a 10-year crisis with 10 years of hurt and, until adequate trust is established and there is an alternative acceptable civil authority on Bougainville, for the PMG to be withdrawn while you still have weapons in the hands of the BRA and the resistance and the defence force still on the island, to me would be a recipe for disaster. I may be wrong. Maybe a level of trust has developed in the ensuing months since the PMG has been there. As I say, it is a year since I have been there and I am just going by what I hear.

Mr MARTIN—If there is to be a continuing presence of a PMG over years rather than months, should consideration be given for there to be a rotation of nations prepared to serve there, rather than an emphasis placed on Australia's involvement?

Mr Weeks—As far as the make-up of the group is concerned, that may be adequate. But what is terribly important in the Melanesian context is the relationship between individuals that develops. I feel one shortcoming of our foreign affairs policy in terms of our embassies overseas or whatever, particularly in the Melanesian context, is that people come in for three years and then they go out. You can only develop the trust between people and friends in that situation if you are known as an individual. I do not know if that makes sense. I was struck by the point in your report that the commander of the PMG, instead of being there for three months, is going to be there for six months for that very reason.

I think continuity is very important. If there were a complete changeover of one nation with another and personalities and the rest of it, that may not work totally towards the good. If there were some overlapping and some introduction with them saying, 'This is my friend. Because he is my friend, he is your friend,' that may be possible.

Mr MARTIN—Either one or two words are missing in point 5 of your supplementary submission, where you say:

> In respect of recent developments regarding East Timor, serious consideration concerning the issue of independence should entertained.

Is that 'should be entertained' or 'should not be entertained'?

Mr Weeks—I think it would have been 'should be'.

Mr MARTIN—The next point talks about economic development. You have made recommendations here that a village based agricultural development program be fundamental

to the healing process and to economic reform within Bougainville itself. Is that your only view as to what should happen in terms of economic development on Bougainville? Have you got some comments about what you know of how people on Bougainville feel about the potential for reopening the copper mine?

Mr Weeks—The initial comment was based very much on a paper which I have read and discussions I have had with the late Ignatius Namaki. He was a former general manager of the Electricity Commission but was on Bougainville when the crisis broke. In fact, before the crisis broke he had resigned from the general managership to become manager on Bougainville. He took a step down the ladder in order to serve his people. He is from the Siwai, from the south-western part of Bougainville. He and his family were pushed from pillar to post by the BRA during the crisis. As soon as they built a house and developed a garden, and the vegetables were growing, they were moved off by the BRA to a new area. He was violently beaten up on numerous occasions and died of internal injuries about two years ago.

I was present at a peace education workshop which he attended earlier on. He put forward this proposition of an agrarian development. He said that if you looked around the world at Europe, America and Japan, all of those countries developed to where they are economically today because they had a firm agricultural basis to their economies before they developed the other cash areas.

Bougainville could be totally food independent of the rest of the world. They could be self-sufficient in basic needs, and that is where we need to start. Many of the food gardens on Bougainville have suffered because of the proliferation of cocoa plantations, for example. Instead of the food gardens being rotated over quite an extensive area, they were being rotated around a much smaller area, thereby reducing the productivity of the land; therefore the vegetable production went down, et cetera.

As in all of our societies that have experienced economic cash wealth, Bougainvilleans are no different—they want to get their hands on the cash. But quite a number that I have met are prepared to build it from the grassroots up and to develop the agrarian level first. Whenever I dared to mention the word mine—which I have done very carefully—I have always had the response: 'No way; at least, not yet.' Most say, 'No way. We never want to have a mine again.' Others have said, 'Maybe 10 or 15 years down the track we can look at that.' I do not know. It may be that, once harmony and peace are restored and people recognise that they do have a lot of wealth in the land, they may be prepared to open that up again. But it is a very sore wound.

Mr MARTIN—I wonder whether a change of ownership of that mine might speed the process of reconsideration of that issue amongst Bougainvilleans—it does not necessarily have to be that copper mine but maybe if some other mineral activity was available—particularly in terms of speeding up the economic process, access to cash and investment in the communities generally. Do you think a change in ownership may contribute to changing people's attitudes?

Mr Coulter—It happened that I was called upon by Paul Lapun and Raphael Bele, who came down at the time of the original crisis over the Rorovana land where there was force

used against them. They asked me to get dates from Maurice Mawby, who was the head of the copper company; John Gorton, who was the Prime Minister; and Mr Barnes, who was minister for territories.

In the date with Sir Maurice Mawby he said, 'How much money do you want for your land?' They said, 'Land is like our skin. You wouldn't expect us to sell our skin.' He said, 'That's a beautiful thought, but how much money do you really want?' They said, 'Say we accept a great deal of money and we squander it; how can we look our grandchildren in the eye? Land is permanent; money is temporary.'

To Mawby's credit, he accepted that there was a fresh approach to it. So when they went up to see Gorton, he said very directly, 'What do you want to do? Throw the copper company into the sea?' Sir Paul Lapun said, 'No, we believe God put the copper into the ground. We haven't found his way of getting it out yet and we would like your help to do it.' I do not know how recently John Gorton heard God approached in such a direct way but, to his credit, he completely transformed and said, 'If you don't want to sell the land, will you lease it?' Mr Barnes jumped in and said, 'We don't want to lease the land. We offered them $10 more an acre.' He said, 'You can't ante them up $10 an acre more. There will be violence there if they do not believe there has been a policy change.' That was very prescient. Anyway, that is what happened.

That is anecdotal but I raise it in relation to what Alan said earlier: they have a much more naturally spiritual approach than we do at our stage of development. Paul Lapun went on to become minister for mines and minerals, but this sense of trying to find a spiritual approach, God's plan, is very real to them. It certainly convinced those in Canberra they met at the time and, to the credit of Canberra, all the changes that were decided there were followed through to the end. They were not pushed to make a decision. They were allowed ample time. It went on for hours and hours and hours. In the end, they decided to accept that. It basically worked because that was their decision. The earlier one about the mine was our doing what we felt was best.

Mr Weeks—I suppose the bottom line is that, if the Bougainvilleans feel they want to exploit those minerals, they will open the door and make it clear. I honestly do not know whether changing ownership would affect things.

Mr MARTIN—Thank you.

Senator BOURNE—Mr Weeks, I was very interested in your points about the police and the importance of having a civilian police force and changing that over. I was also interested in the point you made in 3.6, about the young men who have come out of the resistance, out of the BRA, and who want to be trained in this sort of role. Can you tell us where that stands at the moment?

Mr Weeks—As far as I know, that is unchanged, but Joseph Kabui indicated on the phone that there is a little bit of impatience in the young men in relation to their general involvement in what is going on. They may not be involved in the road building, the bridge repairs and other construction work as much as they could be, and I think that applies as much to the police force too. I understand that a number of areas are developing their own

police structures within the village communities by using their young men but without the imprimatur of them being officially auxiliary police.

Mr Coulter—Or lack of education.

Mr Weeks—Or lack of education. I think I made the point in that that they were turned down for training because they did not have 10 years education, which is, of course, an impossibility.

Senator BOURNE—They have had 10 years of war. Yes, that is a very good point. We have heard from a great many people that this is a desperate need, but there does not seem to be very much happening on the ground with vocational training, especially getting these young men into jobs that there could be there. Do you know of any vocational training that is going on?

Mr Weeks—This is minimalist but we are very small. During our first project, two men came across from Bougainville to Milne Bay where the association has boat building projects, house building, sawmilling, et cetera. These two men received a degree of training with them. One of them—I do not know whether I could say he let me down or he let the community down—married a Milne Bay girl and, as far as I know, he is still there. The other one went back and has done a remarkable job in a very short time in his own village. He has built numerous drum ovens, he has built three classrooms. This is by bringing in the young men from the bush and involving them—the fighters. He has now built one permanent classroom. They have rebuilt the 'Everyman' centre at Toboroi near Arawa. That is just what one man has been able to do following brief training.

We have four men at the moment in Milne Bay who are just completing that same training. They are due any day to go back to their areas. Two are from Bana and two are from Siwai. I hope that, if the next project is developed along the same lines as we have done so far, they will come from Central. This is vocational training, but it is so small as almost to be negligible.

Senator BOURNE—Still, they seem to be doing quite well.

Mr Weeks—Remarkably. I am astonished. I was so heartened by that visit I made last year. I really thought it was all worthwhile, but I wish we could multiply what we have been able to do.

CHAIR—You made particular reference to the work that the women had achieved. I think that it would be fair to say that in terms of our experience, even in the four days, we were pretty impressed by the role the women had played and looked towards playing. How can we help promote that work that they are doing? Should it be more formal?

Mr Weeks—At the outset I must say that we were both impressed by the fact that you put Helen Hakena's poem at the beginning of your report. I think someone like Julie Eagles would be better equipped to answer that than I am at the moment. I think she is still on Bougainville.

Mr Coulter—It is, as you know, a matrilineal society in many cases. Over the whole Rorovana thing the women actually were moving forces. I think you are absolutely onto a very interesting point which we do not always think of in an Australian setting. I do not know the answer to your question, but I think the thrust of it is very much to the point.

CHAIR—It just seemed to me that that was the group where something was happening.

Mr Coulter—Yes, that is right. That is very perceptive.

Mr Weeks—I think that what we need more of—if I dare say it—is people who are prepared to go and spend long enough on the ground listening to what is needed. I could not expect you to go up there and stay for longer than you did. But to really understand and to be trusted requires, I think, either a regular, long-term commitment, so that you are known, or spending long enough on the ground listening, without a political agenda. I think there are people with a very strong political agenda who have gone and spent time up there and they hear what they want to hear and they do not hear what they do not want to hear. We need people to generally go and listen and say, 'Now, how can we help you best: to stay on the ground long enough to find those facts out and then implement them?'

CHAIR—Once again, that may be in terms of the smaller projects and issues where you may have the potential to provide a greater benefit than perhaps some of the larger ones that we were looking at. One of the things that has been put to us is that there should be a greater concentration perhaps on some of the smaller projects—even microprojects—rather than an emphasis on great bits of infrastructure as a means of pushing that process along. From your submission, it would appear that you go along with that, to a great degree.

Mr Weeks—Certainly, but the problem they face is the problem we face. Time and again the people I met in village areas said, 'We have asked for the documentation to put in a submission to AusAID and now we have this mass of paper—what do we do with it?' The procedure that has to be gone through in order to get financial assistance is horrific. I find it horrific; Lord knows how anyone who has had year 6 education can deal with it.

So, we do not make it easy. At the same time you have a responsibility to the Australian public to make sure the money is spent as it should be spent. The expectation is that people go for thousands whereas hundreds would go a long way too. But it is a problem. There could be a proliferation of small locally generated projects by the Bougainvilleans themselves, but I do not know how you deal with the accountability side of it.

Dr THEOPHANOUS—How important is it that all sides accept the result of this election? Are international observers likely to contribute to that? What are your thoughts about that?

Mr Weeks—It is vital that everyone agrees with the election process and will agree to the result of an election. I am a bit muddled myself. I am not quite sure what is actually happening at the moment. As I understand it, the April election is leading to something more permanent in June. Is that correct, or is the April thing leading to the establishment of a BRG?

Dr THEOPHANOUS—You are not the only one who is muddled. We have been trying to find some answers.

Mr Weeks—I will try to find some answers for you but I do not know. The process was started very much by the late Theodore Miriung. His idea was to try to get everybody to agree to the process and to carry everybody along with the stream so that what is eventually arrived at is acceptable to all. That is utopian, isn't it? But they have done remarkably well to keep as many on board as they have at the moment. I think it is a tragedy that the Buka chiefs have not gone to New Zealand today. So there is obviously still some work to be done. There is potentially room for a lot of trouble if they, for example, do not agree with it. Buka before now has said, 'We don't want anything to do with the rest of Bougainville; we'll stay with Papua New Guinea and you go your own way.'

As for international observers, I have always advocated that as being sensible, but, like you, I do not quite understand the present process; I am a little puzzled.

Mr HOLLIS—I think someone told us today that the Buka chiefs on Friday agreed to be part of the election.

Mr Weeks—They may well have done. I was speaking to Mr Puaria this morning and he said that, sadly, that group has not gone to New Zealand. I am encouraged by what you say.

Dr THEOPHANOUS—They seem to change their minds day by day. That is one of the problems.

CHAIR—Thank you very much for your time and your submission. If we need any further information the secretary will be in touch with you. We will be forwarding you a copy of the *Hansard* transcript in case there are any corrections you would like to make. I thank Hansard staff and the witnesses for all their assistance. I now adjourn the hearing.

Resolved (on motion by **Mr Pyne**):

That the subcommittee authorises publication of the evidence given before it at public hearing this day.

Subcommittee adjourned at 3.34 p.m.