

# **Submission to the Australian Senate Inquiry into Australia's with Papua New Guinea and the Pacific Islands, July 2002**

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# **Submission to the Australian Senate Inquiry into Australia's with Papua New Guinea and the Pacific Islands, July 2002**

by Dr Rosemary Kinne

## **1.0 Executive Summary**

This submission focuses on **Australia's relationship with the Solomon Islands**, and includes some reference to Papua New Guinea (Bougainville) and New Zealand. It looks at the **perceptions of Australia as an aid donor**. Development aid involves **social, economic and security issues**, and touches on **trade and tourism**.

It is written largely from the personal experience of Dr Rosemary Kinne who lived in Solomon Islands from 1982-1993. She was Head of the School of Natural Resources, Solomon Islands College of Higher Education from 1985 to the beginning of 1993. She is a Dominican Sister, in frequent contact with local Solomon Islands Dominican Sisters.

In contrast to Papua New Guinea, Solomon Islands was a British Protectorate, for which Australia did not have legal or international responsibilities. The country gained independence peacefully in 1978. At this stage, it was an 'affluent, subsistence' economy, free of external debt, and with good prospects for economic self-sufficiency by exporting agricultural products (copra, fish and timber) and future mining and tourism. It was peaceful.

The 'face' of Australian aid was mainly through the Australian Volunteers Abroad and also military aid (patrol boats and bomb disposal). Solomon Islands did not have an army, but both Australia and USA provided military training to police who formed a 'Defence Force' within the Police Service. An over-supply of automatic military weapons was given and their storage and use was not properly supervised.

Australia's aid policy seems to have changed from being primarily to benefit the recipient, to being of mutual benefit, and lastly to benefit Australia rather than the recipient. In general, our percentage of 'tied-aid' is high (45%) and our aid as a percentage of our GNP is less than 0.29%, one of the lowest in the developed world.

There has been an increase in problems of accountability with finance. Solomon Islands is not alone in this, but corruption seems to have increased with the advent of Asian logging and fishing companies.

The 11 year civil war in Bougainville affected Solomon Islands. PNG did not handle this conflict well. Major human rights abuses occurred. Australian diplomacy seemed ineffective.

The PNG Government took the course of punishing the Bougainville people by cutting off food, medical supplies and money. Bougainville is only 10 km from the coast of Solomon Islands. Initially, the number of refugees entering Solomons was small, and

their needs could be met. As the PNG army escalated its fire power, the rebels turned to criminal groups for access to high power weapons. There was already an illegal trade in wild-life and drugs, routed through the Solomons and coming partly through Australia. Marihuana growth and use increased. Some Bougainvillians married Guadalcanal women. When the ethnic disturbances occurred on Guadalcanal from 1998, the Bougainvillians shared some of their skills in guerrilla warfare. Some high powered military weapons were used - some stolen from the police/defence force armory; some probably from criminal sources.

The disputes on Bougainville and Guadalcanal are primarily about land and development. These issues still need to be addressed.

The Townsville Peace Agreement of August 2000 has partly succeeded, but unless the economy is kick-started, discontent will break out again.

Aid donors are important to Solomon Islands. Australia's contribution seems to be low profile, compared with others. Taiwan has given large amounts of money without insisting on accountability; much of this money has 'leaked' and this has helped to destabilise successive governments.

Australia's withdrawal of aid from co-funded NGO projects like APACE has been disappointing. The Solomon Islands College of Higher Education is the main tertiary institution in the Solomons. The School of Education has virtually been closed since June 2000. Aid donors have not been able to find a way to help SICHE stay functioning.

Challenges to Australia in its relationship with Solomon Islands and other Pacific countries include:

1. The Pacific islands countries think that Australia does not regard them as important.
2. More creative approaches to our aid programme could be used. More assistance should be given to women in development projects.
3. Australia's own security is linked to the security of PNG and Solomon Islands. Low income and frustration can lead individuals and groups to crime. Smuggling of wild-life, guns and drugs is coming out of PNG and Solomon Islands. Their closest market is Australia.
4. It is not clear whether the destabilisation of the Solomons was aided from outside the country. If so, this is a major security concern for Australia.

## **Submission to the Australian Senate Inquiry into Australia's relations with Papua New Guinea and the Pacific Islands, July 2002.**

### **2.0 Terms of reference**

In this submission, I am focusing mainly on Australia's relationship with the Solomon Islands. This will include some reference to Papua New Guinea and New Zealand, but from a Solomon Islands perspective. There is particular emphasis on attitudes to Australia as an aid donor. Development aid involves social, economic and security issues, and touches on trade and tourism.

This submission is being made largely from my personal experience when I was resident in Solomon Islands from 1982-1993. I was Head of the School of Natural Resources, Solomon Islands College of Higher Education from 1985 to the beginning of 1993. Our school was responsible for developing courses to suit Solomon Islands education and training needs at Certificate level for Forestry and Agriculture; at Diploma level for Physical Planning; and at adult education level for short courses in Laboratory Technician training and Environmental Studies. Australia was a major aid donor in these areas at that time.

More recently I made short visits to the Solomon Islands in 1998 and 1999. I regularly receive email of press releases from the Solomon Islands Broadcasting commission and subscribe to the Solomon Star newspaper.

I am a Dominican Sister, in frequent communication with twenty-six (26) local Solomon Islands Dominican Sisters who come from our Solomon Islands provinces. They work as teachers, nurses and pastoral workers.

For this presentation, I am concentrating on broad details, but can provide further documentation, if need be.

### **3.0 Background History of Solomon Islands**

Unlike Papua New Guinea, for which Australia had legal and international responsibilities, Solomon Islands had been a British Protectorate. It had been claimed that Britain treated Solomon Islands with 'benign neglect'. The British had commercial interests eg: Lever's extensive coconut plantations. Individual expatriate adventurers had also gained land, sometimes by intermarriage with local women who were members of chiefly families. The provision of basic health and education services was left largely to be the churches. Anglican, now Church of Melanesia; Catholic; Methodist; now Uniting Church; and Seventh Day Adventist. The population was mainly Melanesian (87 different languages), with smaller numbers of Micronesians, Polynesians and Chinese. Head-hunting ceased officially in the 1930s.

World War II caused disruption on Guadalcanal and parts of the Western Province, but the majority of the rural people were not affected by the fighting between Japan and USA which cut a swathe through their country between 1942-1945. The population was largely peaceful in 1978 when it gained its independence. The British monarch is the titular head of the country. It is a member of the British Commonwealth.

Solomon Islands had a peaceful transition to independence in 1978. It was a small country with an agriculture base - an 'affluent subsistence' economy; a population of around 300,000, rich in natural resources. At that time, there were good prospects for trade development and future self-sufficiency by exporting copra, timber, fish and future mineral extraction. Britain had moved to 'joint venture' development projects, with government assistance being channeled into British commercial operations such as SIPL (Solomon Islands Oil Plantations) on Guadalcanal and Levers' Pacific Timber (which undertook tree planting on Kolombangara, in addition to the harvesting that had been done over many years).

Solomon Islands had a trade imbalance with Australia, with the imports of food, machinery, fuel, and manufactured goods exceeding exports. In the late seventies, the Solomon Islands dollar was 'par' with the Australian dollar. The country was free of external debt, largely because the British had given grants, rather than loans. UK aid also provided and funded doctors, teachers and agriculture officers.

The public face of Australia's aid programme in the early eighties was seen in the AVAs (Australian Volunteers Abroad). These were volunteers who agreed to work for local salaries, alongside Solomon Island colleagues. The Australian Government provided some supplementation and also part funded the Australian organisation responsible for recruitment and training. Solomon Island agencies were able to give their requirements and have some say over the appointments. Australians, in general, were seen as friendly, more likely to treat colleagues as partners than their British counterparts, who had much higher salaries and more 'perks' of office. The churches and other NGOs also had volunteers. These mostly worked for local salaries, or less.

The public face of American aid was also through volunteers - the American Peace Corps. Unfortunately, there were no requirements for these volunteers to be trained, and their work record was uneven. Some were marvelous as people and in their work: others were disasters. Local organisations did not have much say in the appointments. Although not overtly political, there was a political component in these appointments. An American tuna boat was arrested for illegally fishing in Solomon Island waters, courtesy of a fast newly supplied patrol boat (Australian aid). Unexpectedly, the court decision went against the Americans. The victory was hollow, and protection given to the USA tuna operators to the detriment of Solomon Islands was public knowledge. The next year the number of Peace Corps volunteers doubled and a special tour of Afro-American bible singers arrived. Australia was not seen as using aid like this. If anything, the low-key approach meant that Australian aid was 'hidden' to a certain extent.

There was a military component to Australian aid. eg: in the provision of patrol boats and training; and in training of bomb disposal teams. The Americans left large quantities of ammunition and guns behind at the end of World War II. Most of the churches have brass cases made from shell casings. The large supply of weapons and ammunition caused later problem in Bougainville and Solomon Islands. These are still there.

Solomon Islands does not have an army. Both United States and Australia were keen to provide military aid. Some police were trained as a 'Defence Force'. There is a problem here, in that police are trained to save lives; soldiers are trained to kill. Australia should have learned from Papua New Guinea that there are difficulties in controlling and disciplining armed forces and police in that country. At times, there have been running shooting battles between the PNG police and the PNG army. Solomon Islands is a much smaller country. Why were the 'defence force'/police issued with over 800 modern automatic weapons? What 'enemy' were they going to use them against?

#### **4.0 Development Aid: in country processes**

##### **4.1 Understanding of local culture**

At times, it seems that the Australian High Commission staff in Honiara are missing opportunities to be more understanding of issues in the Solomon Islands, especially with regard to aid and security. It is hard for an outsider to tell whether this is due to Australian government policy or to other factors.

It is understandable that Australian High Commission staff at Honiara have short periods of duty. I understand it is 2-3 years for senior officers. This would make it easier for the education of their families outside Solomon Islands. On the other hand, Solomon Islands is still primarily an oral culture and personal contacts and networks are seen as very important. The relatively high turnover of High Commission staff could mean that they do not pick up the nuances and the alternative power structures that are being set up in the country. Solomon Island used to be called 'The Friendly Isles'. To some extent, this reflects a Melanesian tradition of trying to tell people what you think will please them, rather than the truth. In terms of recipients of aid, it is hard to have to deal with different people over the life-time of some projects, eg: 4-5 years. Maybe the short terms are deliberate, in the sense that over-involvement of some staff with certain business or ethnic groups could also be prejudicial.

##### **4.2 Tied-aid**

Australia's aid to Solomon Islands became increasingly 'tied'.

The first Australian aid grant the School of Natural Resources received was part-funding to build a Forestry Training Centre at Poitete, Kolombangara, in the Western Province. We received the grant, and were then able to use local builders, materials and designs. We had to account for all the money that was spent.

Later, when we tried to get funding for further development in Agriculture, there were restrictions on the aid. It was not given as a grant. It was to be a 'Project, put to tender'. The money went to Australian consultants who were to sub-contract for educational and building packages. This process was difficult and lengthy and meant that SICHE had little say over the final appointments. We were asked why the Forestry project had been more cost effective than the Agriculture project. Part of this was due to delays in time, changes in Australian policy, the fall in the value of the Solomon dollar and the use of Australian tenders and expertise, rather than local ones.

### **4.3 Multi-donor aid**

When I joined the SICHE staff in 1985, around half of the staff in senior positions were local people. By 1993, the majority were Solomon Islanders. The good side of this was the energy released in competent Solomon Islanders who could take decisions more freely. The downside was a lag in the provision of experience and skilled people to take over some posts. A scheme had been set up, within an aid project for education, for the development of staff in the School of Education. It was part of a World Bank Education Project for the country and involved a large loan, to be repaid in the future. Australia was a donor-participant in a number of schemes. It was not always clear who made decisions or the full extent of Australian aid. Australian scholarships did help the staff of the School of Nursing and Health Studies.

### **4.4 Accountability**

Accountability is a problem in all countries where large sums of money are involved. I can understand that it would be necessary to 'tie' certain aid, to make sure that it was used effectively and did not leak into individual bank accounts. However, the perception of Australian aid was that it was increasingly for the benefit of Australia rather than Solomon Islands. Are there other ways of ensuring accountability than putting all the money in Australian hands with the risk that the final project is not in tune with the real needs of the country? Granted the current lapses in accountability of Australian firms, safeguards are essential there also.

Over the period 1982-1993, there was a growing perception within Solomon Islands of corruption, involving logging companies. Tax avoidance was common. One Australian-owned, overseas-registered company operated in Solomons for over 25 years, and declared a profit in only one year of that operation. It did not pay tax. I was told by an accountant who helped a friend working in another logging company that this company kept two sets of books. Much of the timber exported from Solomons left for Singapore - Hong Kong, but was re-routed to Japan, with different sets of prices. Before 1984, most logging was done on government land. After that, with 85% of land in 'custom' ownership, Asian companies began to negotiate with local landowners. The Forestry Division tried to enforce the provisions and safeguards of the Forestry Act, but these could be negated by clever deals between the Asian managers and the local people and politicians. The Solomons is cash-poor. One Chief was offered \$400 a month and this seemed a fortune to him, yet thousands of logs, each worth \$1000 were coming off his

land. Foreign fishing companies also sought access to fish stocks – both deepwater (tuna) and the reef fish. At an international level, the Forum Fisheries Agency tried to exercise surveillance and control over illegal fishing. It was not always successful, particularly once companies began dealing directly with Provincial Governments or local people who had no idea of the real value of their products or the dangers of over-fishing. To their credit, the Japanese used pole and line fishing for tuna, rather than large netting.

The British administration did not encourage corrupt practices, but it seems to be ‘accepted’ practice for many Asian businesses. They quickly learned to use the Solomons custom of ‘returning a favour’: free air tickets, paying school fees of children, money transfers - in return for exemptions for tax and the waiving of Government regulations. Despite the fact that the Chinese business community already had gambling clubs, a casino was opened in Honiara. The local perception was that Solomon Islands politicians were encouraged to gamble and be in debt and that this added to political and economic stability. Was there anything Australia could have done to try to reverse this? An Australian aid project for Forestry tried to change the Forestry Act, so that its provisions could no longer be over ruled by the Minister or Prime Minister, but this was cancelled by the coup of 6<sup>th</sup> June 2000.

## **5.0 Major Problems in Solomon Island 1992 – 2002**

### **5.1 Bougainville**

Although ‘domino theories’ are not in fashion, the deterioration of the economic and social fabric of Solomon Islands can be linked to the civil war in Bougainville. This began in 1988 and lasted over 10 years. It is still not properly resolved.

The dispute between the Bougainville landowners and the Bougainville Copper Ltd (BCL) mine was not handled well by the PNG government and Australian diplomacy appeared to be ineffective, especially in the early stages. Major human rights abuses occurred. Australia was perceived as supporting the interests of the mine (owned by Conzinc Rio Tinto Australia), rather than publicly defending the rights of the people.

Major environmental damage occurred to river systems receiving the slurry from the mine processing works. This affected the lives of many living at subsistence level along the rivers. The Bougainvillian workforce were given middle-level management and technical training, but after 20 years, few were in senior positions and there was resentment at differences in life-style and living standards of the expatriate workers and the locals.

The Bougainvillians considered that the PNG Central Government was not giving them a fair share of the revenue it received from the mine. The intention of the BCL agreement was that local people would see benefits coming to them from the mine. However, at this time, the Ok Tedi and Lihir mines were not fully producing, and PNG was indeed dependent on the income from Bougainville copper and coffee. The situation was



compounded by possible corruption in the PNG government. Also, Australia was putting pressure on PNG to maximise its revenue from mining.

In practical terms, the mine gave men training in the use of explosives, and in the construction and maintenance of machinery. There were also ample supplies of unused WWII guns and munitions, and the ex-mine staff had the skills to make them functional.

A guerilla war began, and the mine was forced to close. The PNG government reacted by punishing the Bougainville people. No food, no medicines and no money for health and education were given to Bougainville and the PNG defence force and patrol boats enforced the embargo.

The Bougainville coast is 10 km from Solomon Islands territory, but 1000 km from Port Moresby. The Alu of Shortlands and some of the Choiseul people are related to the Bougainvillians. It was inevitable that 'refugees' would flee into Solomons, mainly for medical help, or to escape the barbaric torture being inflicted on the Bougainvillians by rival groups and by the PNG Defence Forces. Some Solomon Islands villages were invaded; some Solomon Islanders were killed. However, the fear of the high-powered boats and guns was more widespread than their actions.

After the expatriate staff left Bougainville, barter trade began. The villages in Solomons close to the border acquired electric generators, video machines, and household goods in exchange for food, clothing and medicines.

In the absence of a quick settlement, and because of escalating firepower on the PNG side, the Bougainvillian Revolutionary Army (BRA) began to source modern weapons, through criminal sources. The means of payment was through an extension of the existing illegal trade in marihuana and wild life. These were routed through the Solomon Islands, possibly from Australia or Asia or both. In some cases, weapons appear to have been 'stolen' from the police armory/Solomon Islands defence force.

There were also some 'economic refugees', anxious to earn income again. Some Bougainvillians went to Guadalcanal which has the largest area of rich agricultural land and at that time Solomon Islands Plantations Ltd (SIPL) had large oil palm plantations, and a processing factory for oil and cocoa. It was a large employer, mainly of Malaitan men and women.

## **5.2 Guadalcanal and Solomon Islands Plantation Ltd (SIPL)**

Intermarriage occurred between Guadalcanal women and both Malaitans and Bougainvillians. Land inheritance on Guadalcanal is through the women. Guadalcanal men grew in resentment about what was perceived as an attempt by Malaitans to take local land through marriage.

Just before independence in 1978, SIPL had been given a lease over a large area of good land. The local landowners felt they had been given a poor deal. Especially when the

rental of the land had not been linked to inflation. Tensions grew between the local Guadalcanal men and the 'pushy' Malaitans. The Bougainvillians, aligned more to the Guadalcanal side, were willing to share their expertise in how to conduct guerilla operations. WWII guns and ammunition were similarly available. The first 'raids' by the Guadalcanal Revolutionary Army (GRA) were targeted towards SIPL. Later, there were re-groupings and the Isatabu Freedom Fighters emerged. First SIPL closed, and later the Gold Ridge mine.

### **5.3 Escalation of Violence**

Ethnic tension erupted into armed conflict. The main casualties were families - schools closed, clinics closed and the Guadalcanal women could not market their fruit and vegetables. Sporadic killing, robbery and rape occurred and seemed to go unchecked. Marihuana growing and use increased.

The law and order issues were not handled well by the Guadalcanal Provincial Government, located in Honiara which turned into a besieged enclave on Guadalcanal.

There were - and still are - persistent rumours that the ethnic tensions were inflamed for political purposes. Solomon Mamaloni had been Prime Minister a number of times, and seemed to be in the thrall of certain powerful interests. Some of his Government ministers were perceived as corrupt. In a small country with a strong oral tradition, it is hard to keep secrets, though sometimes malicious rumours can be damaging.

### **5.4 Peace Processes**

Peace processes in the Solomons were convoluted. The Townsville Peace Agreement was preceded by:-

- Memorandum of Understanding between Solomon Island Government and Guadalcanal Province on 13 June 1999
- The Honiara Peace Accord, 28 June 1999
- The Marau Communique, 15 July 1999
- The Panatina Agreement, 12 August 1999
- Buala Peace Communique, 5 May 2000
- Auki Communique 12 May 2000

Bart Ulufa'ala only just defeated Mamaloni's government and began trying to stop corruption, the exemption of businesses from import duty and to get a more efficient delivery of money and supplies for health and education to the Provinces. There is some evidence that individuals and groups who resented this began to disrupt life on Guadalcanal.

A Malaitan Eagle Force emerged. Guns were taken from the police armories in Auki in January, 2000 and in Honiara on 5 June, 2000. The Prime Minister, Bart Ulufa'alu was held at gun point by armed members of the Malaitan Eagle Force on 6<sup>th</sup> June 2000. He

appealed to Australia for help but the answer seemed to be that we would not ‘interfere’ in the domestic arrangements of another country. If the coup was a copycat of the one in Fiji a few weeks earlier, it received different diplomatic treatment by Australia.

The Townsville Peace Agreement was signed on 15<sup>th</sup> October 2000. Some provisions have been carried out: others have not. The weapons surrender deadlines were continually extended and the amnesty on handing over guns is now just finished. This now coincides with the withdrawal of the International Peace Monitoring Team (funded jointly by Australia and New Zealand). The crucial development provisions have not yet been implemented. The presence of ex-militants in the police force is still causing problems. The weapon destruction is only just starting. However, the agreement has helped to produce relative stability in terms of open armed conflict, but Harold Keke, a maverick from the weathercoast of Guadalcanal is still causing trouble.

Australia’s assistance in hosting the Townsville Agreement was appreciated. However, the exclusion of women and the civil community from this last stage of the process was a pity. Women came out publicly during the succession of ethnic crises. The Women’s Peace Group were responsible for breaking the deadlock and brokering a ceasefire between the MEF and the Isatabu fighters in a major stand-off around Honiara. Their role has been undervalued and underplayed by the Solomon Islands politicians and negotiators outside the country.

The challenge now is to address the bankruptcy of the country. Unless the economy and civil society are functioning, violence will erupt again. Another election resulted in the fall of Manassah Sogavare, but after the wheeling and dealing typical of Melanesian societies, some politicians of doubtful integrity are again in ministerial roles.

## **6.0 Current economic difficulties and aid donor responses**

### **6.1 Loss of export income**

Palm Oil production has ceased (SIPL is still closed).

The Taiyo joint venture (tuna fishing and cannery, joint project between Japan and Solomon Islands) closed, and then partially re-opened in a holding capacity, until this also can be ‘privatised’.

The Gold Ridge mine is still closed.

Some logging is still going on, but the checking of log shipments and collection of duty is not.

Solomon Islands has appealed to aid donors for help in getting the country functioning again. I understand there have been meetings of donors and also the IMF and Asian Development Bank. The breakdown of the economy has severely affected health services and education provision.

## 6.2 Aid Donor Responses

Donors were perceived to be acting in different ways, during the crises of the past four years.

New Zealand: is appreciated for the direct help it gave by putting money for secondary schools directly into their bank accounts, and thus ensuring this money was not sidetracked, and most of the secondary schools opened again in 2001.

European Union: has been responsible for the STABEX funding – a recognition by the EU that the current world trade and low prices in agricultural products puts small developing countries at a disadvantage. Throughout the crises, EU funding continued for rural education and training, marketing help and community development projects.

Japan: has put money directly into rebuilding damaged clinics and schools. Japanese volunteers are still in country, and this is valued. Japan gives substantial aid in a number of sectors. In the past, much of this was tied-aid eg the provision of the Malaria Research Centre and accommodation buildings, where the designs, all the building materials, equipment and some research staff were all provided by Japan. Recently, Solomon Islands abstained in a crucial vote at the International Whaling Commission on the setting up of a proposed South Pacific Whale Sanctuary. Since Solomon Islands is not a whaling nation, this action was seen as supporting the Japanese position. It seems that pressure was put on the Solomon Islands, linking their decision to possible future aid availability.

Taiwan: provided large amounts of money – for CEMA and for ‘compensation’, without requiring strict accountability. Much of this money appears to have ‘gone astray’. Solomon Islands is one of the few countries that has diplomatic relations with Taiwan. Recently, Taiwan agreed to pay Solomons millions of dollars to take toxic waste (originally called ‘humus’). The reactions of some government ministers to this proposed importation would indicate that they expect to be financially rewarded.

Australia: is less visible now than the donors above, and appears to be very cautious. Whereas Australia had responded very quickly to the environmental disaster of Cyclone Namu in 1986, it was perceived as responding slowly to the ethnic, social and economic disasters of 1999-2002. Our failure to support the Kyoto protocols on the environment has not gone down well with any of the Pacific countries.

Out treatment of the asylum seekers on Nauru and Manus has received publicity, most of it negative. In the past, Australia was not seen as requiring political favours in return for aid. This has changed with the ‘Pacific Solution’ for asylum-seekers, where substantial aid packages to Nauru and PNG were seen as conditional on their allowing Australian detention centres to be set up on their territories. The perception is that domestic political issues are taking precedence over international policies and that the Australian government is over-riding the sovereign rule of these countries, as detention centres for foreigners are against the Constitutions of both countries.

It is interesting that this is not the best way we could operate. Speaking with regard to the Australian involvement in peace-keeping in Bougainville, Peter Cosgrove made the comment that the Bougainvillians had trouble seeing a new kind of Australian assistance – “with no evident financial gain, and as part of an international force that was not merely an expression of Australian strategic or financial interest.”

USA: is not an obvious aid donor and does not fund large projects. It supports some NGO organisations and the Peace Corps. It is represented by a Consul, not an Embassy or High Commission. Attitudes to the USA are ambivalent. There is a large USA War Memorial and an elegant Japanese Peace Memorial.

### **6.3 Tourism**

Solomon Islands has potential for tourism. However, this sector has been hit particularly hard by the recent social and economic disruption. The Solomon Islands Airways is struggling to maintain its service and safety. It was profitable when the June 2000 coup occurred.

Some of Australia’s security alert warnings have caused problems. They seem to be issued more readily than alerts from other countries. For example, Australia’s rapid evacuation of its citizens in June/July 2000 and more recently a warning against travel, issued on 24<sup>th</sup> June 2002. According to the Solomon Islands Foreign Minister, Alex Bartlett, this warning showed Australia’s lack of understanding of the real security situation and “is detrimental to attempts to rebuild the country and restore confidence in investment and tourism.” It is ironic that a three-member “Eminent Persons Group” from the Pacific Islands Forum stated on 28<sup>th</sup> June 2002 that they were impressed by the improvement in law and order and security in Honiara.

Most of the violence in Solomon Islands is ethnically targeted, and has not been random. If danger levels rise, it would be better for alerts to be jointly issued by all the High Commissions/Embassy, as Australians are not more at risk than others at this present time.

### **6.4 Loss of valuable Australian aid assistance to NGOs**

Since 1995, the AusAid assistance programmes for NGOs have been under review. This process was begun by a Labor government and accelerated by the Coalition. The net result has been a reduction of 60% in the numbers of accredited NGOs. The current government wanted money contributions. They did not understand that not all volunteer groups rely on fundraising or have the personnel willing and able to raise, for example, \$150,000.00 per year.

The group APACE (Appropriate Technology for Community and Environment) had to cease operations this year. The result is that Solomon Islands has lost valuable aid assistance which is not being offered by any other group. It has done excellent work in

Solomon Islands, helping village communities install and use hydro-electricity generators. They have also worked with village communities on the best way of integrating the new technology with their traditional lifestyles.

This is a good example of how bureaucracy fails to consider the impact made by a combination of volunteer work (the inelegant term 'sweat equity' is also used in aid project writing to refer to volunteer expertise) with the skills of university level research. In the case of APAC, it was the University of Technology, Sydney.

This is another lost opportunity.

## **6.5 Innovative Aid Projects**

### **(a) Communications**

In the last two years, the Asia Pacific Development Information programme has initiated PFnet (People First network) using radio technology, a solar power, information management techniques and internet facilities, networks have been set up in Honiara and rural areas. The first 'internet café' in Honiara was criticised as a luxury at a time of major disruption. Due to good back-up and training and expertise, the programme has taken off. There are now five rural email stations. The USP and other organisations are now going to use the system to help deliver distance learning. The project is meeting a need, especially since the infrastructure of transport and postal services is limited and not improving.

### **(b) Women in development**

Women in Melanesian society play a crucial role, both as cultural custodians and in the economy. Their role was largely ignored by the British and the Churches - and most aid donors. New Zealand has a much smaller economy than Australia, but seems to garget its aid more effectively to local needs, particularly with regard to the education of women.

Granted the crucial public role of women in the Peace Process on Guadalcanal, it was a pity that only two of the Solomon Islands Peace Monitoring Council were women, and initially, there were none in the field.

Women's development is an area where NGOs have experience and expertise. Seed funding for later self-sufficiency in projects is important. It could be a fruitful area for Australian joint venture aid in the future.

## **6.6 Australia's level of aid**

Australia's level of aid is now less than 0.29% of GNP. It is one of the lowest in the developed world. I understand that money for the 'Pacific solution' for asylum seekers is coming from this aid allocation, reducing the amount even further. The mathematics are

not lost on Pacific countries. Also, 45% of our aid is 'tied-aid' - again one of the highest, in terms of Australia's self-interest.

We are coming across as a wealthy nation, unwilling now to help others.

## **6.7 Solomon Islands College of Higher Education (SICHE)**

SICHE has suffered a great deal from the ethnic tensions and financial losses and aid donors seem not to have been effective in helping it. As a statutory body, SICHE obtains some of its money from the Government as a grant and some from fees. However, many of the students in education and health and industry are sponsored by government departments. The College missed its grants and also the student fees. The School of Education has been virtually closed since June 2000. This is a tremendous loss to the country.

The School of Natural Resources lost the College farm at Aruligo in 1999, when Guadalcanal militants came with guns, drove off the staff, and took away the animals. Now, Malaitan landowners are agitating to have the National Agricultural Training Institute (NATI) at Fote returned to them. This is an important part of the Agricultural programmes of SNR. It has been an extraordinarily difficult time for SICHE staff, trying to persevere, in the face of lack of payment of salaries and money for equipment.

Tertiary education in-country has suffered loss of staff and facilities. It is a major loss to the country and the longer it goes on, the harder it will be to start again.

Solomon Islands is now unable to pay the fees for its students at the university of the South Pacific (USP) and PNG - again a loss for the future, of its brightest students.

If only the aid donors could have funded the Universities and SICHE directly, rather than try to go through the Government, perhaps the fate of higher education would not have been so problematical. Corrupt governments do not like to have well-educated informed voters. It seems education and health are not their priority. Are they Australia's priority for its aid programme?

## **7.0 Challenges for the future**

### **7.1 Attitudes to Pacific Island countries**

It seems to me that Australia's current government is not concerned about the perceptions Pacific countries have of Australia. The goodwill towards Australia built up by individuals and groups is a form of 'social capital' that is being run down by our present policies. This will affect how others behave towards Australia and her citizens.

Underneath the Australian Government's Pacific solution for asylum seekers seems to be an attitude that does not recognise all human beings as possessing inherent rights because they are human.

The aftermath of the White Australia policy is showing clearly in the way the asylum seeker families have been treated - especially with regard to mandatory detention for long periods, the incarceration of children, the separation of fathers from their children and the ban on family reunions. We would not tolerate that for our own children - why is it alright for other children? Years of work went into United Nations treaties and conventions because of abuses. If we break these conventions or protocols or denigrate them, we are lining up with countries condoning major human rights abuses.

The Australian Government has shown by its actions that it does not regard the Pacific Island countries as very important. Mr Howard has attended only a few Pacific Forum meetings during his terms in office. Memories are long. Gareth Evans is remembered by some in the Solomons as the Australian official representative who came late to the main function of a Pacific Forum meeting in Honiara and did not have the courtesy to apologise.

In oral cultures, promises are binding and important. The failure of Australia to honour its promise to Nauru will also be remembered. In contrast, New Zealand is perceived as recognising the importance of Pacific countries.

## **7.2 Australia's self interest**

### **(a) Security**

If Australia's current policy primarily emphasises Australia's own concerns and self-interest, is there a way of making that an 'enlightened self-interest'? Security is the current catch cry for Australian voters.

In this case, I am surprised that the Navy surveillance is primarily focussed on the Western coastline. These have large areas of sea and desert, where it is easy to spot leaky boats, asylum seekers, and any drug and gun-runners foolish enough to try for the furthest distance from their markets. However, the tangles of rainforest and small coastal bays on the northern and eastern coasts are much harder to watch. There is evidence that PNG and Solomons have linked in with criminal elements, regarding the exchange of drugs, smuggled birds and snakes for guns. Some of these criminal groups are almost certainly working through Australian networks, particularly through yachts and small boats.

When we look at the almost complete ruination of the Solomon Islands economy and health and education systems, one has to ask: Who has benefited? Certainly, not the Solomon Islands people!

The country is virtually bankrupt, with little export income and a large foreign debt. Solomon Islands has rich mineral resources - located but as yet not mined - copper, gold nickel, asbestos, aluminium, and possibly oil and gas and gem stones.



Is there a 'receiver' waiting? Has the disruption of the country been aided from "outside"? Is the *de facto* sovereignty of the Solomon Islands at risk? Will this put Australia's security also at risk? Two possibilities surface for a 'buyer' - Taiwan - or in the worst case scenario, the criminal networks, already present and possibly involved also in Australia. In this dark prediction, Solomons could become a barren waste - trees logged, minerals taken, reefs and seas made barren; its people exploited.

**(b) Hope for the future**

A more hopeful prediction: that Solomon Islands, a beautiful country with a population of around 450,000 develop its potential as a centre for eco-tourism, and for alternative energy resources suited to developing countries. It could be the first country to 'skip' industrial development and go straight into a computer literate, smart society – the 'Friendly Isles' once more.

At present, it cannot do this unaided, but well-designed aid programmes could result in new and innovative partnerships between Australia and Solomon Islands. Friendship and loyalty are held as values in Melanesia. In uncertain global power struggles, Australia needs friend, not enemies or oppressed neighbours.

Australia could play an important role in this positive future in the Pacific.

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