

SECTION TWO

THE VISIT: ISSUES AND IMPRESSIONS

The Visit Program

2.1 The broad-ranging program of meetings, informal discussions and inspections is shown in Appendix 2. In outline, the program was divided into two parts. The first part commenced in Port Moresby on 15 March 1999, with briefings and meetings with a range of officials and PNG parliamentarians, which continued on the following morning. The second part of the program comprised the visit to Bougainville itself.

Port Moresby

2.2 On arrival in Port Moresby, the delegation was met by the Australian High Commissioner, HE Mr David Irvine and his senior staff accompanied by the Deputy Chief of PNG State Protocol, Mr Joseph Laua. At the Australian High Commission, the delegation was briefed by senior High Commission staff.

2.3 During the day, the delegates met in succession with the Speaker of the PNG Parliament, the Hon John Pundari MP, the Foreign Minister, the Hon Roy Yaki MP and other senior government MPs and officials, the Leader of the Opposition, the Hon Bernard Narokobi MP and other Opposition Members of Parliament, including Bougainville representatives, the Hon John Momis MP and the Hon Michael Laimo MP.¹ The final meeting for the day was with the Special State Negotiator for Bougainville, the Hon Sir John Kaputin MP. In addition, delegates were guests at a lunch hosted by the Speaker which was attended by a wide range of parliamentarians, business representatives and PNG officials, and were given a short tour of the impressive Parliament House at Waigani, which was completed in 1984. That night, the Australian High Commissioner hosted a dinner for the delegation and a range of senior PNG Members of Parliament and other invited guests from the business sector.

2.4 The second day in Port Moresby comprised meetings with the New Zealand High Commissioner, HE Mr Nigel Moore and the Acting High Commissioner for Fiji, HE Mrs Maria Matavewa. These meetings were followed by discussions at Murray Barracks with the Commander of the PNGDF, Brigadier-General Jerry Singirok, before transfer to the airport for the RAAF (C-130) flight to Bougainville.

Bougainville

2.5 The delegation was accompanied on the flight to Aropa by Mr John Yamin, Director of the Australia/New Zealand Branch of the PNG Department of Foreign Affairs and Trade, who assisted the delegation during several of the Bougainville elements of the visit.

2.6 On arrival in Aropa, the delegation was met by the Commander PMG, Brigadier Roger Powell and the Chief Negotiator, Mr Bruce Hunt and transferred by PMG helicopters to HQ PMG at Arawa. Following a briefing by the Commander, the delegation returned to

1 See Appendix 2 for the full list of Opposition Members who attended the discussions.

Aropa for the C-130 flight to Buka, where the party inspected the recently-completed 84-bed Buka Hospital, a major AusAID project. During the evening, delegates were able to hold informal discussions with Mr Gerard Sinato, Co-Chair of the BCA.

2.7 After an overnight stay at Sohano on Tuesday 16 March, the delegation travelled by PMG helicopters to the PMG logistical base at Loloho, where the health facilities were inspected. As well as providing health and medical services to the PMG, the facilities are also available to the surrounding communities, particularly for emergency treatment. Following these inspections, the delegation was able to return to Arawa for a meeting at the UN Office, which is mentioned separately below.

2.8 The delegation then met at HQ PMG with prominent participants in the peace process, including Mr Joseph Kabui, former BIG Vice-President and Co-Chairman of the BCA, General Sam Kauona, BRA and Mr James Tanis, Minister for Reconciliation and Internal Affairs, BIG and representatives of the former BTG. A wide range of matters were raised during these important discussions, some of which are highlighted in the following paragraphs.

2.9 The afternoon arrangements consisted of briefings, inspections and discussions at two PMG teamsites on the main island, at Buin and Wakunai, where AusAID has funded significant community projects. The discussions were joined at each location by leaders of the factions participating in the peace process, many of whom walked considerable distances to attend the meetings. On return to Buka, the delegation met with office bearers of the Leitana Nehan NGO which encompasses northern districts of Bougainville as well as Buka and Nissan Islands. A separate meeting was held with the Leitana Council of Elders.

2.10 On the final day, the delegation's main engagement was an inspection of the Bishop Wade High School at Talena and the associated Specialised Training Centre, where the extensive residential campus already caters for over 700 students from all over Bougainville. These impressive AusAID-funded projects are well advanced, and expected to be completed within the next two months.

Main Issues Raised During the Visit

2.11 During the visit to PNG, the delegation conducted its discussions with a primary focus on the peace process inquiry's formal terms of reference (Appendix 1). Although, ideally, the visit program might have been longer, the access to key parties which the delegates were able to achieve within the time and other constraints applying provided very valuable detailed information. The discussions greatly assisted the delegation's understanding of the complex issues surrounding Bougainville's troubled path towards peace and the restoration of civilian authority.

State of Negotiations by the Parties in the Peace Process

2.12 Although the delegation was not able to meet with Prime Minister Skate while in Port Moresby, the impression was gained that Mr Skate has made very positive personal efforts to keep the peace process moving forward. On the other hand, the delegation gained the impression from other quarters in Port Moresby that acknowledgment of the need to pursue the peace process with some energy was fairly grudging. The opposite impression was derived during the delegation's discussions in Bougainville, where very positive signs were observed that the momentum of the peace process has continued despite occasional

setbacks. These signs were evident, for example, in the willingness of community leaders and the factions to work together towards common goals and the spirit of reconciliation that is developing at the community level.

2.13 Among the major impediments which remain, however, factors such as the lack of bipartisan political support at central government level for compromise and a commitment to moving the peace process forward were identified during the delegation's discussions in Port Moresby. While these factors are clearly matters for the PNG Government to resolve, the delegation considers there might be further efforts that Australia could make to encourage the PNG Government to seek compromise solutions.

The Peace Process Consultative Committee

2.14 The PPCC is an advisory mechanism established under the Arawa Agreement for enabling the parties to meet and form recommendations on issues relating to the peace process. Membership of the PPCC, which is chaired by a UN representative, comprises all the parties to the dispute and also includes observers from Australia, Fiji, New Zealand and Vanuatu. The first meeting of the PPCC was held in October 1998 to discuss establishment of the BRG, reconciliation, law and order and disarmament. At the next meeting later that month, the parties decided to concentrate on the issue of formation of the BRG.

2.15 While the number of meetings that have been held by the PPCC since its formation was not clear, the delegation saw potential in that forum to keep under notice the progress of the peace. Accordingly, the delegation finds the PPCC mechanism to be worthy of further examination as an avenue for monitoring progress.

The United Nations Office

2.16 The delegation was fortunate to be able to meet with UN representatives while in Arawa. The current Ambassador is HE Mr Noel Sinclair from Guyana, who is the second Ambassador to be appointed. The other senior members of the observer mission are Mr James Sloan from Canada and Lieutenant Colonel Clyde Paris from Barbados. Mr Sinclair explained the role of the UN Observer Mission and its reporting structure. He expected the Office to remain in Bougainville at least until the end of 1999 when his term expires, and when he hoped the UN presence would no longer be required. He did indicate that if the PNG Government requested an extension beyond 1999 the UN would consider such a proposal.

Claims of Australian Bias Towards Rebel Factions

2.17 In relation to Australia's development assistance programs to PNG, the delegation was made aware of the acute sensitivity and complexity of these programs. Allegations were made by various quarters in both Port Moresby and Bougainville that aid was being given to particular groups at the expense of others, and to Bougainville at the expense of other provinces. In some instances, it was claimed that Australian aid was being directed to secessionist groups and undermining PNG sovereignty. Although Australian aid was welcomed, some Opposition leaders in Port Moresby claimed that there was insufficient consultation about the priorities given to aid projects. Even the AusAID project at Buka Hospital was criticised in some quarters as being a remnant of a colonial attitude by Australia. It was made clear to the delegation during discussions with senior officials from the Australian High Commission that all Australian aid was delivered in consultation with the

PNG Government, and not directed to local factions or even provinces. The delegation was satisfied that delivery of aid conforms to the principles laid down by the Australian Government, and that AusAID shows no bias in the planning and delivery of that aid.

2.18 The issue of the degree of autonomy which should apply to Bougainville in the future was raised on several occasions during the delegation's visit. On several occasions the leader of the delegation made it clear that Bougainville's political future, and any aspects related to whether the Province should be granted varying degrees of autonomy, were entirely matters for the PNG Government to decide in conjunction with the Bougainvillean leaders. At a press conference in Port Moresby on 16 March 1999, Senator MacGibbon said:

Australia's position both in public and private has always been to support the integrity and the sovereignty of the Papua New Guinea Government. We have never ... been engaged in any negotiations to see any separatist movement or secessionist movement anywhere in Papua New Guinea.²

2.19 The delegation nevertheless recognises the central importance of this issue for many of the participants in the negotiations, and also has concerns that failure to make progress in resolving the differing points of view could seriously hinder the peace process itself.

2.20 In relation to the PMG's role in facilitating the peace by providing transport for delegates to meetings and other forms of assistance for key participants and their families, some factional leaders felt that preference had been given to some groups at the expense of others. The PMG's charter is to be completely neutral in all its dealings with participant groups, and the PMG explained to the delegation that no preference is given to any particular group in Bougainville.

2.21 Lack of basic communications infrastructure on Bougainville, such as dependable telephone lines and trafficable roads, coupled with the inability of participants to travel easily to meet with central government authorities in mainland PNG, hinders the negotiation process by preventing regular dialogue between the parties. The delegation understands that there are only a few lines operating out of Arawa, for example, and that some satellite telephones have been made available by New Zealand to key participants. There have also been occasions when private overseas individuals and companies have provided such telephones to the BRA and others.

2.22 One of the impediments to resolving the Bougainville conflict has clearly been the lack of basic communications. There may be merit in Australia considering relatively low cost initiatives such as contributing to the availability of satellite telephones for key participants, in the interest of facilitating communication between the key participants in Bougainville and between the Bougainville factions and the central government.

Legal Challenges and Constitutional Aspects

2.23 As discussed in Section One, the PNG Opposition has claimed that the NEC decision to suspend the provincial government was unconstitutional, and initiated court action

2 Reported, for example, in the *Canberra Times* on 17 March 1999.

to allow Bougainville Regional Member, the Hon John Momis, to become Governor. Referred to the Supreme Court on 27 January 1999, the matter has not yet been resolved.

2.24 Previously, factional leaders in Bougainville, in conjunction with officials from the BTG, had drawn up a Basic Agreement on Bougainville on 15 December 1998, noting that the BRG would be established within the PNG Constitution at the end of that year. A BRG Constitution was subsequently adopted at a so-called 'constitutional convention' in Arawa on 24 December 1998, although this constitution was not approved by the PNG Government. The 'constitution' contained provisions for the establishment of the BCA as an advisory body preparing for elections to a BRG.

2.25 The BCA met in January 1999, adopting both the BRG Basic Agreement and the BRG Constitution (see Appendix 8). This meeting was attended by the Hon Sam Akoitai in his capacity as the then Minister for Bougainville Affairs. The NEC has endorsed the BRG Basic Agreement, but has not yet formally considered the BRG Constitution.

The Forthcoming Elections

2.26 Discussions held by the delegation in Port Moresby revealed distinct differences of view between the Government and the Opposition on the Bougainville elections planned for April 1999. While the Government has given some form of endorsement to the elections in the expectation of establishing an interim representative body, the Opposition was critical of this endorsement and saw the elections as being held without the authority of the PNG Constitution and would only support a BRG that was, in their interpretation, completely constitutional. While the delegation was in Bougainville, preparations for the elections rather than the legalities of the elections were of more direct interest to the faction leaders.

2.27 It became clear, however, that there were significant differences between the various parts of the province about not only how those preparations should proceed but also about the extent of consultation and commitment. For example, in the Buin area, the involvement of the various factions, including the Resistance, and the community leaders was evident. Indeed, the candidates in that district had been selected and had commenced campaigning. However, when the delegation held discussions in Buka with community elders, it was equally evident that the latter felt they had not been sufficiently consulted, and might boycott the elections.

2.28 Whether or not dissatisfaction with the election process (prior consultation, direct versus indirect election of candidates) would lead to boycott of the elections themselves was not clear. The delegation discussed the ramifications of the Buka Council of Elders' stated intention not to participate in the elections because they were considered to be unconstitutional. Such a decision would weaken the Council's opportunities for later participation in development of the peace process, if for example the PNG Government maintained the position that it would recognise the election as a means of establishing an advisory body to negotiate the subsequent formation of a BRG.

2.29 While the Buka Council of Elders maintained it represented all Bukans, the delegation had no way to test this claim, and was aware that counter views on the representativeness of the Council had been expressed in other forums. The Council conceded, however, that if the courts decided that the elections were not unconstitutional, it would accept that decision and become involved in the election processes.

2.30 Notwithstanding the divergence of views expressed in various quarters, the delegation formed the view that the elections in Bougainville should proceed, as an important element of the peace process.

2.31 How the elections will be conducted in the BRA-controlled 'no-go' areas mainly around Panguna was not clear to the delegation. What was clear, however, was that as a result of the failure to disarm—and not only in the no-go areas—there was some risk that intimidation could occur. The possibility of neutral election observers in these 'no-go' areas was raised with the factional leaders, who considered that such an approach was possible. The UN's Ambassador in Arawa indicated there could be scope for external scrutiny of the elections, notwithstanding the very short lead-times if elections were to be held in mid April as proposed.

Disarmament, Law and Order

2.32 A consistent theme during the delegation's visit and discussions with a range of parties to the peace process was the risk that failure to disarm the factions presented a grave risk to peace. Disarmament is a key plank of the Burnham Declaration and the Lincoln and Arawa Agreements. The Lincoln Agreement calls for the parties to cooperate with the TMG/PMG in reporting, locating and disposing of all arms and ammunition.

2.33 Progress on disarmament has clearly been slow. A proposed BRA discussion paper which may form the basis for discussions by the Bougainville parties has yet to be completed, and difficulties have been experienced because of the differing attitudes factional leaders hold on the presence of the PNGDF. The BRA insists that it will not disarm until the PNGDF leaves Bougainville.

2.34 The delegation understands that currently there is no effective PNG Government police presence in significant parts of Bougainville. The BRA and Resistance are conducting joint patrols in some regions, although the extent of their powers is uncertain, and there are also many doubts about their levels of accountability to any civil authority structure.

2.35 The main threat to law and order continues to arise from unemployed youths who were previously armed fighters, and who now have no employment prospects and plenty of time on their hands. Although Bougainville is a 'dry' province, the presence of home-brewed liquor is a constant threat to maintaining law and order.

Disarmament and the Forthcoming Elections

2.36 As already stated, the BCA leaders are advancing plans for elections in mid April for a form of 'Bougainville Reconciliation Government'. While disarmament is a key plank of the Burnham Declaration and the Lincoln and Arawa Agreements, it is clear that it would be unrealistic to expect full disarmament before elections for the BRG. The delegation agreed with many representatives in Bougainville that disarmament should be pursued with vigour after the elections and that, while desirable as an outcome, it should not be made a pre-requisite for holding them.

The Peace Process Steering Committee

2.37 The informal PPSC comprises the PNG Government, Australia and the other PMG countries. Its role is to consult regularly on issues arising from activities of the PMG,

including with the PPCC as appropriate. The main purpose of the PPSC meeting in Brisbane in November 1998 was to review the state of the peace process and to review tactics for the following 12 months. Australia hosted the meeting and shared costs with New Zealand. PNG's then Minister for Bougainville Affairs, the Hon Sam Akoitai, attended that meeting, which also comprised Australian and PNG officials.

2.38 The delegation believes that there is scope to enhance the capability of this Committee to move the peace process forward by reviewing strategies and monitoring progress. The delegation believes that the PPSC could be an effective facilitation mechanism if it met more frequently, at least quarterly. Further, the delegation formed the view that serious consideration should be given to increasing Australian financial support for this Committee as a means of moving the peace process forward.

2.39 A further view of the delegation is that the Ministerial Meetings associated with the South Pacific Forum could also be a useful forum for discussing the peace process in Bougainville and monitoring progress.

Discussions with Leitana Nehan Women's Development Agency, Buka

2.40 In Buka, the delegation had the opportunity to hold useful discussions with representatives of a Bougainvillean NGO, Leitana Nehan Women's Development Agency (LNWDA), led by its Executive Officer, Ms Helen Hakena. One of Ms Hakena's poems is reproduced at the beginning of this report.

2.41 Ms Hakena explained the work of the LNWDA, which serves not only Buka and Nissan Islands but northern parts of Bougainville as well. With extremely limited funding, Leitana Nehan works mainly with families and is not simply a women's organisation, although many of its programs provide assistance to women, for example trauma counselling. Leitana Nehan has also developed youth programs designed to help poorly educated and unemployed young men, some of whom are former combatants, in rural areas of Bougainville. The NGO representatives stressed the importance of giving priority in aid to rural areas, where the majority of Bougainvilleans live and the poverty levels are high. During discussions, the LNWDA highlighted the extreme lack of health and education services in remote rural areas.

2.42 According to the NGO representatives, personal violence including rape has increased following the ceasefire, because of inactivity and access to home-brewed liquor. Reconciliation counselling is urgently required to address the hatred generated by ten years of war. There are an estimated 2,000 widows and single mothers as a direct result of the conflict, including as a result of lack of access to basic medical care. Neither the PNG Government nor provincial authorities provide assistance to these people. These factors, coupled with the legacy of a generation of young people with only limited primary-level education, means that external aid programs will be needed for many years to come. In a written submission, Ms Hakena urged priority be given to social development and reconciliation programs in determining targets for Australian aid.

The Climate for Peace

2.43 The delegation was able to observe that in Bougainville today there is a strong climate for peace. Despite some differences, the factions and the people of Bougainville are all intent on putting the war behind them and moving the peace process forward. At the

community level, the delegation heard encouraging anecdotes concerning mothers and families who have forgiven the killers of their relatives. This is an important sign of reconciliation, although there is clearly a long way to go.

Contributions by the TMG/PMG

2.44 The delegation was very impressed with the professionalism and commitment of all PMG personnel at the teamsites visited, and the effectiveness of its communication with local communities and factions. The delegation noted that neutrality in its operations is a key factor in its success. The PMG is deployed at five teamsites throughout the Province (see Appendix 6).

2.45 In its role as monitor of the peace under the terms of the Arawa Agreement (see Appendix 5), the PMG is performing an excellent task, and the delegation has no doubt that without the continued PMG presence in the short to medium term, the peace could easily revert to historical factional jealousies and in all probability result in a return to armed conflict. The wisdom of setting up both the TMG and PMG as unarmed monitors was evident to the delegation during its visit, and the far-sightedness of the policy was firmly acknowledged by the PMG personnel with whom the delegation spoke. The distinct yellow and orange livery of the helicopters, vehicles and PMG uniforms has been a significant symbol of neutrality and a potent focus for interchange with the Bougainville communities.

2.46 The delegation congratulates Brigadier Powell and earlier PMG and TMG Commanders on the achievements to date. However, noting that the terms of appointment for Commanders have been for six months, the delegation concluded that longer rotation periods might provide an even stronger contribution to the peace process by increasing continuity levels in negotiations with the various factions and with the national government in Waigani. Accordingly, the delegation formed the preliminary conclusion that, if practicable, consideration could be given to appointing Commanders for periods longer than six months.

Likely Duration of the PMG Operation

2.47 The delegation appreciates that the PMG mission is event-driven rather than date-driven, and that the Minister for Foreign Affairs has made an on-going (but not open-ended) commitment to maintaining the PMG operation.³ Moreover, the delegation understands that to a large extent the mission is continually evolving and has changed considerably from the time of the first PMG phase.

2.48 While the PMG has not encouraged community groups to view the PMG as permanent fixtures in Bougainville, fears were raised in some quarters about the consequence of an eventual departure by the PMG.

2.49 The delegation recognises that there are still too many factors to be considered in deciding when to withdraw PMG resources. Further, any substantial amendment of the operation would require consultation with the governments of PNG, New Zealand, Fiji and Vanuatu.

3 Hon Alexander Downer MP, House of Representatives, *Hansard*, 10 December 1998, p. 1868.

2.50 The delegation understands that Cabinet reviews the Bougainville situation every three months, and considers that a Ministerial statement in the Parliament at such times would be a valuable mechanism for monitoring progress towards peace.

2.51 In considering aspects relevant to developing key markers which might be applied to any phased PMG withdrawal, the delegation did not determine specific benchmarks, but nevertheless believes these should be clearly stated, to avoid confusion about the duration of the PMG presence.

Presence of the PNGDF

2.52 On 19 August 1998, the NEC decided to rescind the call-out order for the PNGDF for the whole of Bougainville. This decision ended a long-standing impasse between the PNG Government and the BRA/BIG, during which the BRA/BIG had refused to participate in leaders' meetings with the government until the call-out order was rescinded.

2.53 Discussions with Brigadier-General Singirok and his senior staff at Murray Barracks gave the delegation information about the priorities for the PNGDF and the disposition of its forces in Bougainville. In some cases PNGDF personnel are stationed quite near the PMG teamsites, and the PMG negotiates with the PNGDF in the same way as it does with factional groups. The delegation was told that, although armed, the PNGDF does not carry weapons in Bougainville.

2.54 There is no doubt that Bougainville has posed huge problems for the PNGDF and its future relations with Bougainvillean communities and their leaders. Through limited civic action programs, the PNGDF is attempting to heal historical tensions at the village and district levels. These modest programs include building confidence with indigenous NGOs and community leaders and providing direct basic assistance, for example the repair and painting of school buildings.

2.55 The delegation understands that the PNGDF personnel in Bougainville do not have a clearly-defined task and do not have any civilian administrators to demonstrate goodwill and firm commitment to restoration of civil authority. The delegation looks forward to seeing re-establishment of civil authority in Bougainville as soon as possible.

Australian Assistance for Reconstruction and Rehabilitation

The Peace Dividend

2.56 In the initial stages, Australian aid programs for Bougainville were based on geographical and safety factors. As the process continues, the delegation understands that the benefits of the peace will be more evenly distributed. Current and planned Australian aid projects in Bougainville are summarised in Appendix 7. Table 1 in the previous Section provides a summary of the Bougainville component of the total bilateral aid program from 1994-95 to 1998-99.

2.57 The Australian aid program to Bougainville supports Australia's commitment to facilitate the peace process and to promote reconstruction and development via a peace dividend which encourages Bougainvilleans to support that process. For this aim to be realised, the Bougainvillean people have to be satisfied that access to the benefits of peace is distributed among all Bougainvilleans. While the aid projects the delegation observed were

very valuable contributions to Bougainville's reconstruction, it was considered that priority should be given to sectors such health, transport, communications, and law and order.

2.58 Within the past two years, there have been considerable achievements, such as the distribution of 30,000 family packs to most families on Bougainville Island, 700 village reconstruction packs and over 400 medical supplies kits. The program has supported community-based reconstruction of 30 first aid posts and 30 double classrooms. Major projects such as the completion of Buka Hospital and upgrading of the Buka airport have also been completed, and commencement of the rehabilitation of the main coastal trunk road in Bougainville is planned for this year. Approximately \$6 million from within AusAID's program has been spent directly on the peace process itself, including for the costs of the civilian monitors and support for attendance at the various peace talks (see Appendix 7).

2.59 The delegation recognises that the scale of AusAID's task for reconstruction and rehabilitation is far greater in Bougainville than any of its previous aid programs. It seemed to the delegation, however, that there is considerable merit in locating more than the existing one AusAID officer in Bougainville in order to assess the province's development needs more accurately and to ensure sufficient coordination of aid programs is achieved. In the delegation's view, effective targeting and coordination of aid delivery would, for example, facilitate the withdrawal of the PMG at an appropriate time.

Major Aid Project Sites - Buka Hospital and Talena

2.60 At Buka District Hospital, the delegation was met by the Executive Officer, Mr Raymond Masono, Bougainville-based AusAID officer, Ms Alison Chartres, and Mr Eric Blight, SMEC Contracting. The recently-completed project comprises construction and fitout of the 84-bed Hospital and the Buka Health Centre, and also involved construction of four kit houses for hospital staff. There are four medical staff and approximately 65 nurses at the Hospital, which includes a pathology unit conducting tests for TB, malaria, leprosy and a small number of diabetes cases.

2.61 It is of interest to note that before the destruction of Arawa Hospital during the Bougainville war, it was regarded as the finest hospital in the South West Pacific. To a degree, the Buka Hospital is now filling the void created by the loss of the Arawa hospital facilities.

Bishop Wade High School, Talena and the Specialised Training Centre

2.62 On the final day of the visit, the delegation inspected the co-educational campus of the Talena High School and the associated Specialised Training Centre at the northern end of Bougainville Island. The delegation was again accompanied on the visit by Ms Chartres and Mr Blight.

2.63 The delegation was met by the Acting Principal, Mr John Girana and the teaching staff, and given a very hospitable welcome by the entire student body. Speeches of welcome by the Acting Principal, the Teachers' Representative, Mr James Torowa, and School Leader, Ms Lilian Lapointe, were followed by singing and dancing by some very talented and enthusiastic students.

2.64 Despite construction delays caused by the wet season, this is a most impressive project and provides tangible evidence of the peace dividend in operation. The residential

campus at Talena (also sometimes spelt 'Tarlena') now caters for over 700 students and their teachers in modern, well-built schoolrooms, with an administration block, dormitories, kitchen and ablution facilities as well as bungalow-style staff houses. The first stage of the project began in 1997, and the final stage is due for completion in mid 1999. A very high proportion of the long-term and casual labour force engaged on the project are Bougainvilleans, employed by Kane Reeves International, a Victorian construction company.

2.65 Bishop Wade High School began in 1992 with classrooms of bush materials on the site of an existing girls' training centre. Until recently, the boys stayed at a different site and commuted to school daily with their teachers. The delegation learned that the present school draws its students from all over Bougainville, and is already at the limit of its planned capacity. By next year, the demand for enrolments is expected to be very high (around 800). There are only three high schools in Bougainville, and as a consequence only 240 students can be accepted at entry level each year.

2.66 The ages of the students at the high school range from 12 to 25 years, as a direct result of long gaps in their education caused by the war. The delegation also learned that in order to support the students in residence at the school, their extended families often make considerable sacrifices to meet the fees. Because of the expense involved in travelling back to traditional homelands, many students and their families also have to bear lengthy separations. During the inspection of the school and discussions with teachers and students, the delegation formed the view that provision of education facilities should be accorded priority in targeting development assistance.

2.67 As mentioned previously, the delegation heard conflicting assessments of the effectiveness and fairness of aid delivery. While there was strong local endorsement of the benefits realised from the major infrastructure projects, there were also strong currents of criticism from various quarters that the benefits of the aid projects were not distributed evenly. From discussions in Port Moresby and in Bougainville, the delegation learned that none of the parties is completely satisfied with either the quantity of the aid or the way it has been delivered. All factions appear to want to manage the aid themselves and tend to discount concerns about the security of aid personnel and materials, which are rightly factors which influence the siting of aid projects in the province. Theft, extortion and intimidation are not unknown occurrences.

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

Buka Airport Upgrade

2.69 The delegation was able to observe at first hand another major AusAID project, the upgrade of the airport at Buka, involving resheeting and sealing of the runway and taxiways. This project was completed in November 1998 at a cost of \$1.3 million. The airport now provides key aviation infrastructure for Bougainville, and is further evidence of appropriate targeting of major Australian aid funding.

Aid Delivery - Small-Scale Projects

2.70 The delegation recognises that, however unrealistic, perceptions on the part of some sections of Bougainville's communities of inequitable distribution of the peace dividend

could seriously hamper the peace process itself. During the visit, the delegation heard views from some sections of Bougainville's communities that they were missing out entirely from the direct benefits of the peace.

2.71 A worrying aspect which was raised with the delegation on several occasions was the critical state of the PNG economy, the disadvantages faced by the poorer provinces in securing central government development assistance or even basic services, and the problems these factors created for the implementation of reconstruction and rehabilitation programs for Bougainville. During its visit, the delegation became acutely aware of the inability of the central government to supply basic services such as elementary health care and education, particularly in more remote locations.

2.72 One clear example of this severe lack of basic supplies was presented during the delegation's visit to Buin Teamsite. Through one of the community leaders gathered for the meeting with the delegation, Sister Pauline Tomitom listed the basic materials and medicines unable to be provided for the Laguai Aid Post Clinic, which is currently being built. Her long list included basic medicines, simple medical equipment and practical materials such as buckets, towels and sheets. The delegation understands from these and other discussions with community leaders that such examples are not isolated, and considers that Australia's aid program should attempt to fill the vacuum created by the inability of central and provincial authorities to provide such basic assistance.

2.73 While recognising AusAID's well-respected contribution towards developing and delivering major community projects such as Buka Hospital, Talena High School, the Buka Airport upgrade and others, the delegation could not escape the conclusion that there was room for some improvement in the delivery of small, 'grass roots' projects such as the one at Laguai. The delegation formed the preliminary view that greater flexibility in response to identified community needs might be achieved by allocating a proportion of available funds to a non-specific general account, which could then be accessed in response to identified community needs. The delegation considers this avenue would be worth considering further.

2.74 Recognising that Australia provides development assistance funding to Bougainville within an overall PNG program, the delegation considered the matter of treating Bougainville as a special case and possibly supplementing PNG aid funding by a specific allocation to Bougainville. The delegation concluded that there were good grounds for considering supplementary assistance for Bougainville as a special case, over and above the current agreed PNG aid funding.

2.75 The delegation was frequently questioned in Port Moresby and Bougainville about whether Australia's declared interest in East Timor would mean a reduction in aid to PNG, and hence to Bougainville. These suggestions were rebutted by the delegation.

2.76 The delegation formed the view that further consideration should be given to supplementing existing development assistance funding for Bougainville because of the scale of the reconstruction and rehabilitation task, and because Bougainville's needs for external assistance are unique in PNG.

Recurrent funding

2.77 During the visit, the delegation heard many times from community leaders and Bougainville MPs that, although aid projects were welcome, to be fully effective there should

be some provision for recurrent funding for some projects. Training and physical infrastructure projects were raised in this context. For example, the delegation learned that after Australia provided assistance for the establishment of an auxiliary police force in Bougainville the program lapsed because the 30 graduates could not be paid by the PNG Government.

2.78 Aid funds have been used in Bougainville to some extent to meet recurrent costs arrangements, which are not normally accepted in the bilateral aid relationship. The delegation believes that increased recurrent funding initiatives might provide a most effective avenue for enhancing the prospects for re-establishing civil authority in Bougainville, and considers that such a strategy should be examined further.

Sohano Memorial

2.79 While in Bougainville, all members of the delegation were accommodated on Sohano Island, situated in the Buka Passage between Bougainville and Buka Islands. During the visit, delegates became aware of the existence of a memorial stone erected to the memory of allied soldiers, coast watchers and loyal Bougainvilleans who died during the Second World War.

2.80 Overlooking the Buka Passage, the memorial itself is in reasonable condition although it is not separated from the surrounding terrain, and the grounds in which it stands clearly need regular maintenance because of the vigorous vegetation growth. It would be useful for the Australian High Commission to make inquiries into the history of the memorial and to ascertain whether it would be appropriate for the Department of Defence, the Department of Veterans' Affairs or another agency to allocate funds for on-going maintenance of the site.

Concluding Remarks

2.81 The delegation gained considerable insight into the problems of the peace process from the visit to Bougainville. While travelling by PMG helicopters and land vehicles on Bougainville, delegates were able to observe at first hand evidence of the almost total destruction of Bougainville's economic, communications and social infrastructure, for example the rusting remains of destroyed buildings, abandoned or overgrown homes and plantations.

2.82 Meetings and discussions in Bougainville gave the delegation confidence that the peace process has almost universal support, and that the next phase will concentrate on determining the mechanisms for restoring civil administration.

2.83 Australia's pivotal role in conjunction with other regional countries in encouraging the momentum for peace to continue is acknowledged. However, there is potential danger in becoming complacent about the progress towards peace. Continual vigilance is needed to maintain a focus on the desired outcome of enabling Bougainvilleans themselves, in partnership with the central government, to determine their own future. This outcome is in our own national interest as well.

Senator David MacGibbon
Leader of the Delegation