COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

(Foreign Affairs Subcommittee)

Reference: Bougainville: the peace process and beyond

FRIDAY, 4 JUNE 1999

CANBERRA

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

Friday, 4 June 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, and 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: Senators Bourne and Quirke, and Mr Hollis, Mr Jull and Dr Theophanous

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 9.05 a.m.

LEGGE, Mr Alistair, Acting Assistant Director, Research and International Services Section, Australian Electoral Commission

MAXWELL, Ms Dezma, Acting Director, Research and International Services Section, Elections and Enrolment Branch, Australian Electoral Commission

CHAIR—On behalf of the Foreign Affairs Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I declare open this public hearing. The committee is inquiring into Australia's contribution to the Bougainville peace process and the prospects for the future of peace. As part of the terms of reference, the committee is also examining the programs for reconstruction of Bougainville and the restoration of civil authority. Today's proceedings will conclude the public hearings program for the inquiry, which has included hearings from Canberra, Melbourne, Sydney and Brisbane.

As part of the information gathering phase of the inquiry, several members of the subcommittee had the opportunity to visit Port Moresby and Bougainville for four days in March this year. We were able to meet with most of the key participants in the peace process and to see for ourselves the situation in Bougainville. On 31 March 1999, the committee presented a short report to parliament on the preliminary conclusions we reached as a result of the visit, including some suggestions for further consideration.

This morning's program includes a second appearance by representatives from the Department of Foreign Affairs and Trade, AusAID and the Department of Defence, as well as witnesses from the Australian Electoral Commission and Mr Anthony Regan from the Research School of Pacific and Asian Studies of the Australian National University.

On behalf of the subcommittee I welcome the Australian Electoral Commission, represented by Ms Dezma Maxwell, the Acting Director of Research and International Services, and Mr Alistair Legge from the Research and International Services Section.

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 subcommittee 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 parliament itself. I invite you to make a short opening statement before we proceed to questions.

Ms Maxwell—Thank you, I will take that opportunity, if I may. Thank you for inviting us to attend today. Just a few words of introduction, if I may. The AEC, we believe, has developed an enviable reputation amongst its overseas counterparts and international electoral organisations as a provider of high quality electoral assistance. We have supplied technical expertise and advice to many countries in many, often challenging, operational environments in a range of areas such as planning of elections, administration, conduct and evaluation of elections.

The AEC has developed a depth of experience which we believe places us in a sound position, should the need arise, to provide support to the electoral aspects of the Bougainville peace process. In June 1998 and January 1999, Mr Bill Gray, the Electoral Commissioner, provided written submissions to this inquiry. These papers detailed the AEC's international work and outlined its credentials generally. I would like to table an updated version of the AEC's history of involvement in international assignments for your consideration. This is attachment A to the submission. It has just been slightly updated.

I would like to point out two current initiatives which may be of interest to the committee. The first is the Pacific Islands, Australia and New Zealand Electoral Administrators Network, which was established in October 1997. The AEC was instrumental in the creation of that network. The network aims to encourage an exchange of information and to provide mutual support within the member countries. Papua New Guinea, the Solomon Islands and many other countries in the Pacific region are members of that network. The AEC provides the secretariat for that network at the moment.

The AEC also commenced working with AusAID late last year on developing a long-term electoral assistance package for the Papua New Guinea Electoral Commission. The first phase, which was undertaken late last year, was a scoping exercise. Two AEC staff, including Alistair, went to PNG to look at the possible assistance the AEC could provide. The report, which has been done as a result of that exercise, has gone to AusAID and we are now in the process of looking at a project design mission which we are looking at commencing in August. It would be a joint exercise between the AEC and AusAID. I would also anticipate that Alistair would be part of that.

We believe that we have developed a very good relationship with our colleagues in Papua New Guinea over some years and that this latest and most substantial project will enhance our relationship further. Thank you.

CHAIR—Thank you very much indeed. Alistair Legge, what did you find in terms of your studies in New Guinea?

Mr Legge—We were asked to do an assessment of the operational effectiveness of the Papua New Guinea Electoral Commission and also do an assessment of the supporting legislation. We found that there needed to be a lot of work—I think there were something like 24 major recommendations. Some of them were legislative that we could not touch, but we suggested that they needed to move away from first past the post and return to optional preferential voting. But the major recommendations were operational and had to do with working on their electoral roll, which was a complete mess—just normal operational things that we take for granted about controlling the ballot and conducting counts and all that sort of thing.

The major issue was the electoral roll. Our suggestion was that they needed to computerise it to prevent any sort of fraud. An example for Bougainville is that the PNG Electoral Commission made an assessment that there are 52,000 potential electors or eligible electors. Currently there are 85,000 on the roll. That is the same for almost every province. It is just that the system has fallen down. They use the system that we used some 20 years

ago. It has not been updated and people are smart enough to manipulate it and the potential for fraud is prevalent.

CHAIR—Nothing would have changed in Bougainville anyway in 10 years, would it?

Mr Legge—I suspect not. I do not know. When we went to PNG, we did not go to Bougainville because the International Foundation for Electoral Assistance—that is an American foundation—had a consultant there. A man called Jim Heilman—he is a Virginian returning officer in the USA—was invited in to do an assessment of Bougainville. His report and ours actually dovetail quite nicely. We came up with the same recommendations.

CHAIR—He would not have much to teach us though, would he?

Mr Legge—I would not want to say.

Mr HOLLIS—Is the electoral roll for Bougainville held in Moresby?

Mr Legge—That is right. It is a centrally controlled roll. It is all a manual system and there are very few checks and balances on that roll at all.

Mr HOLLIS—Do people have to apply to go on the roll in PNG?

Mr Legge—That is right, yes. What happens is that they send out what they call collectors to collect names. There is not a standardised system and that is another problem. It is done differently depending on who the returning officer is. People just submit names and that becomes the electoral roll; there is no real verification and there is no checking. There is potential for fraud. There is no proof for fraud, but there is potential for fraud.

Senator BOURNE—I notice in your submission that you say that there are some computerised systems that are available. You were suggesting, I think, that Samoa and Tuvalu are the places that could use this; smallish places, places that do not have huge technological resources. Would the same be possible for PNG, and for Bougainville in particular, do you think?

Mr Legge—We believe so. Even if you are looking at 85,000 electors you can do it off a small access database that can run off a PC. We believe that can be done for all of Papua New Guinea. We are not looking to create a roll like we have here, which is a complicated system. We are looking at something which is a very simple database able to be controlled by the PNG Electoral Commission.

Senator BOURNE—Do you have to enrol? Is it voluntary enrolment?

Mr Legge—I think the legislation says it is compulsory, but there is no enforcement of it.

Senator BOURNE—What about voting?

Mr Legge—It is voluntary.

Mr HOLLIS—How long would it take to work out a roll that people could have some confidence in? You are not going to get the perfect system but, as you say, there is not a lot of confidence in the system. Is this long and involved work?

Mr Legge—That I do not know; it is not my area of expertise. I guess the bottom line is that the people actually have to have confidence in it, much the same way as ours, so there is an education process. The mechanics of it we can do, but there is the education process over a period of time so that the elector has confidence that the roll is a fair reflection.

CHAIR—Bearing in mind that there is virtually no infrastructure in Bougainville, have you cast your mind to the prospect of running an election there specifically yet?

Ms Maxwell—No. I would say not specifically at the moment, but subject to AusAID support and DFAT approval it is certainly something that the commission would be interested in assisting with.

CHAIR—Basically what do you require? What is the minimum you can have on the ground to allow the election to take place in terms of any sort of support facilities—electricity, communications?

Ms Maxwell—Certainly some form of communication system, and transport to be able to transport materials around. I really do not feel that I could answer that question off the top of my head. I do not really know the area.

Senator BOURNE—Have you had a look at the recent elections that they had in Bougainville over the last a month or so?

Ms Maxwell—I have not.

Mr Legge—Only very briefly in the last couple of days. PNG have an agent there—a public servant, Mr Mathias Pihei, I think his name is. In any election he would be the person charged with conducting the election and they would run the election that way. But I have no results. We do not know how good the election was or anything like that. I have no idea.

Ms Maxwell—Probably one criterion that we would need in Bougainville would be a fairly secure situation so that an election could be run in such a way that it was, and people felt it was, free and fair.

CHAIR—What was the hardest election that the AEC has ever conducted in terms of your overseas work?

Ms Maxwell—Not having been involved in many of them, it is quite difficult to say. But I would imagine Cambodia was one of the difficult ones, being a situation of some conflict involving people from many different countries working towards the peace process and the election outcome, and the geographic problems and infrastructure problems that were faced, and certainly the potentially violent situation that was there. I would say that Cambodia would be one of the more difficult situations.

CHAIR—Reading the submission, I was trying to work out which election would half equate to the Bougainville situation. I thought Cambodia would probably be close to it.

Ms Maxwell—Mr Michael Maley, who is the usual director in this section, certainly had a lot of involvement in Cambodia and would be very well equipped to provide any further information on that if it was required.

Senator BOURNE—He has had a lot of involvement all around the world.

Ms Maxwell—He has. He is highly sought after.

Senator BOURNE—He could go anywhere—to Africa; anywhere—and they would know him.

Ms Maxwell—There are phone calls every day from people all over the world wanting to speak to him.

Senator BOURNE—Yes. It is extraordinary. He is not the most outgoing and gregarious person I have ever come across either.

Ms Maxwell—No comment.

CHAIR—He speaks well of you!

Mr HOLLIS—I note that in many of the submissions here you mention AusAID. Are you always dependent on AusAID for funding to assist with elections or does the Australian Electoral Commission have a fund itself? Does it come out of your budget? I noted that the submission you made, Mr Legge, when you were there was going to AusAID. It seems to me that a lot of these other areas—this is not only with PNG—where the AEC have had an input have been dependent on AusAID. Is it always AusAID that funds these?

Ms Maxwell—It is often AusAID, but not always AusAID. We also receive funding, depending on the assignment, from different bodies such as the United Nations and the International Foundation for Electoral Systems. The Commonwealth Secretariat has funded some assignments and the International Institute for Democracy and Electoral Assistance has certainly funded some projects. We have a small budget, so we certainly rely on other sources heavily.

CHAIR—With the South Pacific network which has been established, has Bougainville ever had a look in there in those discussions, do they have representatives there or does New Guinea acknowledge the situation in that forum?

Ms Maxwell—I am not aware of Bougainville being raised in the context of the network. Certainly the Papua New Guinea Electoral Commission represents the network.

Senator BOURNE—I understand that you are from the Research and International Services Section which was set up only a few years ago, wasn't it?

Ms Maxwell—Yes.

Senator BOURNE—It was virtually doing work before then and has been since. Can you give us a brief outline of the sort of stuff that you are doing, the sorts of things that you are researching, in particular, and what your next big project would be?

Ms Maxwell—We have a small section of only four people. I would have to say that the research aspect of the section has probably fallen by the wayside a little bit at the moment, concentrating on the international election. The biggest project we are working on at the moment is East Timor. Australia is providing assistance to the UN in the conduct of the ballot and we are involved in helping to write up the guidelines for the conduct of the ballot and for registration. We are arranging for materials to be printed and procurement of materials for the whole process. That is happening within Australia. We are also conducting the ballot within Australia for East Timorese people in Australia.

Senator BOURNE—Of course. That would be huge with the diaspora.

Ms Maxwell—That was huge. With the very short time frame, that is taking a lot of our time at the moment.

Senator BOURNE—I can imagine it would be. You are involved—or someone was involved; perhaps it was just Mr Maley—in setting up the whole Indonesian system, the new one?

Ms Maxwell—We have had some involvement in that. Our main involvement is that we have a team of about four or five people in Indonesia at the moment. In fact, Michael Maley is winging his way there at the moment. The main role we have been playing is developing a results system—that is an indicative result system, not a formal results system—to try to get to the public the result of the election as soon as possible. A media centre is being set up that the AEC has had a lot to do with. So that has been the main involvement in Indonesia.

Senator BOURNE—It is very impressive.

Ms Maxwell—Thank you.

CHAIR—Just on that work, are there any other electoral commissions around the world that are as involved as we are?

Ms Maxwell—Not that I am aware of. I understand Elections Canada is quite heavily involved in international programs.

Mr Legge—Yes, Canada perhaps even more so than us, because they have such a strong relationship with peacekeeping. So there is a joint area between the commission and their military component. Canada has a very strong international involvement and very big support from their government to do so.

CHAIR—The work and the systems that they devise, are they similar to ours?

Mr Legge—It depends on the situation. What often happens in international elections is that they supply people, as we do, and they become a team. So it is an international team and they work with indigenous institutions to actually develop what is required there. We do not go around trying to recreate an Alternative Vote System wherever we go, because it is not suitable in most situations, and it would be the same for Canada.

Dr THEOPHANOUS—Mr Chairman, sorry I was late. Maybe this question has been asked. In the situation where there has been a serious civil war type division, what sorts of impediments would there be for your people in ensuring that there is a fair ballot and how would you deal with those impediments?

Ms Maxwell—I can make some comment on it. I will not claim that it will be a comprehensive comment. Certainly there needs to be some sort of commitment to some sort of peace process. If there is going to be ongoing conflict and civil war, the situation just is not going to exist where you can conduct a free and fair election; for example, if people are not allowed to register their political parties so you have a number of options to vote for. If people feel that they cannot campaign because their life may be in danger, if people feel they cannot register because their life is in danger or they will be threatened, they are obviously not good situations. If there is no freedom of the press, then obviously you have to question whether a free and fair election could be conducted. And obviously if people cannot turn up to the polling booth because of the violence of the situation, there is not going to be a free and fair election.

I do not know if I am answering this properly. In a situation where there is civil war, there are a lot of obstacles that would have to be overcome. The AEC would come in after, we hope, the conflict had been resolved through defence or the UN or whatever.

Dr THEOPHANOUS—That is right. Although the comments you made also are interesting in the context of Timor, in the context of Bougainville, for example, where there probably would be an agreement to conduct the election, I guess the problem could be that people might claim, at least after the event, that there has been intimidation from one group or another. Even in the actual process itself, some groups might claim that not all their people were able to vote or what have you. Obviously you cannot conduct an election while all this is taking place, but we are talking about an atmosphere in which there have been very severe tensions, a civil war type situation. Even if there is an agreement, that does not take away all of the tensions that pre-existed, obviously. Do you have any comment on that—or do you have any experience in conducting an election or helping in conducting an election in that sort of atmosphere?

Ms Maxwell—I would say again that probably Cambodia would be the major example. There are many problems involved in that. I have to say that I am not really qualified to answer other than to say that there needs to be a stable situation that is secure physically for people and an atmosphere where people feel they can exercise their vote before we could do an effective job.

CHAIR—Just on that, has there been any interaction between the AEC and the Peace Monitoring Group in Bougainville at all?

Ms Maxwell—Not that I am aware of.

CHAIR—Thank you very much indeed for being with us today. If there are any matters on which we might need additional information, the secretary will certainly contact you and we will send you a copy of the transcript of your evidence to which you can make corrections of grammar and fact.

Ms Maxwell—Thank you for your time.

[9.34 a.m.]

REGAN, Mr Anthony James (Private capacity)

CHAIR—On behalf of the subcommittee, I welcome Mr Anthony Regan from the Research School of Pacific and Asian Studies. 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. In what capacity do you appear before the committee today?

Mr Regan—I am a lawyer/researcher at the Research School of Pacific and Asian Studies where I work on Bougainville issues, but I am also working for the Bougainville administration on the negotiations with the national government. Essentially I am appearing as a private person with a deep, ongoing interest in Bougainvillean issues.

CHAIR—Thank you very much. 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 in the parliament itself. I invite you to make a short opening statement before we move to questions.

Mr Regan—Thank you, Mr Chairman. On Wednesday last I returned from three weeks work in Bougainville, where I have been assisting the Bougainville administration with arrangements for the establishing and the operation of the first meeting of the Bougainville People's Congress, which, as you will all be aware, was the new representative body established as part of the efforts to establish the Bougainville Reconciliation Government, which has been required by the Lincoln Agreement.

Under the Lincoln Agreement, that body was to be established through elections before the end of 1998. Unfortunately, as you are all aware, there was a range of problems, political and constitutional, which prevented that being done on the basis which had been agreed by most of the parties by late last year. As a result, interim arrangements had to be used, which led to the reconciliation government being established in stages: first, a constituent assembly for the first few months of this year, made up of representatives of the main factions in Bougainville; and then through elections.

Elections were held early in May after some delays due to political conflict with some of the national members of parliament and leaders from Buka, in the north of Bougainville, the Leitana Council of Elders. But in the New Zealand accord, the Matakana and Okataina Understanding of 5 May, agreement was reached that the selection, as it was called, of the members of that body could proceed. So elections took place in the first part of May for 67 elected constituency representatives. Thirty-two members were then nominated by various interest groups and the four members of parliament were also automatic members, giving a total membership of 103. That body eventually met on Wednesday of last week, 26 May. It met then over four days till 29 May, I think it was—Saturday of last week.

I was involved in preparations for that body and then also a wide range of work in preparation for negotiations with the national government, which are now expected to take place before the end of June. The Matakana and Okataina Understanding envisages the

political negotiations on the future political status of Bougainville taking place before the end of June.

In general, the Bougainvillean groups are agreed that that is a good idea, in part because of the political circumstances in Port Moresby. Mr Skate, in particular, is very keen to work towards a resolution of the Bougainville conflict before parliament meets in mid-July. Perhaps for obvious reasons the Bougainvillean groups are feeling that this presents a good opportunity and a good timetable to work towards. So the scheduled date for meetings to begin, according to the Bougainvillean groups, is 21 June. Whether that is a timetable agreed to by the national government we do not yet know. So I was working on the arrangements for the positions to be taken by the Bougainvillean groups in those talks.

On the establishing of the congress, it was a very positive step forward. For three days, Bougainvillean leaders from all over Bougainville who until very recently had regarded one another as enemies, rubbed shoulders, caucused, lobbied, sorted out differences over who should represent what, who should be appointed to what. They did so largely in regional caucuses. This was not planned. It happened almost naturally. The night before the first voting for office holders, they just broke into regional groups.

So the BRA and the resistance from the north, the BIG and the BTG members, the former groups from the north, worked all night, basically, to sort out common cards of candidates. There were a lot of difficulties, a lot of tensions and some disputes—people were coming away feeling that they had been stabbed in the back and betrayed the next day, all the sorts of things, I guess, that politicians anywhere in the world would—

Mr HOLLIS—It sounds like a Labor caucus meeting.

Mr Regan—Exactly. It was very impressive. People resolved their differences and moved on. They kept doing that. As each lot of office holders had to be elected they went back to the regional groups. This went on over three days, basically; they kept adjourning. As they got the Speaker and the Deputy Speaker elected, they would adjourn so that everybody could sort out what they wanted to do about the president and the vice-presidents. When they had sorted out the vice-presidents and the president they adjourned so that they could advise the president about who should be appointed to the executive. So it was not, if you like, a Machiavellian strategy to give them lots of time. It was a natural thing. But it did provide lots of time for caucusing.

In terms of that body becoming the main arena in which things get sorted out for Bougainville, there was very good progress. The executive body was supposed to be made up of the president, two vice-presidents, and up to 20 other members, but appointed in a way that was reasonably representative of the regions and communities.

There are 12 districts in Bougainville. It became obvious that, if you are to have two members or thereabouts per district, there were not enough positions. So after the consultation had gone on for a day, it was decided to amend the Constitution to up the number to as many as 30, giving an executive of up to 33. The appointments were then made essentially on two per district, but more for Buka. It ended up with five for Buka, in part to try to offer a hand to the Leitana group, and one solid Leitana person and a very

much middle of the road man, George Lesi, who used to be the provincial administrator, were put on to the executive.

There was considerable disappointment amongst the Buka members because Thomas Anis, the former Vice Premier—Deputy Premier under Sinato in the BTG—was eventually elected vice-president, contrary to a deal that the more moderate Buka people thought had been done that would have put Lesi in as vice-president. So a fair bit of appeasement then went on when the appointment of the executive was done and Buka got a lot more representatives than perhaps they should have in an effort to pull them in more.

All of this seems to have worked fairly well. Of course, one has to remember that there are problems on, if you like, both the right and the left. On the right, in very broad terms, you have John Momis and the Leitana Council of Elders, basically unhappy with everything that is happening. Still, despite John Momis signing the Matakana and Okataina Understanding and agreeing to the elections proceeding, he has continued with a court case challenging all of the arrangements on which the elections have proceeded. That court case is yet to be resolved. It is very unclear what would happen if he were to win that court case. It is pretty hard to imagine that some of the more radical elements of the BRA would receive such an outcome with equanimity.

There is a good chance I think that the Leitana group's platform is being undermined. We have George Lesi and others coming into the executive. In addition, the signals coming from the leadership about where they want to go with the political negotiations are very positive. The indications are that they are moving towards, in Bougainvillean terms at least, a moderate set of proposals. I do not think they will be seen as particularly moderate when they are put on the table at the national level, but there is not what the Leitana people have been constantly claiming, a demand for immediate independence. That is most unlikely. There is a consensus on the need for consolidation in Bougainville, building a capacity and so on, and also on the need for an act of self-determination rather than immediate movement to agreed independence. I think that should help to pull some of the Leitana support base back to the mainstream. So I think we can anticipate perhaps ultimately fewer problems on that side as the progress continues.

On the left, we have Francis Ona and various radical groups within the BRA. On Friday of last week, after the president and the vice-presidents had been elected, there was a big demonstration in Arawa, headed by representatives and relatives of the family of Theodore Miriung, the former Premier who was murdered in October 1996. Several of the family members spoke—this was a demonstration to present a petition and demands to the new leadership. The immediate family, the wife, was saying, 'Look, it has been three years since Miriung died. There has been no investigation, no charges laid and no compensation paid to his family. He died for Bougainville. He didn't die for himself or his family. He died for Bougainville. We want the new government to do something.'

Then a range of other speakers spoke, including brothers of Miriung. Their basic message to the leadership was, 'He died for independence. His demand was independence and if you don't deliver independence to us quickly'—it was all fairly dramatic sort of stuff with a lot of hallelujah, amens thrown in—'no country, no kingdom, no empire will compensate for the death of our brother.' It was a very serious warning and it was taken very seriously by the

leadership. Their reaction was one of, 'We now have to work much more closely with people like this. We have to help them understand where we're going and what the difficulties are.'

But there is no doubt that in the BRA ranks there are numerous people who believe that no outcome other than independence at an early date is acceptable. Of course, not all of these are closely associated with Ona. These are people within BRA elements that are still working quite closely with Sam Kauona and the mainstream BRA. I think Kauona's public statements, which some often think are terribly extreme, need to be seen in that context. He is dealing with a constituency which is still quite radical in Bougainville terms and he is very conscious that out there is Francis Ona, a serious wildcard, who has the potential to pull back to him a lot more than just the villagers around him who now recognise him as head of the Me'ekamui Republic. What used to be A company of the BRA is now the Me'ekamui Defence Force. It is the kernel to build quite a bit more on to if things do not proceed as the radical elements hope. There is talk of Ona now saying, 'Okay, let this process go ahead—don't interrupt it, don't disturb it.' That is a considerable improvement on his reaction to the ceasefire in 1998. But the undercurrent is that he is saying it is all going to fall apart anyway and 'We will be ready to move when that happens.'

So what is now emerging is that the mainstream leadership around Kabui and Tanis and Anis and the others in the executive council are very conscious on both sides that they have got a lot of work to do to pull people into the arena. The people who are now in that arena are accepting it as the arena where all the issues about Bougainville get sorted out. But there are these elements who are saying that it is not a legitimate arena or that, if that arena does not produce the result they want, it will be illegitimate and they will then be free to go in the direction they think is right. So there is still a lot of progress to be made. I do not think that means the progress is impossible. Look at Bougainville compared to two years ago. The progress is unbelievable. The mainstream leadership is very conscious of the task and is working very actively at those tasks.

In relation to the political negotiations, a very interesting process has been gone through. There is a technical team working to advise the leadership about the political negotiations. That technical team involves officers that used to advise the BIG—the Bougainville Interim Government—officers associated with the BRA, and the BRA is now accepting that its proper place is with the officers, not with the political leadership.

Kauona and his secretary, Robinson Asitau, now sit in the technical officers' team. That is a big move forward. They are saying, 'Well, in all other countries that are democratic, the armed forces are regarded as part of the administration, the bureaucracy, not part of the political leadership—this is our place.' So that is a step forward. In addition, of course, there are officers who used to advise the BTG, and I am included amongst those. And there is the provincial administrator, the deputy administrator, the two Bougainvillean legal officers, and one or two others. So there is a technical team of about 14 people.

The numbers working at any particular time vary, as some of us are based in Australia and Holland and elsewhere. But that team is working very well together. There is very good understanding established, good trust, constant phone calls back and forth when anybody is out, documents faxed back and forth.

Amongst other things, we have developed material to advise the leadership about the main options. What are the main options for the future political arrangements for Bougainville? Through the peace process, you have committed yourself to no fighting for any goal—independence or otherwise. So what are the options short of fighting? Well, at the bottom end we have the provincial reforms which apply in the rest of the country. There is no way Bougainville would go for something less in terms of autonomy and self-government than is available elsewhere. So that is the bottom end.

At the top end you would have unilateral declaration of independence that the national government accepted. Then there is a whole range of things in between—independence according to various timetables, acts of self-determination according to various timetables, high levels of self-government, before referenda and after if they did not support independence and so on.

In addition, we have developed a framework for evaluating those options and we have done that by analysing what are the main issues in Bougainville, what were the big issues before the conflict that have contributed to it, what are the big issues that have arisen during the conflict, things like human rights abuses, destruction of services, traumatisation of people and what are the consensus areas that have emerged during the conflict and during the peace process? What are the constraints operating in Bougainville now in terms of administrative capacity, revenue, economic base, the need for international support and so on? So we end up with a long list of issues and a set of requirements for the best option. If you had the best option possible, it would have to meet all these requirements that flow from these issues.

Requirements include the powers necessary to deal with grievances that caused the conflict, powers to deal with human rights problems, powers to deal with the special needs of Bougainvilleans, the trauma and so on. But powers are not the only thing. Powers are pretty useless without capacity. So we need administrative capacity, we need financial resources and so on. So we have ended up with a list of 20 requirements and we have ranked the nine options and the 20 requirements by basically going down the 20 requirements and giving them a high, medium and low marking.

We have then said, 'Okay, what do you think of the evaluation process, the framework? What do you think of the issues that we've suggested, what do you think of the requirements that we've suggested, what do you think of the rankings that we've given?' Obviously I cannot give you that paper—it is not on the public record, but it probably will be at some stage in the next few weeks. But I wanted to give you an idea of the kind of process that has been gone through to give you a sense of how careful and how rational the leadership is trying to be and part of what is involved in doing a process like this is to make it clear to Leitana and others that there is no agenda.

Part of Leitana and Momis's fears concern the idea that Kabui and the BRA have one agenda—independence and nothing else. So by giving them a full range of options and a mechanism for evaluating, it is clearly saying to everybody, 'Look, it's up to us. We choose. If this isn't the best way of choosing, let's find a better way. Then let's all get behind it and go and talk to the national government as Bougainville. If we go to the national government divided, we weaken our chance of getting something historic. This is a historic opportunity.'

So, as I say, what goes to the national government will end up being relatively moderate by Bougainville standards, I suspect. I am not saying what they will decide. They are still in the process of deciding. That will be a problem for some in Bougainville who want immediate independence. When it goes on to the desk at the national level, it will appear very radical to many there and I think one of the main needs now is to help people at the national level understand the need for something fairly radical in Bougainville terms, because if it is not something relatively radical in the national government's eyes, you can imagine how it is going to be seen by the extreme elements. There is no way the mainstream leadership will be able to hold the more radical elements in the process if something fairly dramatic is not agreed to at the national level. Mr Chairman, you asked for a short opening statement. Perhaps I should stop there before you feel I have really overstepped the bounds.

CHAIR—May I just say that that is marvellous. It is great for us to have an opportunity to have an update as recent as this one. We appreciate it very much indeed. Could I just clear up one or two things myself. There have been suggestions that Ona has become a recluse and is now playing himself out of the game; you would not agree with those? You think he is still pretty potent?

Mr Regan—I think anybody who discounts Ona is making a serious mistake. That is my own general inclination and that is very clearly the view of many in the BRA and the BRG who have been very close to him in the past and who still have indirect communication with him—that is, through people who are still close to him.

CHAIR—Is there any financial base now to this operation that is happening with the group, or is it in a voluntary capacity with no financial capacity to do much at all until such time as negotiations are over with New Guinea?

Mr Regan—You are referring to the congress, the Bougainville People's Congress?

CHAIR—Yes.

Mr Regan—The suspension of the provincial government which occurred as of 1 January was necessary really to keep the BIG people committed to the process. If the new Organic Law, the reforms to the provincial system, had come into operation in full on 1 January, I think we would have seen the BIG/BRA largely withdraw from the process and go their own way—not necessarily, but there would have been huge pressures that way.

Under those suspension arrangements, neither the congress nor the body that preceded it, the Constituent Assembly, had any legislative or executive powers. Their role is advisory. The national government holds the powers of the suspended provincial government, but has agreed to exercise those powers only on the advice of the legitimate leadership of Bougainville. So the Constituent Assembly was accepted as the legitimate leadership from January until May and the congress is now accepted as the legitimate leadership for those purposes.

It is probable that a committee of the executive around the president and the vice-presidents will become what they are calling an advisory conference. This was the system used with the Constituent Assembly. A group of five BTG and five BIG members formed an

advisory conference that advised the minister on the exercise of the powers of the suspended provincial government. So something similar will happen there. Otherwise they are regarded as the legitimate leadership in terms of undertaking the negotiations about the political future. That is the background of saying, 'Yes, at this stage they have no funds. However, on the direction of the minister, the provincial administration, which has a budget provided for under national government financial arrangements with the provinces, is providing financial support to the congress.' In addition, AusAID has been providing crucial support in terms of funding the transport to the meetings, because, of course, shifting 103 people around Bougainville from the remote areas into the centre is very costly.

So the first meeting broke up last Saturday. The next meeting starts next week on the 10th. In the meantime, the members are supposed to have been working all around their constituencies seeking people's views on what people feel should be negotiated on the political future and next week they are going to have to be flown back in—by choppers and small fixed wing—to another meeting. Then they have to be accommodated and fed and so on. They are not being paid a salary. They are being paid small sitting allowances of something like 30 kina, which is about $17 or $18 a day. But their meals and accommodation have to be found somewhere. So the total cost of a meeting, if you throw in all the air fares and so on, is getting close to 200,000 kina—$110,000, $120,000. They are not going to be able to meet too often once the negotiations are under way. So finance remains a huge constraint.

CHAIR—In terms of the congress, amongst the general populace of Bougainville is there a real understanding of what it is all about, or is there still the perception that, 'This is it'?

Mr Regan—I do not know. I work in a very rarefied atmosphere, I am sure you can imagine, in Bougainville terms, sitting in basically government offices and congress meetings. But talking to ordinary congress members, the BRA and BRG officers, they agree that there are a lot of misunderstandings out there and until radio and other forms of communication and transport improve, that is going to be the case. But with the elections themselves, the members going back to consult, the reporting about what is happening in congress, gradually people are understanding better.

The PMG plays a role in the patrols that it makes out to the villages still, telling people what is going on. The provincial government puts out a weekly broadsheet. So does the PMG. So compared to two years ago, there is a flood of information. But what people make of that information out in very remote areas, we do not really know. I am sure there would be some who would think that the political negotiations mean that independence will be happening in the second half of the year and will be very disappointed if it does not. That is part of the job of the congress, to get messages, to educate people about these issues.

CHAIR—When we were there, I think we were fairly impressed with the role of the women and indeed the attitude of the women. But in actual fact the congress has very few women there—I think five or six?

Mr Regan—Six, four of whom have been appointed to the executive. I should have mentioned that—two from each of the main women's organisations, who, by the way, do not get on very well. There are parallel women's organisations that parallel the political splits in

the men's organisations as well. But, yes, there are difficulties and there is resentment. Bougainville, like the rest of Melanesia, is a male dominated society. Although most of Bougainville is matrilineal in its land holding system, that did not mean that women were the main political leadership. Women certainly had traditionally more influence than they would have in many less matrilineal societies, but they were not the political leaders, and part of what has happened during the conflict has been a sort of dichotomy emerging.

Through the women's organisations, women's leadership has emerged—strong, independent, articulate women's leadership. But that is quite contrary to the movement towards stronger traditional leadership through councils of chiefs. To some degree the councils of chiefs are about putting women back to where they should be traditionally, which is in the background—influential; everybody wants them to be influential and listened to, but not in the forefront of things. There is quite a tension there which will be a difficult one to resolve. Kabui and the more educated, articulate people leading the congress have an ideological commitment to increase the role of women, but it is a little bit inchoate. It is not clear. But he puts up the four women on to the executive, but where he goes in terms of turning around this traditional attitude to women's role in the background is a bit unclear, because that would require a very significant ideological shift and very significant policies designed to really undermine important aspects of the traditional authority. Those sorts of tensions are becoming very clear in Buka where chiefly authority is under more threat than much of the rest of the island.

Senator BOURNE—Thank you for that. Can you tell us where you think disarmament stands in all of this? How important is it and how possible is it?

Mr Regan—Disarmament is obviously very, very important. But it is not going to happen without progress on other fronts. Many people, including some in the national government, are very keen to separate disarmament from all other issues and the PPCC, the Peace Process Consultative Committee, and the UN are being tasked to get on with it.

The BRA and the BRG are very keen to see disarmament linked to the phased withdrawal of the PNGDF and the riot squads. The national government attitude is no, they are not linked. The Lincoln Agreement only links the phased withdrawal of the security forces with an increase in and return to normalcy under civil authority. It is not linked to disarmament. But, of course, the BRA regard the security forces as the No. 1 enemy and they took up arms to deal with what they saw as a serious threat from the security forces. So it is very hard to imagine the BRA seriously moving towards disarmament unless there is a reduction in the PNGDF.

Similarly, they were taking up arms to fight for special status for Bougainville—independence or something close to it. So again it is very hard to imagine them giving up their arms, unless there is some progress. So the political reality is that the issues are linked, no matter what anybody says about the need to insulate one from another. I think that, unless the linkages are either implicitly or explicitly recognised, there will be difficulties. I suspect that, whatever anybody says, there will not be much process on disarming until there is progress on the political front, in particular. Once there is progress on the political issue, then maybe the heat goes off on disarming and maybe everybody can find a way forward.

But I would be worried if there were not some recognition of the complexity of the issues involved.

There is a range of other issues involved, of course. The fact that now the technology for making guns is widely known in Bougainville, even if you disarmed, with everything that is there now, it would be very easy for more guns to emerge; there is this trade in guns and so on. So probably the reality is that we are never going to get full disarming, especially given the chaotic law and order situation and the difficult economic situation in Bougainville. There will be people on the fringes who will want to keep their guns for the odd hold-up. There will be people who want to keep guns for hunting and so on. Then stopping those guns being used for other purposes will be difficult.

While I am thinking of it, I should just mention one other thing on this question of law and order and the economy. I have no doubt when you were there you heard about the Mangru Bank?

Senator BOURNE—No.

Mr Regan—Mangru Bank is the name for pyramid banks that are operating in Bougainville. 'Mangru' comes from 'mangrove' and the main office of the main pyramid bank, which is called Nu Vistrak, operates from near the mangroves on the west side of Buka. There are now three main pyramid banks operating in Bougainville. They offer 100 per cent interest per month. Of course, not many people get that. The odd prominent person gets their 100 per cent interest and of course the story spreads and lots and lots of people put in their little bits of money. No-one knows how much is going into these banks, as they are called, and there are others operating elsewhere in Papua New Guinea. There is one called Money Rain, which is operated by a fellow from the Solomon Islands who used to work for the central bank there and was sacked for theft and misappropriation, I believe. He has been arrested for false declarations on his visa application to come into PNG.

There is a serious worry in Bougainville that you could have a sort of Albania situation where vast amounts of what is a very small amount of money, given the economic situation over the last 10 years, go into this system. There is enough frustration and uncertainty now which is feeding into this law and order problem. You can imagine what the difficulties are going to be if there is a total collapse. And nobody really is game to say anything much about it, because whoever comes out and publicly damns it first will then be blamed for causing the collapse. So the longer it runs, the worse the damage will be when the collapse comes, as it inevitably will. So there is a whole series of other problems that work in Bougainville which make everything—law and order and disarmament and so on—all the more problematic.

Dr THEOPHANOUS—Anthony, thank you for your very important information. I was wondering whether the department of foreign affairs is as up to date as you are on these matters. That might be a question we ask them when we see them in a little while.

I just want to ask you about the timetable. You said that by the 21st you believed that the Bougainvilleans would be ready to put a proposal. That is not very far away. Given the very large range of options that you outlined, are you confident that there will be a proposal

that will be accepted by the majority of the congress and could you perhaps tell us something about the dynamics of the congress, in terms of the personalities and their party positions and so on, which leads you to the view that that one proposal will be accepted?

Mr Regan—The core elements in the congress were the core elements of the BIG and the BTG previously—and BRA. They worked together in setting up the Bougainville Reconciliation Government Constitution. They worked together in the Constituent Assembly. And the five core members from each side were in the core group, as they called it, of the Constituent Assembly.

Dr THEOPHANOUS—Can you name them? Who are they?

Mr Regan—Yes. On the BIG side, Joseph Kabui, James Tanis—I would have to go back to my lists of names—and Denis Sureke are three of the key people. On the BTG side, Gerard Sinato; Thomas Anis, who is now the vice-president; Joseph Wattavi, Richard Lyons. So all of these people who have been key people right through are now again key people. Other people have come in, like George Lesi, from Buka. They have caucused furiously together, they have worked together, now in the congress over a week, in the executive council. There is a huge amount of information and discussion going on outside of meetings. There is general consciousness of the timetable at the national level with the vote of no confidence in Prime Minister Skate expected by the time parliament meets on 14 July. There is a clear understanding that there is a window of opportunity, if you like: a sympathetic prime minister, a prime minister who may be hopeful of a successful outcome in the negotiations to either bolster his support going into a vote of no confidence, or even to secure his place in history if he were to lose a vote of no confidence, because, of course, a number of prime ministers in Papua New Guinea's recent history have wanted to be the prime minister who resolved the Bougainville conflict. So the lure of a place in history has been quite an important thing and on Bougainville policy at the national level. People are aware of this. So there is a determination to get it together.

There is also an awareness that 21 June is probably ambitious; it may well slip. They are far from tying down all the details of their position yet, but they are working very hard on it. The meeting of the congress which begins next Wednesday is clearly in everybody's mind. Kabui spelt it out when he sent them off to consult the people: 'You're to come back and discuss what your people want and we're going to spend days thrashing it through and deciding what is the combined position that is to go to the national government.'

In the meantime, of course, the technical officers are working on putting together the details of what are the sorts of mainstream options, if you like, so that they will be ready to move with detailed advice on what the particular options would look like that might get chosen. So there is a great deal of work being done on both the political and technical sides which should support something being put together by the end of June.

Dr THEOPHANOUS—A lot of talk has been made about the possibility of a model similar to that of New Caledonia, where there is a high level of autonomy, plus a timetable for an act of self-determination. Is this the sort of model that is arising?

Mr Regan—That is one amongst a number that are being looked at and looked at seriously, yes.

Dr THEOPHANOUS—You are not in a position to tell us what you think may be the kind of model or even the rough shape of the model that will emerge in this consensus?

Mr Regan—No. It would be inappropriate, I think, as a legal adviser who is clearly acting on instructions, to do that. We have been trying to help the full technical team, trying to help people understand what most of the options could look like and it is very clearly in the hands of the political leadership to make a decision. It is crucial for the legitimacy of the leadership going into the negotiations that it is a decision of the combined political leadership, a consensus decision. So my role is as one of a fairly large technical team. I obviously have a rough feeling of the direction things are heading in, but as we have constantly pointed out to the leaders, with these options that we are putting up, you could take bits of option 6 and option 3 and option 2 and construct a much better option than we have put, perhaps. Think about it. It is an unnatural grouping together of elements to put together any particular option and they could be ripped apart and regrouped in an infinite variety of ways.

Dr THEOPHANOUS—Sir John Kaputin is supposed to bring people together in this exercise. Is he playing that role or is that role being discarded as a consequence of the congress taking a leading role?

Mr Regan—There is a bit of a concern in Bougainville amongst the leadership that the Kaputin exercise envisaged by the Matakana and Okataina Understanding may not have been the best way to go in terms of trying to put together a combined Bougainville position. If all the different bits of the Bougainville factions can go separately to Kaputin, what is the point of a Bougainville Reconciliation Government which is supposed to be bringing together the Bougainvillean groups' views? People are not making a big thing of that, because they recognise—

Dr THEOPHANOUS—Did you say 'are' or 'are not'?

Mr Regan—Are not. They recognised that there was nothing Machiavellian about that, that really what Matakana was about was saying, 'Okay, let's get something on the table and Sir John can put together views from whoever wants to give him views and that will put something on the table that people can react to,' so there's no suggestion that anything he puts there is anything more than a basis for discussion.

If you look at clause 2 of the understanding, that is all it says: the package of proposals that Sir John puts together becomes a basis for discussion. So clearly there is nothing to stop others putting their proposals forward. But there is a feeling amongst the Bougainvillean leadership that, as far as they are concerned, they want to pull together as many of the Bougainvillean views into one package that has a higher level of legitimacy, so—

Dr THEOPHANOUS—They will be presented then to Sir John as the package, will they?

Mr Regan—Perhaps not. That might simply be presented at the negotiations. I do not think any clear decision has been made about what would be done with that position. Amongst the technical issues that we are working on, there is a paper on the approach to the negotiations. We are saying to the leadership, 'You've got to think about these issues, where you go, who you start talking to.'

Dr THEOPHANOUS—Finally, I refer to the situation at the national level. What is the national opposition—Narokobi and the others—now saying about these recent developments for congress, the Matakana understanding and so forth? What are they saying? Are they saying that they are still opposed to this stuff or are they now more prepared to be conciliatory in the context of what is happening?

Mr Regan—The strident opposition from the opposition to what was happening that led up to the New Zealand talks seems to have reduced dramatically. I suppose all of the MPs signing that understanding, including Momis and Laimo, the two strong opposition members from Bougainville, has helped, I guess, some consensus to emerge. But the fact that the court case challenging all of the arrangements, including the congress, is still continuing makes one less hopeful that there is full bipartisan support for things.

None of the MPs attended the congress meeting, despite being members by virtue of the congress Constitution—not even minister Akoitai, although his reasons for not attending were quite different. He was fully involved as minister of state dealing with the Irian Jaya hostage situation and he sent profuse apologies and nobody was feeling untoward about that. So all of these—

Dr THEOPHANOUS—The other three did not attend?

Mr Regan—The others did not attend and there was no message from them. So you have all those sorts of things, plus the build-up to the vote of no confidence. Obviously the opportunity to embarrass the national government on what is happening in Bougainville is one that is hard to resist and that has been a factor, one assumes, in the opposition's role on the issues since the beginning of the year. So it has undermined the bipartisan approach which had operated reasonably well throughout 1998.

On the Bougainville side, the leadership are well aware that that is a big question. They are well aware that, if they are to get the kind of agreement that they hope for, they are going to require bipartisan support in parliament to get constitutional amendments through. So there is quite a bit of thinking about how to get that bipartisan support.

Mr HOLLIS—Thanks for your very comprehensive overview. We do appreciate how complex the whole issue is, and confusing. In all these discussions, though—and I do not know whether this is out of your realm or not—has there been any thought about where the money is going to eventually come from? We have been there. Depending on who you hear, the mine will not open again for all kinds of economic reasons; the PNG economy itself is not particularly flush at the moment. Would Australian aid all just go to Bougainville, or would that still continue, or would there be a separate allocation—under this government, doubtful. Does anyone ever think that eventually, whatever the future of Bougainville, whether it is a part of PNG, whether it is independent or what, it costs money to run the

country or province? In all these talks and debates and negotiations and deals and so forth, has anyone ever said, 'Eventually someone is going to pick up the tab; who is it going to be?'

Mr Regan—In the evaluation framework that I mentioned we have been developing with the leadership, amongst some of the key requirements for evaluating any option are things like the need to allow administrative capacity to improve, because one of the main issues about Bougainville at the moment that we have identified is weak administrative capacity.

In 1998, Bougainville was regarded as probably the strongest administrative unit, certainly amongst the provinces, and perhaps even in Papua New Guinea as a whole—better than most national administrative units. That has dropped dramatically. People are aware of that and we try to educate those who are not aware of it. So that is one. Another is a weak economic base. We point that out. There is not much there without mining. Another is the likelihood of no mining revenue for the foreseeable future, because that was what strengthened the economic base and provided government revenue for the future.

So we are saying to them, 'You have to take these things into account in choosing options. If you were to go for a unilateral declaration of independence, how would you build capacity, how would you get the revenue?' Joseph Kabui is constantly saying to the congress, 'We have to think hard about where we're going, because the donors, amongst other things, who are here supporting us now through the PMG and through restoration have many other demands on their plate.' Just the emergence, in our own region, of Timor means that there are much greater demands now on both Australia and New Zealand, both in terms of their security forces and in terms of their aid money. So these things are clearly being discussed and taken into account.

Of course, when you go back to the radical fringe that we were discussing before, Francis Ona's ideology was always one of returning to a sort of Melanesian communalism—the white man's technology and the inequalities brought by the white man's economy were things which had undermined much of which was good about traditional society, so they would be better off going back to a far more basic society without all of these problems.

Many of the people who support that sort of view point to how relatively well they were able to live during some of the worst periods of the conflict when there was blockade and so on. So there are those who say, 'Well, if we were to be independent and went back to an incredibly low technological base, would that be such a bad thing?' So that kind of thinking, to the extent that it dominates, can undermine the realism of those who are saying, 'We've got to take account of the money and the administrative capacity and so on.' So it is not a simple debate.

Mr HOLLIS—Nothing about Bougainville is.

Mr Regan—No.

CHAIR—What role does Australia play in the reconstruction? There has been some suggestion that we should establish some sort of vehicle to help in this and yet we hear

stories that in many respects it should be left to the locals themselves. Can you comment on that?

Mr Regan—The Matakana accord envisages a reconstruction vehicle on the model of the East New Britain Authority established after the volcanic eruption of 1994, the Gazelle Restoration Authority, and it envisages that being established under national legislation. That is one of several clauses in the understanding which the Bougainvillean leadership would like to see revisited, because there is a feeling that that would undermine any autonomy that Bougainville might achieve through the political negotiations.

Their basic argument is, 'Look, before the conflict, the Bougainville government, the North Solomons provincial government, was an excellent administrative unit. It had its own very large works program supervised by its own construction and works unit—it did not do the construction work, it supervised it, put out the tenders, evaluated the contracts, supervised the implementation of the contracts and so on. So we've got the capacity to return to that kind of level of operation. Why set up something separate, controlled under national legislation, when there's a good model for running our own operation? Give us the assistance we need to improve our administrative capacity to the point where we can do that. If you try and run it from Port Moresby, how can we possibly convince our fringe element that Bougainville really is in control? This is a highly political matter. Help us to sort out the political issue.'

I would anticipate that when it comes to political negotiations that will be a major issue on the table, that reconstruction should be handled through Bougainvillean operations with lots of assistance to build up the capacity. They are quite open to the fact that they do not have the capacity to do it on their own at present.

CHAIR—How long will it be before we can start looking at some partial withdrawal of the Peace Monitoring Group? Are we now reaching a stage where they are perhaps not needed, even to the point of outliving their welcome?

Mr Regan—I do not think at all that they are not needed or that they have outlived their welcome. I sense in the PMG itself there is a bit of a feeling that they are not quite sure of what their role is anymore, but the Bougainvilleans are quite convinced that they are needed, that they play a terribly useful role, that they create the confidence, the political space for people to be able to deal with one another again. This idea of the congress emerging as the main arena where Bougainvilleans sort things out, even though they might be in opposition to one another, could not have happened without the security and the space, the confidence, the trust that the PMG has brought and continues to maintain.

I would say that, once a political settlement is reached, the need for the size of body may reduce, but whilst there are these fringe elements on both sides of the political spectrum still trying to push things into very different directions—and there are other elements on the Leitana side, the resistance force; elements of the resistance forces have played quite a significant role—there is always this suggestion that there is still the potential for the resistance and the BRA to come into conflict again, or elements of either.

So while there are all these wildcards floating with strong potential to cause difficulties, I think there will be a continuing role for the PMG, but with the political settlement and progress towards disarmament and phased withdrawal, the potential for reducing numbers significantly would be definitely there.

CHAIR—Finally, did you have an opportunity to look at our interim report? If so, do you think we are on the right track?

Mr Regan—I did have a look at the interim report some weeks ago when it first came out. I must confess that I have not even thought about it.

CHAIR—That is fine.

Dr THEOPHANOUS—When you were answering the chairman's question about who would be in charge of reconstruction, whether it be the national government or a local government, is this not just one of the examples of the many issues about autonomy, that there is going to have to be some delineation of what powers, if any, will be given to the national government? I assume some will be. And then the very high level of autonomy, as you say, that will probably be necessary to keep the place united? What is the thinking about that? What is the thinking on both sides, at the level of the national government and within Bougainville, about what they are prepared to give to the national government vis-a-vis the very large autonomy they are seeking?

Mr Regan—I am not in a position to comment on that at this stage, because there really is not an agreement on the Bougainville side on that. I know from wide discussions that there is very great concern on the Gazelle Restoration Authority model applying in Bougainville, so that is an issue where Bougainville leadership wants to have more control at the Bougainville level. But for other issues there is still ongoing discussion and many models being thrown around.

As for the national level, what the view is there I do not know. They are not signalling their punches in advance of the negotiations either. A wide range of possibilities have been discussed by different people, from Sir Michael Somare at times suggesting that people should look at the Cook Islands model, from others saying why do we not have an act of self-determination. So clearly although many at the national level would be very worried about giving a special deal of any kind to Bougainville, others are open to fairly radical solutions to what is seen as a serious problem. But what the national government policy is, I would not have any idea.

CHAIR—Thank you very much for your attendance today. It really was very much appreciated. If there are any matters on which we might need additional information, the secretary will plague you again. We will send you a copy of the transcript of the evidence to which you can make corrections of grammar or fact. Once again, thanks very much.

[10.39 a.m.]

ADAMSON, Ms Joanna Marie, Director, PNG section, Department of Foreign Affairs and Trade

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

CLARKE, Air Commodore Kerry AM, Director-General, Joint Operations and Plans, Department of Defence

GALBRAITH, Lieutenant Colonel David, SOI Land Operations, Department of Defence

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

ROOKEN-SMITH, Mr Derek, Director, Infrastructure and Reconstruction, Papua New Guinea Branch, AusAID

CHAIR—On behalf of the subcommittee, I welcome the Department of Foreign Affairs and Trade, AusAID and the Department of Defence. 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. Welcome back. Although the subcommittee 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 parliament itself. I would invite you to make a short opening statement if you wish before we proceed to questions.

Mr Wise—Thank you, Mr Chairman. We thought we would start with just a brief overview of where the peace process is in our view, especially since your visit in March, and go quickly through what we see as some unresolved issues. My colleagues from AusAID and Defence also I think would like to make some brief introductory remarks.

In our view the peace process continues to be supported by a strong desire for peace on the ground at all levels and across almost all factions. There is a strong personal commitment from the PNG Prime Minister, Mr Skate. The presence of the PMG and the peace dividend that has been delivered through aid programs are also, I think, underpinning the process.

When you visited in March, the government and the opposition were divided over the constitutional status of the proposed elections on the island, and a meeting in New Zealand in April of leaders of the parties, which culminated in the Matakana understanding, clarified the status and the method of formation of what has become the Bougainville People's Congress. This in our view was a major step forward. As a result we have a Bougainville People's Congress formed through a provincially administered and hybrid system involving elections, selections and appointments. That process, despite some misgivings at the time, went really quite smoothly.

The congress was inaugurated on 26 May and Joseph Kabui was elected the president. In his acceptance speech Kabui very helpfully appealed to John Momis and Francis Ona to join the peace process, and Kabui and other leaders I think have made an effort to give factions and regions representation in the executive arm of the body. That also seems to have worked quite well, although there are some early suggestions that some north Bougainvilleans are feeling underrepresented.

The other thing with the congress I think is that it has brought some newcomers into the peace process, which is going to add an element of unpredictability, at least for a while, but at this stage those concerns are only minor. In the congress, the parties now have an informal body which is broadly representative of the people of Bougainville and which under the terms of the Matakana understanding has a clearly defined role to negotiate with the PNG government on issues relevant to Bougainville's political future, especially the powers and functions of a Bougainville Reconciliation Government.

The congress is currently preparing an autonomy package which should form the basis of negotiations with the PNG government. We understand that it has looked at a range of options, and the more radical ones have been put to one side; and that they are really taking a quite pragmatic approach, notwithstanding pressures from the extremes that still do exist in a small way in Bougainville.

The congress aims at this stage to present the package to PNG on 21 June. We will just have to wait to see whether that is a bit too ambitious, but certainly the intent is there. Once that package is agreed in principle by the PNG government, the next step would be to enshrine it in legislation, the passage of which through the PNG parliament will require bipartisan support.

I think on that note it is probably best to start summarising some of the unresolved issues in the peace process, having given an account of the more positive recent developments, because, as you know, the peace process lost momentum late last year when enabling legislation for a Bougainville reconciliation government failed to get bipartisan support in the PNG parliament. The meeting in New Zealand helpfully brought Momis and other Bougainvillean MPs together, but we are not confident that they have cemented a new cooperative relationship. Momis and the opposition are still challenging the formation of the congress in the courts and we cannot rule out that the Bougainville issue will again become hostage to or victim of a struggle for political authority when parliament resumes on 13 July.

Disarmament or weapons disposal—depending which camp you are from on the island, it is given different labels—remains a concern. In brief, the BIG-BRA links disarmament to the departure of the PNGDF. Other Bougainvilleans want disarmament before the PNGDF withdraws or want the PNGDF to stay. The PNG government says it will not consider withdrawal of the PNGDF until all the rebels' weapons are destroyed and says also, in any event, PNG has a constitutional right to have troops in any part of the country. But the parties are now at least talking with each other about disarmament and weapons disposal and have agreed that the UN will play a more active role in trying to draw the various proposals together and take negotiations forward. But we think progress will be slow.

The lack of a viable police presence also remains a problem. A community policing project is being developed jointly by Australia, New Zealand and Papua New Guinea, with an aim to train up to 200 auxiliary police. But in addition to the political objections some Bougainvilleans have to Papua New Guinean police, PNG's budgetary problems have hampered the restoration of policing and the restoration of a functioning court system.

More generally, PNG continues to have trouble delivering services to the island and providing sufficient funds to the local administration. Over time, this has the potential to raise questions in the minds of Bougainvilleans about the commitment of the central government to the province and it also makes the operating environment for aid donors more difficult.

Although Australia is not a party to the peace process, Australia is continuing to facilitate it and when requested is providing resources which help the parties to take additional steps towards a negotiated settlement. Our earlier written and oral submissions gave details of the nature of Australia's contribution, politically, diplomatically and through the PMG and aid programs. The government's commitment remains very strong. Earlier this week, ministers reviewed the peace process and agreed to extend Australia's contribution to the PMG for another four months. Ministers also reaffirmed Australia's commitment to facilitate the peace process through the aid program. Thanks, Mr Chairman.

Air Cdre Clarke—Mr Chairman, I will just make a very brief remark on behalf of Defence. The impression we gained from PMG reporting is that Bougainville is an area of peace, stability and normality. That is very good for us, because it provides an environment which ensures the safety of our personnel, which of course is one of the key objectives that Defence has in that location. The numbers of personnel are little unchanged from your visit or from previous reporting. The variation is no more than movement in and out. There has been no substantial change in the size of the PMG at all.

Finally, I would like to just thank the committee for their formal recognition of the support that was provided during their recent visit. It was pleasing to get that feedback and thank you very much for it.

CHAIR—Thank you. We could not have asked for more.

Mr Dillon—Mr Chairman, I would just like to pick up four or five points from the interim report and four or five points from evidence that has been given since we last appeared before the committee. We thought the interim report in respect of the aid issues raised was a very useful document and basically supported the general thrust, but I would like to just pick up a couple of points on which we would perhaps put a different emphasis and at least put that on the record and then pick up a few of the points made in evidence before the committee.

At para 259 the committee identified a suggestion that AusAID should locate more officers in the province. There is a slight factual error there in that we actually have two officers in Buka at the moment, one a locally engaged PNG national and the second an Australian-based officer. The general point I would like to make in relation to this, though, is that we have limited resources to manage the whole aid program to PNG. We have

established systems in place to ensure that there is appropriate coordination of the entire program. It is all managed on an outsourced basis and we ensure that we have regular visits, mainly from our Port Moresby High Commission, but also from Australia into the province. So we are entirely satisfied that the appropriate degree of coordination is being undertaken in the province, but recognise that this is an issue that will need to be under constant monitoring.

We also fund a range of advisers who are directly involved in what is going on in the province, including Mr Regan, a senior person in Waigani engaged by the PNG government with Bougainville issues, someone at the provincial government level and four district level workers. So we are confident that there is a range of people on the ground handling issues from a development perspective.

At paras 2.72 and 2.73, you indicated that there was a need, in a sense, to fill the vacuum being left by the PNG government, and I would in a sense just like to emphasise a couple of points here. One is the PNG sovereignty point that Australia cannot just move in and take over the whole development of the province as a matter of principle, let alone resources.

Secondly, there is a moral hazard issue. In other words, if Australia is always there to pick up the pieces, nobody ever takes responsibility. So this is an issue that is on our mind. It flows into, as well, the sustainability issue. So it is just a factor to be borne in mind when those sorts of arguments are mentioned and raised.

The committee also mentioned the need for us to do more at the grassroots level. This raises a whole host of community development issues. Again you cannot just walk into small communities and provide it all. In a sense the whole development process is about communities learning to make the most of the resources that are available, organise themselves to obtain the resources that are available, from whatever source, and so on. So it is just an emphasis issue there, I guess.

At para 2.74, the committee suggested that the Australian government might wish to allocate extra funding to PNG over and above the amount allocated to PNG. This is an issue for the government, and I do not propose to comment on that. But I do point you again to the issue of sovereignty and respecting PNG's sovereignty in respect of those issues. I guess I would make the point that in my view Bougainville is already overrepresented in the Australian aid program, vis-a-vis what we are doing across the range of other provinces. When you take into account the direct funding going into Bougainville and then in a sense the spin-off from the national programs and projects that we are operating in PNG, then Bougainville is very well represented at the moment, and expenditure figures will, I think, go up in a modest way over the next few years.

Fourthly, the committee mentioned recurrent funding. This is something that we have looked at and will continue to look at, but again it is something that the aid program does not like to do as a matter of course, largely because it affects our ability to sustain what we do—and there are those issues in a sense of taking over, respecting PNG sovereignty again. From our perspective, there is always then the need to have an exit strategy, and in a sense it can be harder to stop recurrent funding than it is to begin it. That is an issue that always

needs to be looked at carefully. However, Bougainville is a complex situation. We have been prepared to provide recurrent funding in the past where it is appropriate, and we continue to be prepared to do that.

Just quickly, I raise some key issues raised in evidence before the committee. Dereck Rooken-Smith may wish to comment on some of these, or add comment. Geographic focus: I think there are historical reasons for the preponderance of our development activities in the north. We are confident that we now have very broad coverage, and into the future we will increasingly see broad coverage, and we do not see this as a major issue for the future. I acknowledge that it has been an issue in the past.

Evidence was put before the committee that there was a need for more community type projects and less infrastructure. We would make the simple point that both are needed and that they are not mutually exclusive. We fully agree that there is a need to involve communities in what is going on and to be sensitive to local community perceptions. The infrastructure projects that we undertake look to involve local communities and, clearly, opening up the access routes through the island, the road infrastructure, will in a sense have an impact on the viability of communities through accessing government services and so on.

There were suggestions that we should work directly with the province and in a sense bypass PNG. This is a policy issue, but in a sense, because the aid comes under the development treaty, we must work through PNG, but there are policy reasons as well, basically based on respecting PNG sovereignty and the Australian government position that Bougainville is part of PNG. Having said that, we do consult extensively with all parts of the community on Bougainville.

Finally, there was a suggestion that Australia should coordinate all aid going into the province. We see this as a matter for PNG. It makes most sense if the PNG government coordinates aid. We encourage other donors. We have been active in doing that and I think we are having some success, but I would see it as detrimental for us to take over the aid coordination role merely because we are the biggest donor. There are probably arguments, in fact, that, because of our history and because we are the biggest donor, we should step back from adopting that sort of profile.

There is a range of other issues that I am happy to answer should the committee ask questions. Thank you.

CHAIR—Maybe I could just pick it up where you have left off. This is the last year that we have got the direct aid or the direct funding going to Papua New Guinea. Can you give us any sort of breakdown on how much of that might go to Bougainville and for what projects it is likely to be used?

Mr Dillon—Senator, at appendix 7 of the interim report there is a list of the current and proposed projects in Bougainville. We have an update of that table, which we can provide to the committee. I think that covers it probably more succinctly than I can orally.

Mr Rooken-Smith—I merely add to that that our aid program to PNG of course is around $300 million a year this year, and for previous years a portion of that has been for

budget support. We would expect to spend this year around $18 million in Bougainville, and next year we are expecting around $20 million. Next year we assume around $300 million for PNG as a whole, $20 million for Bougainville.

CHAIR—I am not sure whether or not you have seen one of our submissions—it was No. 24 in the attachments—from a Mr Leo White. It describes negotiation training and conflict resolution strategies which Mr White and his colleagues developed. Mr White argued that DFAT and AusAID breached agreements to support the funding for his training programs in Bougainville. Could you comment on these matters and perhaps let us know what the situation is from your perspective, please?

Mr Wise—Mr Chairman, I will have a look at this in detail and get back to the committee if there are other points to be made, but my understanding of the situation with Mr White was that he was involved directly in discussions with the parties to the conflict in 1997. He at some stage sought assistance from Australia to work on some conflict resolution ideas he had. As with any other proposal for Australian assistance in Bougainville, it needs the approval of the PNG government and the PNG government did not endorse his proposal. That is my understanding of what happened. I am not sure whether my colleagues from AusAID have anything further to add.

Mr Rooken-Smith—Yes, I think that is correct. All of our projects are vetted to some extent by both Bougainvilleans themselves and the PNG government. We have since this period, and even before this period, undertaken quite a number of projects in trauma counselling and conflict resolution, which were endorsed by Bougainville and PNG. Currently we have quite a major one with the Red Cross. We have also worked with Marist mission centres in these areas; we have provided them with funding. So one of the basic guiding principles of all of our projects is that they are endorsed at the community level, at the provincial level, and ticked off by the PNG government.

Senator BOURNE—I have just two questions. The first one is that I understand AusAID's problems. We heard some amazing comments when we were over there, things like, 'Sometimes it feels like AusAID is the government of Bougainville' and 'You should have "PNG government" printed on all your stuff instead of "AusAID"'—even though, if it is coming from AusAID, it seems quite reasonable to me to have 'AusAID' written on it. There was some talk, though, of community development officers and how they would interact, particularly on the small scale, with AusAID and with putting the aid out into the community. Can you give some information on that?

Mr Rooken-Smith—We do have a small scheme called the community development scheme, which, to be honest, has not worked as effectively as we thought it would originally. I think our guidelines were too complex at the beginning. They have been revised and we are working on making the whole process simpler. In the interim, because we now have I think six volunteers—partly volunteers, partly consultants—placed in district offices helping to strengthen the administration at the district level, we are now using those officers to help the community prepare their proposals and actually move them through the system.

What we found was that even under the old system, before we had people in the district offices, quite often they were banking up in the district offices, not going through the district

administration to Buka and from there being passed on to us and again gone through and vetted and what have you. So it has been a problem. That particular scheme, I think, was a little too complex. But it is very useful now if we do have people on the ground all around the island who can help to sort of move things along. So we are looking next year for that project to really pick up more.

Senator BOURNE—That sounds really good. So we are putting more funding into that next year as well?

Mr Rooken-Smith—Yes.

Senator BOURNE—That is around the island too?

Mr Rooken-Smith—Absolutely, including, I should add, at Paru Paru. I think in some of your submissions there were some comments that central was completely left out, it was not being looked after, it was being ignored, et cetera. Of course, there are parts of the island that are still no go for us, as much as they are with the PMG. But one of those officers was placed in Paru Paru. I think that officer was on secondment from CAA. So we are trying to take care of that geographic diversity.

Senator BOURNE—Thank you. The other question I had of Defence. The Peace Monitoring Group seems to be going extremely well. Certainly we had terrific help from them when we were there. Do you foresee any sort of timetable when you would be able to start winding down that whole operation and moving out, or is it conditional on so many things that you just cannot see the end point yet?

Air Cdre Clarke—Senator, we have been as keen as you are to make sure that the size of the PMG matches the task. There are a range of factors, though, which are necessary conditions for the PMG to go out. I think that there is no doubt that the PMG has played a key role in sustaining the environment as we see it. We are very cautious, therefore, that any balanced change does not upset that. That said, there does seem to be political progress, and my friends from Foreign Affairs will no doubt talk about that in detail. We want to match that. To some extent we are a hostage of it, although there are a number of small operational level adjustments that can be made inside that framework, and we are taking the steps down that line. But in terms of substantial reductions, we really are linked to the political process and the success of that and the relationship with Papua New Guinea.

Senator BOURNE—Thank you.

Mr Wise—Perhaps, Mr Chairman, I could just pick up on that, just to add another point. That is that the PMG, of course, is a regional operation, and what we continue to do is to consult with the other members of the PMG and New Zealand, Fiji, Vanuatu, and then also of course consult with the Papua New Guinea government, keeping under review the need for the PMG, what is the appropriate size for the PMG. In those consultations, I think it is fair to say that it is well understood that both the Papua New Guinea government and the parties in Bougainville realise that the PMG is not a permanent body for Bougainville, that it will, as the peace process matures, reduce in size—and they accept that it should reduce in size. Determining when is the appropriate time to start to make those first reductions is

obviously going to be ticklish, but it is something that certainly the participants in the PMG are committed to doing and that the PNG government and the Bougainville parties accept. We are very encouraged by recent developments. Those sorts of consultations I expect will pick up in the coming weeks and months, especially when we have a better feel for the negotiations which are likely to occur between the Bougainville congress and the PNG government in the next little while.

Senator BOURNE—Are we also, or do you expect to be, negotiating with the congress—or with purely the PNG government on this?

Mr Wise—What the PMG has tended to do, I think as a first step, is to deal with the sovereign government of Papua New Guinea, but the Papua New Guinea government also is very conscious of the need for it to be an inclusive process and we have been dealing with the Bougainville parties as well. The commander of the PMG, of course, has regular dialogue with all parties, including, of course, people in Port Moresby too. So it is a fairly flexible and inclusive series of continuing negotiations which will, I expect, pick up in the next weeks and months.

Dr THEOPHANOUS—We heard about the very important contribution of the PMG in the area of defence. But can you explain why it is that whenever there is a political crisis or whenever the situation seems to break down in Bougainville at the political level, Australian Foreign Affairs has not been directly involved in bringing the parties together? In the last three situations, it has always been New Zealand. Why is the Department of Foreign Affairs and Trade of Australia, given that our net contribution is much bigger than that of New Zealand, so slow in moving—or not actually moving—to bring the parties together at the critical times?

Mr Wise—I should at the outset reject that the Australian Department of Foreign Affairs has been slower than it needed to be. I think if you go back over the history of the conflict, there were very good reasons why in 1997 it was the New Zealanders rather than the Australians who initiated what has become a very effective peace process to date. Australia had obvious baggage on Bougainville as the former colonial power in Papua New Guinea; there was an Australian mine; and there was concern on the island about Australia's role over the course of the conflict because we had a defence cooperation program with the Papua New Guinea government. So we were delighted that New Zealand was able to find a way through, and our government has publicly acknowledged the efforts that New Zealand has made to kick the peace process along.

That said, very early on, right from I think the second Burnham meeting, Australia provided a lot of the support for those meetings in the form of transport and other costs. Earlier this year, New Zealand again—and our government has welcomed that—organised for the leaders to get together for what was originally intended to be a study tour in New Zealand—various places in New Zealand, in fact. That developed into negotiations which led to the Matakana understanding. We welcomed that. We stood ready to facilitate in any way that we could those sorts of meetings.

The New Zealand government organised and funded it by itself and we have on many occasions said that we stand ready to host and otherwise support any meetings that the

parties want to have. In particular, we have, I think, provided a lot of transport support. But we do not feel at all embarrassed by Australia's role in this peace process. We are very, very proud of what our department has been able to do, both to provide intellectual input into the process in coming up with schemes like the PMG and in making sure that our aid effort delivers a peace dividend which supports the peace process.

Dr THEOPHANOUS—Mr Wise, I have no quarrel with the PMG and the aid effort, but, I am sorry, I am not satisfied with your response about the role of Foreign Affairs. You say, for example, that the Matakana and Okataina understanding came out simply because there was a decision to have a study tour. In fact, it is true, is it not, that at that time the process was in very serious danger of collapse, that this was well known by your department, and that it was also well known by the New Zealand people, yet your department took no initiative; it was again New Zealand that took the initiative in relation to bringing the thing together. I do not know why you say it is simply just something that came out of some study tour.

The fact of the matter is that at the time of the Matakana understanding—this issue is even referred to in our original report—there was a very serious situation in terms of the possibility the whole thing would fall apart. Your department was aware of that, yet again it was left up to New Zealand to bring it together.

Mr Wise—If I could just reiterate, I reject entirely any suggestion that the Department of Foreign Affairs and Trade has not been actively involved in trying to advance the peace process. Earlier this year, at the time of your visit, there was a real concern about the conflict between the government and the opposition in Papua New Guinea over the status of the forthcoming elections. As usual, the Australian government was consulting very closely, through our very active high commissioner in Port Moresby, with the Papua New Guinean government and the opposition, with the parties in Bougainville, and we have very, very close collaboration with New Zealand and the other members of the PMG in this area.

Mr Downer has himself played a very important part at the political level in ensuring that the ministers in Papua New Guinea, the leading figures in the opposition and the Bougainville parties themselves are aware of Australia's commitment to the peace process. Mr Downer has also had wide-ranging discussions with all of them, discussing ways ahead when there have been periods of real difficulty. This happens as a matter of course in the normal diplomatic discourse we have with Papua New Guinea and the other participants in the Peace Monitoring Group.

Dr THEOPHANOUS—Mr Wise, could you provide us with documentation which supports this last statement that in fact Mr Downer has played this particular role in relation to urging ministers and opposition figures in New Guinea to progress this matter.

CHAIR—I am not sure that is for this witness—it is a matter of government policy.

Dr THEOPHANOUS—Well, why not? The committee is entitled to documentation.

Mr Wise—I have no problems at all, I am sure, in providing to the committee further information on the role that Mr Downer and the government generally has made to support

the peace process. I must admit I am quite astounded by any suggestions that the government has not supported it to the hilt. If it had not been for the Australian government's support, there would not be a peace process.

Dr THEOPHANOUS—I am not referring to the PMG or to AusAID. I am referring to your department.

Mr Wise—But it is impossible to look at those things in isolation. The Department of Foreign Affairs and Trade has been intimately involved in the development of both the PMG and the aid program and in providing other advice and information which has helped to take the peace process forward.

Dr THEOPHANOUS—Mr Wise, are you aware of the fact that there is a group of people trying to work up an autonomy package—in fact, you referred to it—with the new Bougainville congress? Has Australia given any support to this process and what is the kind of support that they are giving?

Mr Wise—The support Australia has given to the process is through the funding of a group of advisers who are working with the parties to ensure that things like the autonomy package are moved forward. For example, Australia is funding, to help the Bougainvillean parties, Tony Regan who spoke to you earlier; and for the BRA side a lawyer, Ian Prentice. In Port Moresby also we have been providing funding to the consultant who is working closely with the Office of Bougainville Affairs in the Department of Foreign Affairs and Trade there, Professor Ted Wolfers. It is through those experts that I think a lot of the developments like the autonomy package are taken forward.

Mr HOLLIS—During your submission you said that the contribution to Bougainville out of the PNG overall contribution, I think, was down from $17 million to $20 million or something next year. While we were in Bougainville, the whole system in Timor came up and generated quite a lot of interest.

CHAIR—Time and again.

Mr HOLLIS—Yes, especially when we were in Arawa. At meetings, the Bougainvilleans put to us in various ways that Australia would perhaps lose interest and would divert funds that were going to Bougainville to Timor. I do not know whether that has been put to you at all. Would you like to respond on that?

Mr Dillon—Yes, Mr Hollis. The aid to Bougainville is part of our overall aid to PNG, which is part of the PNG-Australia Development Cooperation Treaty. We are currently in the process of renegotiating that with the government of PNG. Until the middle of next year, the treaty provides for a total figure of $300 million. That is in a sense locked in.

In terms of where we go beyond 2000, the minister, Mr Downer, in a press conference after the ministerial forum in Cairns last year indicated that he fully expected an amount of $300 million to continue to PNG as part of the treaty arrangements. So we are not working on any expectation of a diversion of funds away from PNG—and, indeed, away from Bougainville.

Mr HOLLIS—Can you just give me a bit of a feel for how you decide or how AusAID decides what projects to fund?

Mr Dillon—Yes. Clearly we do some thinking ourselves and we take a whole range of factors into account. We want a geographic spread through PNG. We want a spread through our sectors. We have some views as to in which sectors, in a sense, we will have the best impact, where we can make the most difference. We then have formalised processes for consultation with the PNG government about the directions we are going, sector by sector. They have a medium-term development strategy in place, which we obviously take account of in developing our ideas.

We regularly put in place missions in particular sectors that go to PNG and look at the opportunities, talk to the PNG government, talk to the provincial level administrators. Out of that process comes, in a sense, a series of potential projects in a particular sector. We would then evaluate that, look at our budget situation, look at our current program, look at the pipeline, try to maintain the balance with all the factors that we have in mind, and then basically outsource the program, the project design process, generally to Australian consultants. We would then evaluate the design that comes back to us and make or determine a view as to whether we think the particular project that has been put to us is feasible and on what scale it ought to be. Then, assuming that it is okay, we would outsource the delivery mechanism through a public tender and contract somebody to deliver the project.

Mr HOLLIS—You have reacted a little to a couple of the recommendations we made or comments we made in our report, which were just reflective of what we got. But one of the issues put to us a couple of times—quite strongly when we were in Brisbane—was that the whole reconciliation process on future peace in Bougainville, if such a term is possible, cannot commence until people start the grieving process.

It has also been put to us that the grieving process as a whole process of payback and so forth has not really started yet. It seems to me that trauma counselling may be an area where AusAID could be putting more funds. We mentioned that some people were critical of some of the large programs like the hospital. I know that you said it was not an either/or, it is balanced, and there is no argument with that. But I wonder—I do not want to say AusAID looks at all these from a bureaucratic point of view; far be it from me to say that—whether it may be that some of these other programs to deal with reconciliation, even the grieving process, could be an area which AusAID could look at.

Mr Dillon—Let me give you a non-bureaucratic perspective on some of that. I went to a seminar by Mr Regan, who I think is still sitting behind me, where he made the point that there are complex cultural and social processes on Bougainville to deal with exactly these sorts of issues. He made the point that around Panguna some of the last reconciliations from some of the conflicts that arose during the Second World War, where families split over whether to support the Japanese or the allies, had only occurred in, I think, the seventies or thereabouts. In other words, there are cultural processes amongst Bougainvillean societies that allow for these things to be worked through in their own way. I think it would be bureaucratic to make the assumption that we can just step in, fund some counselling, and say, ‘Oh, yes, we’ve done the job.’ It is not that simple.

Mr HOLLIS—I was not suggesting it was that simple.

Mr Dillon—But we are doing some of that.

Mr HOLLIS—I am sure you are. It is interesting that when we were in Brisbane we were told that reconciliation from conflicts 100 years ago had not been resolved yet. I am not saying that we do not appreciate how complex and how difficult it is there, but there are methods that one should be involved in. It just seems to me that in Bougainville, as long as the project is one in which AusAID can put some money, can go through the bureaucratic processes and can then write up an evaluation, it is more likely to be funded than other projects.

Mr Rooken-Smith—Maybe I can just add to what Mr Dillon has already said. We realised very early in the process—I suppose this goes back to the question about how projects come about, how we decide what to do—that in addition to the process that Mr Dillon has outlined, there is, of course, always the option, and it happens all the time, that things really bubble up from the grassroots level and we see or hear or are informed that something needs to be done. Under trauma counselling, it was one of the earliest things that we did in terms of social outreach in Bougainville, really on quite a modest scale. We had a number of NGOs go in over the last few years and assist with small trauma counselling sessions. That has become a little bit bigger, with a component of the current Red Cross project looking at trauma counselling.

More importantly, last year we funded the Marist mission centre, which has a history in this area, and quite a long acceptance in Bougainville and a realisation of grassroots concern there. They have trained in trauma counselling I think four individuals, two men and two women, Bougainvilleans, and supported them back in the field. I think this goes back to what Mr Dillon was saying about the cultural aspect of things. Anything that we do in this area, especially on the trauma counselling side, is going to be rather modest, compared to some of the expenditure in something like infrastructure, but it has to take into account local perceptions and the local way of doing things. So that is why we have approached it from trying to train, I suppose, with some different techniques, local people who could then go back and train others.

So rather than bringing in a bunch of Australians or New Zealanders who then hold trauma counselling I suppose from a Western perspective, again we are rather modest in trying to build up local capacity so that people could apply some of those skills in their traditional environment.

I think the broader issue of reconciliation as opposed to trauma counselling for AusAID is a very difficult area to get into. Reconciliation in the Melanesian system entails in many respects quite large exchanges of gifts—pigs, other things of value in their system—and actually preparing for that exchange from their own resources is very much a symbol of the reconciliation process. If someone else was to come from outside and just fund the process, I think it would diminish it. The fact that people do prepare for years for these very major reconciliation ceremonies and spend a lot of time and effort and material wealth in doing it is very much knitted into the symbolism of the exercise.

Dr THEOPHANOUS—Mr Wise, you said that Australia had a lot of baggage in relation to Bougainville and New Guinea generally.

Mr Wise—I said on Bougainville.

Dr THEOPHANOUS—Yes. Would you say that, with the good work of the PMG and AusAID, we have removed some of that; if we have, does that mean that we are able to play a more up-front role?

Mr Wise—I think without question a lot of the concerns on Bougainville about Australia have dissipated in the last 12 to 18 months. When Australia took over responsibility for the Peace Monitoring Group—previously there had been the Truce Monitoring Group and New Zealand had prime carriage—there were real concerns on the island that Australia was going to be taking over the major role. There were concerns at the time, in Port Moresby too, about the possible impact of having the PMG commanded by an Australian. I think in only a matter of months those concerns disappeared. I expect during your own visit you were not approached by people concerned that Australia somehow had this leadership role in the PMG.

Through the political commitment, the commitment through the PMG, the commitment through the aid program, people on the island and in Port Moresby have learnt to appreciate that Australia is playing a very constructive role in the peace process and that the peace process would not be able to go ahead without that role.

Dr THEOPHANOUS—You mentioned before that we are all hopeful about the political process proceeding in a positive way, but you also mentioned that there were certain dangers and that there could be some falling away. In the event of the second situation, does your department stand ready to bring people together to organise conferences, et cetera in Australia or to help organise such conferences in Bougainville in order to overcome such crises if they occur?

Mr Wise—Yes, we do, but that would not be a change in our approach. We have been doing that anyway. I think the biggest event that we organised was in late 1997, when, following the two meetings in New Zealand, in Cairns there was a critical meeting which led really to the formation of the TMG, as it then was, and its deployment to the island.

I should add that in Matakana the parties agreed that future meetings of leaders would be held in Bougainville-Papua New Guinea. They thought the time for having meetings outside their own area was over. We naturally have to respect that.

That said, through the peace travel fund and other assistance we are constantly facilitating meetings on Bougainville and we facilitate the travel of Papua New Guinean authorities to Bougainville for meetings as well—formal meetings like the Peace Process Consultative Committee meetings, but also ad hoc meetings. I think in the submission that was put to the committee earlier in the year, the dollar amount for that fund was mentioned there. It is $3 million—

Mr Rooken-Smith—$3 million on local transport, and our figure for the overseas transport is to some extent mixed with our costs for the civilian costs for the truce and peace monitoring groups—and $2 million for that. So I would say about $5 million altogether.

Dr THEOPHANOUS—That is what I am getting at—whether we have contingencies in the event of a breakdown in the process. We have had a few disappointments in this process, as you are aware.

Mr Wise—We do have contingencies in mind, but the point we keep coming back to is that we are not a party to the peace process. It is up to the parties. What we can try to do is to reassure them through involvement in the PMG and in the aid program and also keep on reminding them that we stand ready, which we do, to support meetings, to provide expert advisers if required on what are really quite technical issues; we are continually informing the parties of that and responding to requests for assistance.

But we do not believe it is our role or the role of any outsiders to try to impose solutions that we might have cooked up in Canberra or in any other regional capitals. It is really for them, advised by people like Mr Regan, to come up with their own proposals which will work in their own context.

Senator QUIRKE—Just a few questions on this. It must be very difficult for AusAID in areas such as Bougainville, because you have a number of competing interests; and where you can build one hospital you really need 10 or 15 hospitals, where you can build one school you really need about 10 or 100 schools. Some of us had the pleasure of visiting the Bishop Wade High School. It is an excellent project; it looks after 700 students and there are probably 45,000 or 50,000 students in the state. How do you select who gets what? How does it work?

Mr Dillon—I think we have covered some of this already, but basically through a combination of assessing the situation on the ground and consulting with the relevant parties, the PNG government and the provincial authorities. I could go on at length, but you are right: we have limited resources. We do not want to take over the role of providing all high schools in Bougainville or PNG. That is a role for the PNG government. We stand ready to assist in key interventions, and the Bishop Wade High School is a key intervention, because traditionally, as I understand it, it was a very important regional school within Bougainville. People came from all over the island, because it was a high school. But, yes, we do not aspire to provide 15 high schools similar to that. We are very conscious that we need to set an example in terms of what PNG might aspire to, but we do not want to put in place facilities that are so difficult to afford or to maintain that they cannot be replicated, and that is a real issue for us, which we try to balance. I have probably said enough, I think, Senator.

Mr Rooken-Smith—If I could add a few points to that, I think it goes back, to some extent, to that question about geographic focus within Bougainville. Just to give you an example of the hospital that you saw in Buka, back in January 1995 we had a health planning mission go to Bougainville and look at health needs throughout the province and areas in which AusAID could provide assistance. There had been quite a bit of discussion before that—1993-94, so during the crisis. That mission came back with suggestions that the

key areas for health facilities would be Arawa, Buin, Wakunai and upgrading of Sohano Island, which is Buka, of course.

We looked at that very seriously. In the few months following that mission, the security situation deteriorated very rapidly. It only became possible for us then to look at upgrading Buka hospital. What people see now when they travel to Bougainville is really, I suppose, a visibly very pleasant facility at Buka—of course, the schools at Nissan and Bishop Wade, Talena—and a lot of the local people from the south who are now travelling more freely in the province see these developments in the north and I suppose they get the impression that somehow this happened very quickly and that it is showing favouritism to the north.

The only reason we were able to work in the north was the security situation. We had previously done designs for Arawa, Wakunai and Buin and we could not carry on with them. I think it needs to be borne in mind that that is one of the reasons that we did build in the north, and that was factored into the development of the program.

But an important part of the decision to build the school at Talena, as Mr Dillon said, is that we realised even then that it was a school for a much broader area than just the north. What was happening during the crisis was that people were trying to get their children into areas of safety. We felt at the time that the pressures on Nissan and Talena were going to build up tremendously. We were not able to look ahead and say, 'Well, we're going to have a peace process in two years time; let's not do anything.' We tried to cater for the situation as we saw it, and Nissan particularly, being on the atoll, is a boarding school where people from anywhere in the province can send their children.

We thought it made a lot of sense at the time to try to build quite big facilities in the north so that people could access them from anywhere in the province. In the meantime, of course, the peace process has caught up with things. We are very pleased about that. And we are very happy—with the PNG government and the provincial administration—to go back through the province and to relook at these sectors, especially education and health, and see what we can do now. I doubt very much that we will be building facilities that size all over Bougainville, but it certainly is a fact that we can do more in the south and in the centre on a smaller scale, an appropriate scale, I hope, and it will be appropriate to have prior consultation.

That said, I think what we have done at Talena is definitely going to be well used. Already I am hearing that because of the facilities, although things are more peaceful, parents want to get their children into Talena; it has terrific facilities. So I think it is already catering for a few more children than it was designed for. So I do not think there is any fear that either Talena or Buka will be underutilised. There is a question of what more we can do to support the peace process and we certainly will be doing that.

Senator QUIRKE—I thank you for that answer. Maybe other members were a bit smarter than me, but I think that actually has put a couple of pieces in the jigsaw together. In essence, we were lobbied quite heavily when we were up there by a range of different organisations, from the PNG opposition all the way down, saying, 'Well, why wasn't this built in Arawa?' You have just told me and that makes sense.

That brings me to the next issue: the forward plan for what AusAID is going to do in Bougainville. Is that connected to how the PNG process unfolds, or is it something separate, or is it interconnected? I mean, you must have a couple of years at least of plans for what you intend doing in that particular province?

Mr Rooken-Smith—We are working very closely with the PNG government and the provincial administration in terms of forward planning. We have just had a health mission come back from I think two weeks in the field. We have an education mission going later this year, and that will be followed up by a renewable resources agricultural mission. We are working on the assumption that the peace process will continue and the situation will return to normal. Until such time as something happens on Bougainville that makes us rethink that, we have to assume that we are moving into a situation where we can start long-term planning.

To be honest, we do not really factor in whether the PMG is there, whether it downsizes or whether it leaves. We assume that AusAID is going to be there for a very long time. We appreciate the support that the PMG has provided in terms of a security blanket for the province. It has certainly made our life a lot easier. It has allowed us to get into parts of the province that before we were not able to. But we feel confident that what happens with the PMG—in the assumption that over time it will downsize—will happen in the context of a more peaceful situation and therefore we can operate much as we do in other provinces of Papua New Guinea, and we really are expecting to be there for the long term.

I will just add one quick one: a real problem for the aid program—I am sure you would have realised it when you visited the province—is a lack of a sound local administration. We are in a bit of a hiatus now. We have political developments taking place and a lot of the administration, even the newly elected selective councils, are very focused on the politics of Bougainville. We as aid administrators usually interact with a province in terms of its project implementation capacities. These are very lacking in Bougainville. As Mr Regan said earlier, one of the key things that we will need to do is get our minds around supporting the local administration, building up capacity, then working through them at an appropriate pace and an appropriate level. All of this takes time.

I think it is very hard for us to rush into forward planning and try to involve the local province when there are not many people there who are themselves getting their minds around forward planning—they are very much focused at the moment on short-term politics—an absolutely essential ingredient; in fact, it is a precursor to our really getting serious about a long-term plan.

Senator QUIRKE—Obviously with people travelling from the south up to the north to either the hospital that we saw or in fact for their children to attend Bishop Wade High School, they must be seeing a benefit in the security environment there that is delivering those sorts of facilities. One would have thought that that would have had some influence on the course of events in Bougainville, that if you can generate similar sorts of secure environments, there is a chance that these assets that AusAID has been able to put there might be replicated in other areas.

Mr Rooken-Smith—Absolutely. We use the term peace dividend, of course, and this is something we are very conscious of—that, by visibly working in these areas, people see that there is a real alternative to going back to perhaps many years of discord and violence when none of these services or infrastructure can take place.

Senator QUIRKE—Does the PMG have any input into those sorts of considerations for you?

Mr Rooken-Smith—Sorry, in terms of the logistics?

Senator QUIRKE—Not only in terms of logistics, but also in terms of saying, 'Look, this particular area here would be a good one for another facility, whether hospital, school or whatever' and that this would help with the processes of normalisation within the province.

Mr Rooken-Smith—We do receive a lot of useful reporting from the PMG on what the situation is on the ground, and it does get thrown into the pot, if I could put it that way, in terms of the geographic situation—who is there, how many people need to be served by certain facilities, et cetera. It is part of the database that we would look at. But, more particularly, we would be dealing with district administration—district administration officers who are reasonably broadly represented in the island.

Mr Wise—Could I just add, Mr Chairman, something to that point: we have been very concerned throughout the exercise to keep the PMG away from aid delivery, because, as I am sure you appreciated when you were there, all these questions about aid projects are really political questions, at least in some people's minds, and having the PMG involved in any way in the aid delivery would put at risk their neutrality.

The other point, as Mr Rooken-Smith said, is that AusAID plans to be in Bougainville for a long, long time. We hope the peace process will move forward quickly and that the PMG will not be there for a very long time. It will be there certainly for as long as we think it can make a contribution to the peace process, but we do not want it to get involved in activities which may make its phased reductions and ultimate withdrawal harder.

CHAIR—Civilian policing was one of the things raised with us. We heard of initial attempts to get training off the ground, the lack of funds and the rest of it. It would seem to us that that is going to be a pretty critical aspect for the new administration. Can you give us an update on how that project is going at the moment?

Mr Wise—If I can say just say these are very, very high priority, but colleagues from AusAID have the latest details.

Mr Rooken-Smith—Yes, again this is an area which we fully recognise as being of great importance, and we have been following it and trying to increase our involvement. Let me just back up to the first work we did, the auxiliary training that we did last year in Arawa. That was preceded by a lot of discussion with all factions, because the police force and the police activity in Bougainville is seen as a very political issue. We became involved in it—Australia and New Zealand together—because the Bougainvilleans themselves, regardless of the factions, saw value in having foreigners involved, because they knew there

would be some compromise on the PNG side in terms of development of a police force in Bougainville, that it was not simply going to be a case of the Royal Papua New Guinea Constabulary moving into the island.

After some discussions between the various factions it was decided that the way forward would be to look at auxiliary policing rather than improving or increasing the regular police. The actual training exercise that we did last year was relatively short. It was only, I think, six weeks. It had 30 graduates. The exercise itself was well received. I think it did a good job. As you know, the problem became later on the sustainability. The auxiliaries were promised an allowance and the provincial government, and through them the national government, never made the allowance available. So although I understand a number of these auxiliaries are still working and have worked for quite a long time without pay, of course, it just was not sustainable. We have over the last few months started quite serious discussions with the New Zealanders and the RPNGC and also Bougainvilleans about what we can do to address the problem in policing.

The result seems to be that we will be looking at reinvigorating that police auxiliary training scheme, this time on a larger scale, up to about 200 auxiliaries. I understand that the communities involved have already identified likely candidates for training.

The idea would be that there would be a number of centres around Bougainville, where a course of about six weeks would take place, with Australian and New Zealand trainers and with Bougainvillean RPNGC officers. The RPNGC itself has now seen the importance of using Bougainvilleans in Bougainville. There is a sensitivity, and they realise it, to having mainland Papua New Guinea policemen come into Bougainville. They are being quite flexible and accommodating about that issue. Recently, I think a group of about 15 Bougainvillean regular police persons were trained in Bamana, the main training centre in Waigani, and are ready to be redeployed in Bougainville.

The idea would be that we would do the auxiliary training in different centres. We would not bring people to one place like Arawa and Buka. We would have reasonably small groups, 50 in a group, four centres. After the training of the auxiliaries, the Bougainvillean regular police would then be deployed to that centre and provide some back-up to the auxiliaries who have already been trained. The training group would then move to the next centre and start the process again.

I would like to really emphasise in this that the idea of this process, the concept of this project—and it goes back again to the question of how you find a project—has bubbled up very much from the grassroots level and through active and very positive interventions by the police commissioner himself in Papua New Guinea, by the head of what they call the Islands Division of the police force, John Toguata, based in Rabaul. They have gone through a long period of discussion and deliberation with Bougainvilleans right down to the grassroots level, to village chiefs, and they have explained to them how they see the process possibly working and listened to advice from people on the ground, because this system of placing the regular police constable in a centre and having the auxiliaries sort of work with him really needs the strong support of the local administrative structure, including the council of chiefs, council of elders.

The RPNGC made it very clear to us that they would only countenance doing the training and backing up the training in villages and in centres where they are convinced that they do have the support of the locals. They are not interested in forcing a structure on Bougainville. I personally have been involved in a lot of these discussions and I think the approach is a very sensible one and AusAID is very keen to support this.

New Zealand is also involved in this and I think there is potential for both of us to do some real good in this area. It will take time. I think the idea that a fully functioning police force must be a precursor for any diminishing of the PMG is perhaps a little extreme, because it will take a long time before all of this starts to knit together.

Mr Dillon mentioned earlier in response to the question about recurrent costs that we were looking quite imaginatively at recurrent costs on a case-by-case project basis. Given the problems that we have seen with auxiliary funding from last year's exercise, we will be looking at helping out with some of those allowances so that it does get a kick-start, so that at least they can be outfitted, they can have their uniforms and be resourced and have a reasonable expectation of being paid. I think that will really help it all get started.

CHAIR—I have one other thing on aid. In the budget—I am basically a simple man; I really need some explanations, I think—an increase of $22 million over last financial year was announced for the ODA. This represents 0.25 per cent of GNP, which would appear to be a reduction in fact from the current 0.27 per cent. Are we really sustaining our budget in real terms? I have looked at the formula that you used on the back of the sheet that you provided and I really got quite totally confused with all that. I was just wondering if you could straighten us out.

Mr Dillon—This is the aid budget overall?

CHAIR—Yes.

Mr Dillon—Sorry, and what is the question?

CHAIR—I was just wondering whether you could explain how the devil we are only spending 0.25 per cent of GNP, when last year we spent 0.27 per cent, yet we are stating that in fact we are maintaining it and increasing it?

Mr Dillon—I probably should take this on notice, but I will just make some conceptual points. This is not an area that I am directly involved in, but as GNP rises, of course, clearly the percentage can fall, even if there is a real increase in the aid budget. So that is the first conceptual point.

The second conceptual point is that I understand that the OECD and the DAC have made some changes to the definitions. The third definitional point I would make is in relation to the decisions the government has made on refugees, from Kosovo particularly; a proportion of that funding will be eligible to be counted as part of the aid. I do not think those figures will have been included in the percentage yet. So as we spend more and more on the Kosovo refugees in Australia, we are likely to see the percentage rise. But having said that, I would prefer to take the issue on notice and provide you with a response, if I may.

Senator BOURNE—Can I just ask one that you might also consider. I have been very confused about why we have changed to GNI—and even what GNI was; I know what it stands for—from GNP when we were working out the percentage that we spend on aid. Can you have a look and get back to us about it?

Mr Dillon—Yes, we will take that on notice, Senator.

CHAIR—Can I quickly go to the PMG and ask whether we can get a response to a couple of those points that we raised in the interim report. One of them was the fact that we should give consideration to increasing the current six-month term for the commanders of the PMG. Have you thought much about that? Or is there any virtue in it?

Air Cdre Clarke—Mr Chair, we have thought about it. Firstly, there are a couple of factors involved. We fully intend to maintain command of the PMG. There is no question about our doing that. One of the issues is how long an individual can maintain his objectivity in the environment without becoming closely involved, and we have spoken to a couple of ex-commanders—we now have two who fit that bracket—and they feel that anything much longer than the six-month cycle really creates a closeness which may not necessarily be to their advantage.

The second part of the equation is that this posting is but one part of an individual's job in Defence. You then have to look at posting cycles which match. We have tended to work on a yearly cycle for traditional postings at that rank level. Therefore, six months makes sense from that perspective.

The last point that I would like to make is that, given the rate of momentum, we would look at the commander's tenure and his relative rank for the size of the PMG. So, if there was a change in size of the PMG, we may not want to maintain a Brigadier in the longer term. I am not suggesting that that will be the case in this next cycle, but his tour could shift appropriately at the margin to match that force structure. So we have given it some thought. We would like to sustain the current cycle based on the advice of the previous commanders.

CHAIR—Did you agree with us that regular reporting to the parliament on the PMG's operation could be a useful mechanism for monitoring progress towards peace? Is there any virtue in that proposal?

Air Cdre Clarke—My view would be that our contribution to a report on Bougainville would be appropriate. Independently, I do not know whether that was your intention, Mr Chair—I do not see that we are in competition with any other report, but part of the Australian government, and in fact, as is pointed out, a broader structure of peace process; we are just one element of that.

Mr Wise—Mr Chair, on that point I just add that my understanding is that Mr Downer plans to report to the parliament fairly soon, to give an update on the peace process.

CHAIR—Any further questions?

Mr HOLLIS—At the end of our report, we made a mention of the memorial that was there to the coast watchers. People have tidied that up a little, but the memorial was overgrown with grass. I think we suggested that the high commission look at the possibility of employing somebody locally every so often to go out and mow the grass around that place. It is not the biggest issue in the report, but has anything been done about that, do you know?

Mr Wise—My understanding is that the site has been cleaned, but the longer-term point, of course, is that when you have fewer Australians—for example, when the PMG reduces on the island—it will become another issue. I will double-check that the high commission is looking at that. I know the high commission does have a role working for the Office of Australian War Graves in looking after the war graves in different parts of Papua New Guinea. The extent to which that mandate covers things like that memorial we will have to check.

Mr Rooken-Smith—I am sorry, Mr Chair, I just wanted to make one little point. Senator Bourne in the transcript before asked a specific question. I would just like to put on the record our answer. It was a question about immunisation. We have been involved in providing vaccines during the 1997 National Immunisation Day. Unfortunately, for logistic reasons we were not able to cover the province completely. I would just like to put on the record that this year, in September and October, we will be providing support for the National Immunisation Day; we hope that about 32,000 children will be immunised against polio and measles, and immunisation to prevent neonatal tetanus will be offered to pregnant women.

Senator BOURNE—Excellent. Thank you.

CHAIR—Thank you very much indeed for your attendance today. If there are any matters on which we might need additional information, the secretary will certainly contact you. We will send copies of the transcript of your evidence, to which you can make corrections of grammar or fact. As Hansard may wish to check some details concerning your evidence, do you mind staying for a while so the reporters can speak with you. Thank you.

[12.04 p.m.]

REGAN, Mr Anthony James (Private capacity)

CHAIR—On behalf of the subcommittee could I recall Mr Anthony Regan, please. I understand that there are a couple of issues that you might wish to add to your evidence today?

Mr Regan—Yes, Mr Chairman. I am sorry, I lost track of where I was at. I wanted to raise a couple of issues about aid and aid coordination. Some of it arises from things that have been said before and some of the submissions that you have received from other people.

May I first of all make the point that a heck of a lot of the people from outside who have been involved in Bougainville since the beginning of the conflict have had major involvements often dictated by their own agendas rather than Bougainvillean agendas. I will not name names, but I would love one day to send out an invitation to a list of about 20 people to make contributions to a book called 'My role as a white person in solving the Bougainville conflict'. I suspect that most of them would make their contributions without any sense of the irony that would be involved. That continued until quite recently and includes a number of people who have made submissions to this committee. As I say, I will not name names.

Many of these people know very little about Bougainville. Their ignorance is breathtaking, and it continues to this day. A little bit of it influences quite a lot of aid that is flowing into Bougainville.

In India and parts of Asia, the major NGOs that rush in and help after major conflicts and in emergencies are sometimes called sunflower organisations, because they follow the money. They go where it is sexy and interesting, because they know that they will get the funds from AusAID and from other major donors—bilateral and foundations and so on. Now there is a bit of this happening in Bougainville. Again, I will not name names. But there is a serious need for more coordination of a lot of the NGOs, church organisations and others that are going into Bougainville, with very little sense of sustainability or exit strategies.

Sustainability is something that the donor community talks about more in the normal development context; exit strategies they tend to talk about in emergency aid—you know, reconstruction sorts of situations. But they are very closely related issues.

A lot of these organisations are going in with very little linking in to the local authorities, in particular. There is a sense that because the Bougainville administration is weak there no need to deal with them—that they will only get in the way—whereas the aim should be to have a clear understanding with the administration of whether what they are doing is important and ensuring that, whatever is done, there is an exit strategy which ensures that somebody else can pick it up and run with it.

There is not much point in building, as the AusAID people were saying, 10 Talena high schools that no administration will be able to maintain. They would collapse within the first

couple of years of withdrawal of AusAID funding. I would suggest it might be a useful role for this committee to just draw attention to this important issue and suggest that at least Australian organisations that are going in should think seriously about linking in both with the national coordinating body, which is the Office of Bougainville Affairs, and with the Bougainville administration—and that it almost be a requirement that they look at sustainability and exit strategies.

I will give a couple of examples. There is one particular medical aid organisation that has put in a very good project to assist one of the hospitals in Bougainville, but it has put in a three-person team—an administrator, a nurse and a doctor—when all Bougainville wanted was a doctor. But this organisation always puts in an administrator, a nurse and a doctor. For many months it caused huge difficulties because of problems within the team that went in and the relationships with the doctor, because this organisation is more about emergency aid and not really about building sustainable things. Now it is getting sorted out, but for many months the agenda of the NGO aid organisation and the way it did things in an inflexible way caused a huge amount of difficulty in a particular hospital in Bougainville.

There is another example that I want to give. This time I will name it. Caritas Australia has an idea about a truth and reconciliation commission in Bougainville. That sounds a great idea—the truth and reconciliation commission has had a tremendous profile because of South Africa. But one wonders whether that has more to do with Caritas's interest in human rights issues generally than in understanding the situation in Bougainville. Bougainvilleans constantly say to me, 'Look, we want to handle truth and reconciliation our own way. We want to deal with it locally and through our own communities, through our own cultural processes.' There are dangers in putting everything on the table in a huge process, because that creates pressures and movement dynamics that are no longer able to be worked with in the local communities through traditional processes.

The thinking of most educated Bougainvilleans at the moment is that perhaps a way forward would be to have some sort of human rights commission, some sort of human rights body in Bougainville, that is more there for the future, for dealing with future human rights problems, but which does have an ability to handle past things, so that if local processes do not work out, are not capable of handling particular human rights problems in ways that are satisfactory to people, they have redress. But it is not in a body whose sole job is to put the whole mess on to the table and create unsustainable problematical forces.

It seems to me that an organisation like Caritas needs to be very, very sensitive, and there are dangers in going in from outside with a human rights agenda and not understanding the local concerns. I have spoken to Caritas about this and I know they say they are working with local counterparts and so on. That may well be so, but this illustrates a broader point. It should not just be a matter of consulting local counterparts, because aid organisation donors go into Bougainville and often do not understand the cultural context.

This is another reason why there is a crucial necessity for the bodies going in to consult and coordinate with the local authorities, because they can go along to people and say, 'Well, what do you think of this? We've got this idea. What do you think of it?' Culturally people tend not to confront. They do not say, 'That's a nonsense! Don't be stupid, go away.' They tend to say, 'Oh, yes, that's a very good idea.' The organisation comes away and says,

'Great, we've got this sorted out.' The aid organisation comes with money, jobs, opportunities. So people will sometimes be saying yes to things that they do not really think will be such a good idea, because they think they can get something for their people, themselves, their families and so on—they will get access to a car or an office and so on.

So again there is a great importance in getting a feel from people who know the situation, who might say to them, 'Yes, a truth and reconciliation commission may be a very good idea, but we have to work this idea through very carefully, and just because you have a counterpart or two who think it is a good idea, there might be other reasons, other considerations.' So I think it could be a useful role for this committee to raise the question of coordination and the question of linking, for a whole range of reasons, so that we discourage—it will happen anyway—the sunflower organisation tendency.

CHAIR—Thank you very much indeed for that. Thank you committee members. Thank you, secretariat. Thank you, Hansard.

Resolved (on motion by **Senator Bourne**):

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

Subcommittee adjourned at 12.14 p.m.