

SUBMISSION TO SENATE INQUIRY INTO AUSTRALIA'S
RELATIONSHIP WITH PAPUA NEW GUINEA AND OTHER
PACIFIC ISLAND COUNTRIES

TERM OF REFERENCE ADDRESSED:

(c) Development cooperation relationships with the various states of the region, including the future direction of the overall development cooperation program – with particular focus on Papua New Guinea

1. PURPOSE OF SUBMISSION

The purpose of my submission is to alert the Australian Government to gaps that occur in the implementation of aid support to the government sector in Papua New Guinea and to the implications of the continuance of such gaps to Australia's relationship with Papua New Guinea and to the welfare of the nation state of Papua New Guinea.

2. CREDENTIALS

I have lived and worked in Papua New Guinea (PNG) for periods of from two to six years, a total of twelve, since 1974. My latest employment in PNG was as Technical Adviser Welfare and Rehabilitation as a member of a multi-disciplined team on the AusAID funded Correctional Service Development Project from January 1997 to October 1999. While I was offered another two year contract with the AusAID funded Legal Institutional Strengthening Project as Technical Adviser Community Corrections, I withdrew for several reasons: –

1. the desire to complete a Master of Arts Degree (Sociology) by Research from the University of Newcastle which required a 50,000 word thesis entitled, 'Informal Methods of Crime Control in Papua New Guinea';
2. the desire to write a book entitled, 'Crime, Corruption and Capacity in Papua New Guinea' based on research for the above degree – the book is being published by Asia Pacific Press for July 2002 distribution;
3. my desire to care for my elderly father who lived alone;
4. my perception of the futility of the Australian aid program in the current climate of public sector corruption that undermines good work done by both PNG citizens and expatriate advisers.

I was awarded a Master of Arts Degree by research by the University of Newcastle on May 10, 2001. In October of that year, I was invited to participate in the AusAID funded PNG Economic Update in Port Moresby and gave a paper called, '*Crime and Corruption in Papua New Guinea*'. I also contributed Policy Dialogue to the Pacific Economic Bulletin, Volume 16, No. 2, 2001 entitled, '*Crime and corruption – does Papua New Guinea have the capacity to control it?*'

I am now a resident of Far North Queensland, caring for my elderly father, employed casually as an historical and sociological researcher with a local heritage consultant, and pursuing PhD study on historical consciousness and multiculturalism in Australia.

3. DEVELOPMENT COOPERATION RELATIONSHIP – AUSTRALIA AND PAPUA NEW GUINEA

A. Current Situation

Australia's estimated total aid to Papua New Guinea in 2002-2003 is \$A351.4 million. This commitment represents one third of Australia's bilateral aid effort and one fifth of the total aid program. There are high expectations of the Australian aid program by PNG politicians and their delegates and PNG citizens generally to 'fix' problems and provide resources – and there are high expectations by the Australian government for tied aid to improve accountability and transparency to reduce poverty and promote sustainable growth in PNG even more effectively in future.

B. Objectives of Australian Aid program to PNG

In 2003, the Australian government has four key objectives in relation to PNG aid. These are to – strengthen governance, improve social indicators, build prospects for sustainable economic growth, and consolidate the Bougainville peace process. Various methods have been devised to achieve these objectives including – supporting public sector management, building capacity to deliver services, promoting the rule of law and strengthening civil participation and representation, expanding the quality and reach of primary health care and education, promoting gender equity, constructing and maintaining infrastructure, increasing agricultural productivity and, in relation to Bougainville, providing an identifiable peace dividend.

C. Response to the Australian aid program in PNG

Some PNG academics and politicians believe advisers cause the problems and Australian funded projects often produce minimal medium and long-term results. One reason for these views is that Australia's aid program struggles to satisfy a triple mandate comprising foreign policy, commercial benefits to Australia and the reduction of poverty.

Its desire to fulfil all agendas at the same time often results in reduced development effectiveness. Aid projects become output – rather than outcome – oriented, losing sight of country and agency priorities and can displace – rather than complement – local initiative.

D. Challenges for the Australian aid program – the reality of PNG

The Australian government believes the biggest development challenge for PNG is governance and institutional capacity manifesting in good leadership, integrity, transparency in decision-making, prioritising public investment and a skilled, efficient and incorruptible public service. But even at Independence in September 1975, PNG was crippled by weak administrative systems in a stagnant economy where western laws were at odds with customary laws. There was a tiny educated elite – one percent of the population – trying to create nationhood from over seven hundred culturally and politically diverse language groups, while battling rapid urban migration, growing unemployment, increasingly frequent and vicious crime and diminishing resources.

Since Independence, resources have diminished dramatically, especially access to basic needs like potable water, nutritious food, shelter, health, education and economic development. Many low income earners worry that they cannot get enough money to feed their families, to send at least one child to school, to pay health services to keep themselves and their children alive.

Despite millions of Australian dollars and other aid poured into PNG over the past twenty-five years, the country has the second lowest literacy rate in the Pacific, one of the

highest infant and child mortality rates in Asia and the Pacific, most people die before they the age of sixty, one thousand women die each year from preventable pregnancy related illness, and an Aids epidemic is killing hundreds of men, women and children annually. Deterred by huge security and running costs including larceny which costs the private sector over sixty-one million kina a year, new business is not starting up and existing businesses are not expanding. This means jobs are not being created and as desperation increases – crime and corruption flourishes – undermining aid initiatives and the efforts of ordinary PNG citizens.

PNG governments have been unstable since Independence – every government changing mid term. The Morauta government is the exception. Criminal gang leaders exploit need and instability, linking with less reputable politicians and public servants in networks of reciprocity disguised as ‘traditional exchange’. The crime industry flourishes because it is better led, better organised, better protected and better resourced than the government. It draws on the growing pool of poor, uneducated, unemployed youth and in this climate, crime control has become selective rather than effective enabling those involved in it to maximise political and material benefits.

PNG has one of the highest crime rates in the world but as much as seventy per cent of crime may go unreported. Reported crime has risen steadily from the early 1970s when the economy began to stagnate, fewer jobs became available, and opportunities to go to school, or to continue in school after grade six, diminished. Reported serious crime in the second half of the 1990s was 65 per cent higher than ten years before, averaging 11,500

crimes a year. In 1997, crime was estimated to have risen twenty-fold over the preceding twenty years, costing the PNG taxpayer more than 4.6 per cent of GDP in direct costs – not to mention the indirect costs of fear and anxiety – and 63 per cent of businesses considered security to be the biggest problem affecting daily operations and expansion. The national capital, Port Moresby, has one of the world’s highest crime rates per capita and one of the world’s highest rates of sexual assault. Such an environment is neither conducive to business investment nor to a successful aid industry.

Efforts to control crime range from raiding and burning by police to establishing bridging mechanisms between the state and communities such as village courts, community policing and law and order committees. Most efforts flounder. Over the past 25 years, reports have been written, forums held, committees formed, and many, many recommendations made. Some have been implemented, few have been sustained, the crime control industry has flourished, security companies have become rich and a major employer of able young men, and violent vigilante groups made up of unemployed youth have emerged.

AusAID manages a lucrative aid industry from which Australia benefits and PNG maintains some semblance of government function. AusAID’s money to law and order agencies funds infrastructure development and criminal justice ‘experts’ with the aim of improving management systems and increasing performance and accountability to ‘sustain’ crime prevention and control. AusAID’s view of ‘sustainability’ is activity that continues five years after an aid project has finished. Such sustained activity rarely

occurs. The reasons usually stated are – expatriates left or there was no money. In September this year, the Correctional Service Development Project, only six years old, will cease leaving the PNG Correctional Service with more infrastructure to maintain in an even greater resource deplete environment than in 1996 when the project began.

While PNG is the most resource rich country in the Pacific, the Morauta government is paying off millions of kina of debt from previous governments and, with a view to making the public sector more accountable and transparent, channelling resources into a structural adjustment program. Despite these efforts, the public sector remains unaccountable and unaudited with managers dabbling in nepotism and cronyism or who are not prepared to make the hard decisions to ensure their staff are kept informed and productive, to ensure filing systems are kept up to date, income and expenditure is accounted for, and staff suspended and arrested when the books are not in order. In the broader PNG community, resources are shrinking as the country's population grows at 3.1 per cent a year, businesses disinvest, income-earning opportunities disappear, and poverty increases. (Port Moresby has one of the world's highest unemployment rates.)

This desperate situation has created a climate of citizen lethargy and a terrible loss of faith in government – both the PNG government and the Australian government. PNG citizens believe many of their leaders are corrupt – that is, they accept goods for favours, steal public monies and property, appoint family and friends to jobs without due process and indulge in other fraudulent practice. While the Morauta government is trying hard to

redress this by instilling greater fiscal discipline and accountability, millions of kina are stripped from public coffers, spent on futile Commissions of Inquiry that result in no or few arrests, no or poor prosecutions, and little or no punishment of offenders. Two matters of gross public fraud remain outstanding – the Sandline affair and the Cairns Conservatory case. While the Ombudsman recommended prosecutions – nothing has happened.

In the meantime, PNG citizens feel marginalised when they see gross imbalance in resource distribution, when they see politicians entering the ‘bisnis’ (Tok Pisin: business) of politics to look after their ‘lains’ (Tok Pisin: families), when they see politicians and other leaders, who allegedly steal from the public purse, not prosecuted, or prosecuted poorly, and not punished, when they hear political rhetoric – year after year – that does not manifest in goods and services like roads and education and health services. Citizens feel marginalised when their government fails to protect them from danger, when they are promised ‘development’ but are too uninformed, too sick and too uneducated to sustain it, their dire circumstances providing instead, a solid base for exploitation, crime and corruption.

PNG citizens frequently express anger regarding their plight or are passively resistant when they are told crime is ‘a social issue’ and they must assist police to turn in criminals who are their sons, brothers and cousins, who provide for them when the government does not. Parents become sick at heart when they see their bored, uneducated youth migrate to cities, join criminal gangs, go to jail and get killed. Yet they can see few

alternatives, and when vote buying politicians offer immediate, if short-lived, goods and services, the offer is usually accepted, as it may be a good number of years before other goods and services eventuate. Such desperation has dire consequences for aid support of the criminal justice industry, as it undermines all efforts towards accountability, condones criminality, and prolongs poverty and disempowerment.

Citizens try to maintain community order through village courts but many village court officials are untrained and unpaid. Having few resources to feed families and meet social obligations, they are open to bribery. Their lack of training manifests in arbitration of cases outside their jurisdiction, for example, rape, recommending jail for youths who fail to pay fines instead of ordering community service – because resource difficulties preclude it – and discriminating severely against women and child victims of rape or abandonment, negating victim pain and suffering, and preferring to arbitrate compensation to alleviate family shame.

National courts juggle state law with the underlying law according to custom, using combination of western and traditional punishment in sentencing. They too never have enough money to do their jobs properly – the judiciary, public prosecutors and public solicitors often unable to travel on circuit courts due to a shortage of travel funds. There is never enough money for petrol to get prisoners to courts, for paper and other equipment for community correctional officers to write pre-sentence and parole reports, for vehicles or petrol for community correctional officers to supervise offenders or to advise the judiciary on community sentencing options.

Such severe resource deficiencies mean that law and order agencies lack the capacity to absorb and sustain aid initiatives and hence, prevent and control crime. Such severe resource deficiencies affect the capacity of communities to prevent and control crime as state capacity dictates community capacity and community capacity is governed by leadership integrity, resource equity and resource availability. If the capacity of the state is weak, as it is in PNG, the capacity of communities is weak – both limited by the same ingrained problems including a lack of leadership, accountability, information, resources, citizen involvement in decision-making, and the flourishing of endemic corruption. This means that citizens cannot get their goods to market, their children to school, they cannot get adequate health care, and they do not work well when they are sick or worried.

E. Aid effectiveness to combat crime in the weak state of PNG

AusAID believes that if it persists for long enough, governance will improve through structural reform, informed decision making, greater accountability, and attitudinal and behavioural change at senior levels will occur. But no amount of aid or expert support can do the work and fix the problems. This is the responsibility of the PNG government. Crime control strategies have a better chance of working when state law and order agencies are resourced sufficiently to be diligent in basic administrative practice and are supported by politicians in their efforts. But this seems to be a long way off and AusAID's current efforts in institutional strengthening are proving unsustainable.

F. The delivery of Australian aid to PNG criminal justice agencies

Teams of long and short-term technical advisers presently deliver Australian aid, advising and supporting management in the areas of finance, administration, human resources and training, operations and infrastructure. The Australian Managing Contractor (AMC)

ACIL Australia Pty. Ltd. delivers aid to all three PNG criminal justice agencies – the Departments of Police, Corrective Services, and Attorney-General. The quality of aid delivery is monitored by an in country AusAID representative attached to the Australian High Commission and through an independent team of specialists, called the Project Monitoring and Review Group, contracted by AusAID to visit projects at least bi-annually. The police project has been going for over a decade, the correctional service project for six years and is about to cease, and the Attorney-General project is just over two years old.

For all this, the impact of institutional strengthening on PNG criminal justice agencies has been minimal due mainly to the inability of agencies to absorb, implement and sustain new philosophies and practices within contractual timeframes. Low absorptive capacity occurs for reasons including political biases, weak public sector leadership, inadequate administrative systems, and inadequate human and material resource capacity. Weak institutional absorptive capacity often results in advisers succumbing to ‘doing’ roles to meet contractual deadlines, their work often stymied by poor project design, adverse social and economic conditions including low staff morale and insufficient agency resources, pre-occupation of managers in internal and external politics, corruption, political influence and interference, poor counterpart skills including low literacy, ownership, understanding of or commitment to aid ideals, counterpart absenteeism due to family obligations, political preoccupations, poor health including stress related illness due to conflicts of interest between aid agenda and daily operations.

Adviser efforts may also be stymied by the Australian government's development expectations and inflexibility to change milestone components to suit changing needs and demands of recipient agency and local environments, poor cultural sensitivity and awareness, excessive accountability demands – projects may be output rather than outcome driven – conflicts amongst aid players resulting from different agendas – agency political agendas and operational priorities, contractor profit-making, Australian aid budget spending expectations – diminishing aid effectiveness through miscommunication and frustration. Adviser efforts are also stymied because staff morale is low in all criminal justice agencies, and resource availability is wholly dependent upon Australian aid. PNG law and order practitioners often express their anxiety regarding the lack of discipline of some of their managers and leaders and their lack of adherence to due process, the lack of prosecutions of persons in positions of trust who break the law, and express distress regarding the number of youth in prison who are angry and uneducated with no legitimate life prospects, and disillusioned with government leaders and their rhetoric regarding rehabilitation.

4. FUTURE DIRECTIONS – DEVELOPMENT COOPERATION WITH PNG

A. Aid delivery to criminal justice agencies

Aid sponsored reform programs need to be tailored to institutional capacity and should focus *only* on the core functions, that is, understanding and practising the links between legislation, policy and process, financial and reporting accountability, management strategies to enhance human resource development, maintenance regimes to preserve and maintain infrastructure. This is because ambitious agendas that exceed institutional

capacity, especially in view of low literacy levels, political affiliations, and social obligations of workers, fail to deliver acceptable outcomes. There are many willing staffers in PNG criminal justice agencies, but their desire and capacity to absorb new information and practice is often inhibited by a combination of factors. For example, minimal management commitment and resource scarcity reduce markedly morale and causes stress related illness – regardless of adviser input – and development objectives are overruled until operational priorities □ such as payment of wages, utilities, food bills, vehicle and equipment maintenance □ are met. Such scarcity means that aid projects working with criminal justice agencies may need to fund postage, paper, computer cartridges and equipment maintenance to meet agreed aid deadlines.

B. The Rule of Law

The most desired outcome of the Australian aid program – expressed by the PNG majority – is firm support to enforce adherence to the rule of law of leaders and other persons in positions of trust. It is believed that such adherence is basic to sustainable social and economic development, such enforcement – manifesting in arrests, prosecutions and punishment of aberrant leaders – eventually increasing the flow of goods and services to citizens, enabling them to access markets, schools, health centres and information, and have the right of vigilant protest – without fear of life and limb – against defrauders of the public purse. In view of such oft repeated passionate sentiments, I believe that the Australian government, through its aid manager, AusAID, needs to take a much firmer approach with PNG: -

- To educate law and order practitioners and the general public in the links between the PNG constitution, other legislation, policy and practice – especially due process;
- To *demand* that due process be adhered to and when it is not –
That defrauders are arrested, prosecuted and punished, and
Commissions of Inquiry result in appropriate action,
before further aid is offered.

PNG is a complex society subject to many anthropological and sociological studies of the value of ‘the Melanesian way’ in securing action and some PNG politicians capitalise on such finding swaying constituents in the false belief that ‘going back to the land’ is also possible. Both concepts are deeply flawed especially now that PNG is a global player and subject to global rules. In view of this, a hardline approach by its major benefactor, the Australian government, I believe, is timely to assist the country to create greater cohesiveness and prosperity. Such action can only benefit Australia as its most influential trading partner and perhaps, in a more a transparent environment, there will be sufficient resources to sustain AusAID funded crime control strategies that respect shared values and beliefs according to custom and link with state-driven initiatives. In such an environment too, PNG citizens may be empowered to become enthusiastic practitioners of crime control strategies, and in so doing, be able to preserve their rights.