

GREENPEACE

AUSTRALIA PACIFIC

Australia's Relationship with Papua New Guinea and other Pacific Island Countries

**Submission to the Foreign Affairs, Defence and Trade
References Committee**

July 2002

Executive Summary

Australia's relationship with the Pacific region is complex, and on many occasions, contradictory. As the "super power" in the region, Australia's policy decisions, trade decisions, aid decisions and environmental decisions are highly influential. Yet with this influence must come responsibility, and this is where the contradictions come to light.

As this submission and supporting materials identify, Papua New Guinea (PNG) and the other nations of the Pacific are highly vulnerable – vulnerable as micro-economies in a global world, vulnerable as developing countries, and vulnerable to environmental threats and change.

Australia must take a role in working to alleviate this vulnerability – both by standing in solidarity with Pacific Island countries (PICs) in the diplomatic arena, and also by using its aid resources to ensure truly sustainable development for PIC's – development that is economically, environmentally and socially sustainable.

Greenpeace Australia Pacific submits to the Committee that:

1. In giving aid and political support to PNG, Australian must seek to counter corrupt government practices, particularly those in the forest sector;
2. Australia must promote governance reform and conservation of resources;
3. Particularly in PNG, emphasis must be placed on building and maintaining of institutions of trust and transparency, including:
 - An 'Independent Commission Against Corruption';
 - Capacity in the Ombudsman Commission dedicated to investigating forest cases; and
 - A strengthened Solicitor General's Office, to deal effectively with corruption and non-compliance in forests and land matters.
4. Australia place emphasis on projects like eco-forestry when prioritising development support;
5. Australia join with Pacific Island nations and New Zealand in opposing nuclear waste shipments through the region;
6. Australia insist on non-incineration technologies for the disposal of waste chemicals in the Pacific region; and
7. Australia place emphasis on renewable energy sources for meeting future energy needs in the Pacific; and
8. Australia provide increased support for capacity building for fisheries management in the Pacific.

Forests of the Pacific

The magnificent Paradise Forests of Papua New Guinea and the Solomon Islands in Melanesia form part of the few remaining significant ancient forest areas on earth. They are a crucial natural, economic, environmental and social resource.

More than 90% of the land in Melanesia is owned by indigenous communities under customary tenure. The forests provide food, water, housing, fuel, transport, medicine and other essentials. Most communities depend on the forests for their livelihood – and have done so for untold generations.

Yet the voices of the forest now tell two very different stories. Some, like Robert Polus, speak sadly of the day “when the company came” and the community became “spectators” on their own land.¹

Others, like Reedle Gebe, are thankful: “We know logging is very destructive to our forest and marine resources. We rely on many different bush materials and don’t want the logging to damage them. But we have now agreed to cut ecotimber.”²

These two stories represent the two alternatives available for the future of Melanesian forests – the destabilising influence of industrial and illegal logging, or the opportunities presented by ecoforestry.

PNG Forests Under Siege

The world's third largest tropical rainforest and the people who depend on it have suffered for an entire generation. Twenty years of destructive logging in PNG has:

- Ruined the livelihoods of hundreds of rural communities;
- Wreaked ecological havoc in forests harbouring around 6% of the world's terrestrial species;
- Robbed national coffers of hundreds of millions of dollars in much-needed revenue; and
- Destabilised national governance by promoting corrupt practices.

The devastation began when transnational logging companies arrived in PNG in the early 1980s. There purely to maximise profits, these “robber barons”, as they were later dubbed, showed a blatant disregard for the environment and people.

The situation reached crisis point and in 1987, the PNG government appointed an Australian judge, Justice Thomas Barnett, to conduct a Commission of Inquiry into the logging industry. The two-year investigation, prompted by what Barnett described as the “heavy odour of corruption, fraud and scandal” uncovered “pervasive forest crime”.

¹ Robert Polus is a former Public Relations Officer with a landowner company in the Kiunga Aiambak area

² Reedle Gebe is coordinator of the Lobi Ecoforestry Project in Marovo Lagoon, Western Province of Solomon Islands. For the last three years he has been sustaining and conserving his clans forests, and milling and exporting ‘ecotimber’ to Australia and New Zealand. He says his family’s quality of life has definitely improved, with benefits including, water supply, sanitation, permanent housing, school and medical fees, and improved communication and transport.

"It would be fair to say of some of these companies, that they are now roaming the countryside with the self-assurance of robber barons: bribing politicians and leaders, creating social disharmony, and ignoring the laws to rip out and export the last remnants of the Province's timber." - Thomas Barnett.³

Following the Barnett Inquiry, the government attempted to reform the forest sector with the passing of the Forest Act 1991. But the best laws in the world can't defend forests or communities against the self-interest of logging companies and their political allies.

In 1999, Prime Minister Sir Mereke Morauta again acknowledged problems in the forests when he announced a moratorium on logging in new concessions. An independent review of proposed new forest concessions resulted in a 500 page document slamming forest management in PNG.

Today, little has changed. The moratorium was lifted in 2001, and four concessions face almost immediate logging.

Perhaps the most blatant example of corporate and government forces driving forest destruction is the Kiunga Aimbuk Road. As the attached report illustrates (Attachment A – *Partners in Crime*), this highly controversial and destructive “road” is nothing but a ploy for a Malaysian-owned logging company to gain access to valuable timber stocks legally owned by PNG’s indigenous forest dwelling communities. Also attached (Attachment B) is *Partners in Crime 2*, detailing further evidence of corruption and illegal activities in the PNG forest sector. We have also included a transcript (Attachment C) and video copy of a recent *Four Corners* report (Attachment D) further detailing problems of corruption in PNG, and with the Kiunga Aimbuk project as an example.

Corruption of this nature undermines the stability of the whole country and in the case of forestry, allows the sell off of the country’s natural resources to benefit foreign logging companies and a handful of officials at the expense of the millions of PNG people who depend them for their livelihood.

Eco-forestry – Protecting the Ancient Paradise Forests of Melanesia

Eco-forestry is a community-based solution to logging. Villagers work together to harvest and mill trees, and then carry the ecotimber out of their forest, causing only minimal damage. Community-based and externally monitored processes ensure the forest is quickly restored to its original state.

In contrast, destructive logging involves cutting down every economically useful tree in a forest, while destroying every other tree and plant that’s in the way. The logged area can then take decades or even longer to recover. With their forest gone, landowners are deprived of essential resources (including food and medicines). The social impacts of this loss are devastating.⁴

³ Barnett, T (1987), Commission of Inquiry into Aspects of the Timber Industry in Papua New Guinea

⁴ For further information on eco-forestry, visit <http://www.ecoforestry.org.pg/index.html>

Greenpeace supports eco-forestry projects, and urge the Australian Government to support this type of approach, to ensure sustainability of the forests of Melanesia.

We have read the submissions to the Committee of the PNG Eco Forestry Forum. We agree with those submissions and endorse them.

The Pacific as a Nuclear Highway

Recent years have seen shipments of plutonium (MOX) nuclear fuel between Europe and Japan. These shipments are hazardous in terms of the threat they pose to the environment and the peoples of the Pacific, but also because they are part of the nuclear fuel cycle and pose a proliferation risk, as plutonium is weapons usable.

Pacific Island States, through the Pacific Island Forum, have been engaged in liability and compensation discussions for some years. Australia has a vested interest in supporting these nuclear shipments, with ambitions to build a second nuclear reactor in Sydney and to increase the attendant waste shipments from this facility. Most significantly, Australia is a major supplier of uranium to Japan. Australia has effectively blocked any real progress in the Forum negotiations, and statements from the Pacific Island Forum are becoming weaker. The negotiations are averaging one unproductive meeting a year, usually just before the Forum Island leaders meet.

In addition, the ten million dollar “good will fund” agreed between Japan and the Pacific Island Forum Secretariat has complicated these negotiations as there have been different perceptions among Forum member countries as to whether the liability and compensation negotiations and the fund are linked. It should be kept in mind that the damage caused by a nuclear accident involving plutonium shipments could be immense, and not possible to truly compensate.

These machinations are a clear indication that the Australian government participates in activities that undermines the sovereignty and capacity for independent governance of Pacific Island countries. Australia, as a major nuclear supplier and waste shipping nation, is acting with an undeclared conflict of interest in the outcome of these negotiations.

The Pacific is still suffering from the effects of nuclear weapons testing, a terrible legacy for which the nations responsible have never duly made reparations. Australia should act in solidarity with its Pacific neighbours, and seek to end the transport of nuclear material through the region.

Chapter 2 in *Turning the Tide* (Attachment E) further details the diplomatic and aid-related pressure brought to bear on Pacific Islands nations to facilitate the passage of these nuclear shipments.

A Toxic Legacy?

In 1997, Ausaid recognised that there was a need for improved waste management expertise and facilities in the Pacific region, and recommended thirteen areas in which assistance was needed. The management of waste chemicals was identified as the highest priority and the 'POPs in the Pacific' project was developed to address this.

POPs, or persistent organic pollutants, are highly toxic, synthetic chemicals that are long-lived, travel long distances through the air and sea, and build up in the food chain, poisoning people and wildlife. Australia and many other nations have recently signed an international treaty (the Stockholm Convention) to reduce and eliminate the twelve worst POPs, known as the 'Dirty Dozen'.

Phase 1 of the Ausaid program, now complete, identified and assessed the types of wastes and unwanted POPs involved and the extent of contamination at each site, then recommended facilities for the disposal. Phase 2 of the project would include the actual disposal and remediation of contaminated sites.

Phase 1 clearly confirmed the extent of the POPs problem in each of the SPREP member countries. Unfortunately, however, the Ausaid report went on to recommend disposal by incineration.

At a time when Australia is actively seeking to reduce the number of medical incinerators and has banned the development of high temperature incineration for POPs waste, it seems incongruous to say the least, for an Ausaid report to propose incineration for other Pacific island states. This is particularly so given Australia's lead role in the development and manufacture of non-incineration technologies for the safe disposal of POPs wastes.

Foisting second-rate technology that Australia itself would not use onto its neighbours can do little to enhance Australia's relationship with the Pacific. Rather, as an exporter of this technology, Australia should both ensure the highest level of clean up, and also grasp the opportunity to develop this industry, which has great potential for further export. Non-incineration must be the technology of choice for the destruction of Pacific POPs waste. Disposal by incineration would not only contravene the Stockholm Convention but also the objectives of Ausaid – that is, to strive for environmental sustainability.

More details of this case are available in Chapter 3 of *Turning the Tide* (Attachment E)

Climate Change

Low lying island nations such as Kiribati and Tuvalu are the frontline when it comes to the impacts of global climate change. Threatened by sea level rise, storm surges and other climatic changes, the capacity for these nations to adapt is limited.

Australia's stance on climate change policy has failed to recognise these realities. Negotiating for an increase in emissions at Kyoto in 1997, continued efforts to widen the loopholes in the Protocol, and the refusal to ratify Kyoto as the only international

measure to tackle greenhouse emissions reflect poorly on Australia. Failure to support renewable energy targets at the World Summit on Sustainable Development, contrary to the position of Pacific Island countries, again puts Australia out of step.

Australia's lack of engagement and understanding on this issue was exacerbated earlier this year, when the Government made it very clear that Australia would be unwilling to accept environmental refugees from Tuvalu in the event that sea level rise forced them to abandon their low lying atolls.

Greenpeace also has significant concerns about the type of support Australia offers to Pacific countries in this context. As part of the recent package to Nauru to accept asylum seekers from Australia, the Government provided \$5 million worth of diesel fuel to alleviate Nauru's chronic power blackouts. This is questionable on a number of fronts. Aside from the symbolism of Australia providing fossil fuels to countries at the frontline of climate change impacts, there is a genuine issue of longer term sustainability and self-reliance.

In the Pacific, as in many developing countries, there is a great need for alternatives to oil based fuels, as the impact on micro-state economies of fluctuating world petroleum prices is significant. Australia should actively support the development of alternative energy sources in the Pacific. This requires a long term commitment, including to providing the infrastructure and support that goes with installation of these new technologies. It can assist with ongoing stability, and avoid the need for another 'bail-out' in the near future.

Oceans

Australia has put significant effort in recent years in to creating a South Pacific Whale Sanctuary. Unfortunately these efforts have been defeated by the pro-whaling nations in the International Whaling Commission. Australia has also extended this positive work to assisting Pacific Island nations in supporting national protection of whales and other marine mammals, through the development of sanctuaries in exclusive economic zones.

This work is an important contribution to oceans management in the Pacific, and should be further developed. In particular, Australia should assist in capacity building in fisheries management. Australia has already made a significant contribution in assisting the development of monitoring, compliance and surveillance systems with the Forum Fisheries Agency. Unfortunately, illegal fishing continues to be a problem in the Pacific (as it is in other parts of the world), and is an area that requires further work.

Training, information sharing and infrastructure development are the types of assistance that Australia can provide in the Pacific and which can assist with long term sustainable development and increasing self-reliance. Boosting capacity in ecosystem based fisheries management among other emerging principles, providing timely advice on technological creep in the industry, and supporting the national implementation of post-United Nations Conference on Environment and Development international principles and agreements would be highly beneficial in the Pacific.

Diplomatically, Greenpeace urges the Australian Government continue to support Pacific states in bringing into force the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean and ensuring that outstanding substantive issues are resolved in a manner that supports long-term sustainability of the fish stocks while upholding coastal State sovereignty and sovereign rights.

Conclusion

Australia has a great capacity to assist the sustainable development of Papua New Guinea and the Pacific islands. However, as the examples above illustrate, current policy settings tend to produce mixed signals and outcomes.

Australia's relationship with the Pacific must be based on mutual respect, a long term perspective, and consistent policy approaches that aim to assist sustainable development of Australia's island neighbours.

For further information contact:

Shane Rattenbury

Political Liaison Officer

Greenpeace Australia Pacific

GPO Box 1917

CANBERRA ACT 2601

Ph +61 (0) 2 6257 6516

Email shane.rattenbury@au.greenpeace.org