

Australia's relationship with Papua-New Guinea and the island states of the South -West Pacific.

This submission urges the Committee to keep in mind the advantages of a long-term perspective, say 10-20 years, as well as a non-partisan approach to defining Australia's relationship with Papua-New Guinea and the South Pacific. The handicaps of the asymmetrical relationship and the colonial experience need to be overcome with understanding, patience and vision. Continuing generous levels of aid, security co-operation and close political relations, while important and necessary, will not in themselves secure for the island states of Melanesia, Polynesia and Micronesia the path to democratic practice, honest and effective government, and economic prosperity.

Australia's efforts would be more effective if we displayed more appreciation of our historical associations with the region, and stopped trying to project our own pattern of development and view of the world, and sought rather to establish a South Pacific community of diverse states, in what is really the only sub-regional grouping, apart from ANZAC, to which we naturally belong. Such an evolution would not compromise but strengthen our wider economic and strategic links and ambitions.

The short paper on the South Pacific attached to this submission (delivered to a Seminar at the ANU in October 2001) points to some factors which, in my view, have resulted in a disappointing Australian record over the last twenty five years, despite a considerable commitment of aid and other resources, and notable contributions by individual Australians and by Ministers from both sides of Parliament, including by the present Minister for Foreign Affairs and Trade, Alexander Downer.

The Committee really needs much more time to do justice to its terms of reference. It needs in particular frank input from Pacific island leaders and qualified representatives, and from New Zealand Ministers and academic and other experts. This would provide a better feel for how Australia's role is seen by our region and complement the descriptive and justificatory submissions the Committee will receive from Australian authorities and NGOs. Members of the Committee will of course benefit from visits to the region.

From my own relatively modest background as a former DFAT career officer, ex-High Commissioner in Fiji (at the time of the Rabuka coups), and subsequently student/commentator at the ANU I should like to put a few propositions below for the Committee's reflection and would be happy to comment further on them if required:

(a) Regional relationships.

(i) Australia should intensify the use it makes of regional institutions such as the Forum to address security threats, tensions and conflicts between member states, to establish good-offices and peace monitoring teams of the kind now operating on Bougainville and the Solomons, and to promote cooperation on the new agenda issues like terrorism, drug traffic, money laundering, and trade in national passports and in persons. The historic

Australian tendency to control the outcomes and to launch new issues without notice and consultation, on the other hand, has to become a practice of the past.

(ii) There is also a need to make more effort to engage the region and to be more responsive to its views on wider international issues in trade, development and environment areas, and not to ignore the positions of the regional countries simply because we do not agree with them and consider they are minor players.

(b) Economic and related relations.

(iii) The establishment of a wider trade, economic, social and educational community extending CER and taking in New Zealand and the islands of the South Pacific which want to be part of it should be pursued, bearing island priorities in mind and without a narrow concern over burden sharing, or viewing this mainly to head off inter-island preferential trading arrangements which we see as bringing minor benefits.

(iv) Citizens of the smaller island nations, those with populations of less than 150,000 and therefore very restricted domestic markets, would greatly benefit in terms of economic and environmental security from wider but controlled immigration access to Australia and New Zealand. This could correspond to the A/NZ arrangements but would require courageous political and community leadership.

(c) The aid relationship.

(v) Australia is entitled to draw on its own experience of structural reform and setting economic priorities in encouraging reforms and good governance in the island countries. However, we cannot ride over island objections but must seek to modify them over time by persuasion to arrive at better local practices avoiding where possible the political friction generated by sharp Government to Government disagreements. The untying of aid for consultants and perhaps the channelling of such aid through the United Nations under agreed programs would reduce the Big Brother syndrome. So would wider use of bilateral Foundations in areas such as health, education and agricultural research (vide ACIAR) which would still result in good use being made of qualified Australian professionals and skilled workers in the private sector and from Universities, Commonwealth and State instrumentalities.

(vi) The declared aid priority of poverty reduction is admirable but we sensibly commit most of our aid to our own region rather than to the most poverty stricken countries which are outside it. Since the more affluent Forum countries have the capacity to fund from their budgets basic health, educational and infrastructure needs, it is surely more helpful for us to concentrate in our program on foreign exchange intensive areas like upgrading Administration technology and training, higher and vocational training, and law and order, and some program aid of high technology imports.

(d) Developments in the region.

(vii) A review of the Bougainville crisis could be instructive. While a peaceful outcome now seems assured, despite the attitude of Francis Ona and the large number of weapons still held by the former combatants, Australia's role since 1988 has in many respects been flawed. The Sandline upheaval and New Zealand's peace initiatives were vital circuit breakers, and Australia intervened vitally at a strategic stage of the negotiations and very creditably carried the main financial and personnel burden of the peace process. However, could all that dislocation and loss of life have been avoided? Were we hooked too long and indecisively on a "pro-consular role" to help hold PNG together? It was and is reasonable for Australia to hope PNG does stay united in some form but this was an issue between PNG and the province of Bougainville. When it was realised there had to be a negotiated and not a military solution we continued to issue statements supporting the PNG position and continued defence aid in a way that gave equivocal signals, instead of making it conditional on PNG undertaking negotiations with some form of regional or other good offices, certainly a very tough diplomatic play.

(viii) Although a dissimilar situation are we in danger of taking pro-forma sides on West New Guinea in support of Indonesia's sovereignty? We can assure Indonesia that we will not encourage or harbour separatist activities, and wish it well in its efforts to reconcile the West Papuan people to its control but the outcome will be determined by the parties directly involved. There is little support for Indonesia's control among the South Pacific countries although its immediate neighbour PNG is obliged to adopt a cautious position.

(ix) The Committee could provide an assessment of the Government's decision not to intervene in the Solomons in June 2000 in response to Prime Minister Bartholomew Ulufa'alu's request to us for urgent help to insert a force to maintain law and order. The Solomons was clearly seen to be sliding into anarchy from which it has still not been delivered. Australia would only have contemplated a multi-national force with Forum backing made up largely of police, and must have been in active discussion with other Forum members. The decision was taken to avoid a commitment and to concentrate instead on evacuation of expatriates and facilitating talks between the parties. The Committee may like to determine whether the easier option was chosen because of over commitment elsewhere, the absence of a guaranteed exit strategy, or natural concern over the uncertainties, or some other reason? Since then the situation in the Solomons has only deteriorated, and Australia has been seen in the region as manifestly failing to respond to the desperate appeals of an elected Prime Minister. Mr. Ulufa'alu's views would be of interest.

(x) Fiji is still in an unresolved political stand-off with Prime Minister Qararse declining to concede to the Opposition leader a right under the new Constitution to nominate a quota of Cabinet seats corresponding to the number of seats the Opposition holds. There seems to have been some effort to find a compromise but the details are not public. Bedding down a new and in many respects innovative set of constitutional arrangements was always going to require compromise and forbearance, but there would seem little

Australia, which is well disposed to both sides, can do to help in the situation. Australia's response to the Speight attempted coup and the subsequent emergence of a non-elected Government with military backing was prudent and absolutely correct but seems not to have been much appreciated by Fijian nationalists.

(xi) The Government's "Pacific Solution", and the naval interventions to deal with sea-borne asylum seekers warrant careful consideration in terms of their regional impact, apart from their budget cost. It's easy to see the appeal of the "solution" for the Australian Government in the crisis generated over the "Tampa" incident, and by its determination to keep asylum seekers outside the jurisdiction of Australian courts with maximum related disincentive effect, and apparently minimum obligation, with UNHCR processing and so on. For different reasons Nauru and PNG agreed to collaborate, with some practical financial benefits offered by Australia, as well as its commitment to be ultimately responsible for the onward movement of these asylum seekers. The PNG Prime Minister was apparently happy to help Australia out of its difficulties, reciprocating Australia's strong financial and other support for his Government. Nauru was badly in need of a short term financial bail out to keep the Government running.

The other South Pacific countries, including Fiji which declined to set up a clearing house for the Australia-bound asylum seekers, may well see the exercise initially as somewhat regrettable or perhaps just another example of Australia pursuing its national interests and putting a Godfather request to Nauru and PNG which those countries would be hard pressed to decline. The longer term impact may be more damaging. Australia's political self interest in deflecting the asylum seekers outside Australian territory rather than processing them on the mainland, where many will ultimately have to finish up, has helped Nauru to avoid putting its house in order and given it an indigestible 12 per cent population increase. For PNG, Prime Minister Morauta can now more easily if unjustly be depicted in the vital forthcoming elections this month as an Australian stooge.

The "Pacific Solution" and the naval intervention to support it may have smacked of resolute response from Australia's point of view at the time, but in reality it seems to have avoided little of the financial cost and imputed responsibility for the processing and ultimate resettlement of these boat loads, refugee and non-refugee alike. The longer they remain in the islands unrelocated the more local friction can be expected to develop. The resources deployed on this essentially histrionic exercise could have transformed Australian development aid to the region over the next five years, instead of projecting another negative image of Australia acting while taking no account of Pacific island priorities.

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