

**Papua New Guinea-Australia Relations: Policing and Policy Interventions by  
Australia in PNG and how PNG perceives these interventions. 1-3<sup>rd</sup> October 2007**

***ABSTRACT***

(Views expressed in this Abstract are those of the Author and do not necessarily reflect the views or policies of Government of Papua New Guinea).

The greatest asset PNG enjoys in Australia is the reservoir of goodwill amongst the Australian people for PNG despite the cooling off of relations between our two governments in the last twelve months. Indeed I cannot remember a time in the history of our bilateral relations, where there is such a disparity of goodwill between Australians and their government when it comes to PNG. Increasing numbers of Kokoda track expeditions recently by Australians and our Canberra Mission's active engagement with Community Groups at Council levels, Rotary Clubs and Schools, continue to enhance this goodwill.

It has been a truism in the two decades after independence, to say that PNG and Australia have shared a unique relationship, underpinned by historical, geographic, economic and security ties. All these aspects of our relationship are embodied in the Development Cooperation Treaty (DCT) of 1989 and later updated in 1999, and sub Treaties of the Defence Cooperation Treaty and Torres Strait Border Treaty. Australia's development assistance program in untied budget support form it was given in 70s and early 80s, has provided the substance for this uniqueness in the past. Changed modalities of providing aid from budget support to project tied aid and program-based aid over the last twenty years or so have seen greater control over, and involvement by Australia, in how its aid is distributed in PNG.

Over the last five years or so, very little reference is made of the "uniqueness" of our relationship at political circles at Waigani and Canberra. While it is not significant in general, it does, in my view, indicate the mood and the climate of change that is emerging between our two countries and how we respectively react and respond to these changes. The changes are well known but let me summarize them:

- The architecture of international, regional and national landscape, has changed from what it was 32 years ago when PNG gained its independence. Our respective policy and political responses to this change to promote our respective national and sovereign interests, will continue to determine the parameters and drivers for the future of our bilateral relations.
- Internationally, 9/11 has been a key factor in Australia's move to ensure some of its priorities in the development assistance it provides to PNG are respected and taken into account for its national security interest. It is the worst kept secret in Canberra, that Bush US administration had asked the Howard government to "take care" of its Pacific Islands neighbours to ensure terrorism, drug smuggling

and money laundering do not enter the region and threaten Australia and US security interests.

- The approach Australia has adopted is an interventionist one of seeking regional cooperation with its Pacific Island neighbours under a Pacific Forum Agreement to intervene in Pacific neighbouring countries facing political turmoil. Such interventions include the Solomons riots, but in Tonga, New Zealand and Australia went on their own at the request of the Tongan government and with Fiji Australia attempted a veiled threat of intervention on the pretext of rescuing its citizens with an expeditionary force on stand-by in the waters of Fiji.
- In PNG, Australia's experience with Enhanced Cooperation Program (Policing Element) was short lived, on account of the Immunity issue for its AFP police operating in PNG. Again, there is continued speculation on who initiated the ECP policing program. It is commonly agreed that the manner in which it was deployed could have been better handled. Even some sectors of Australian government, normally associated with Australia's foreign aid and foreign policy were largely left out of the program planning phases.
- From PNG perspective, the Supreme Court has ruled on the constitutionality of the immunity issue. PNG has now instituted its own review of the total ECP Program. At the minimum, ECP should be brought under the umbrella of the DCT.
- Australia has taken the step over the last five years in particular, to pay careful attention, to how its aid funding to PNG is being used. With this move comes the commensurate and necessary step for Australia to monitor and partake in policy decisions we make affecting our budget, and indeed our macro management policies in general. In early this year, the Development Cooperation Strategy negotiated and agreed to by the officials of our countries at Alotau, gives substance to this ever increasing engagement of Australia in our policy formulation processes and resource allocation.
- PNG has expressed its displeasure and at times made this known in no uncertain terms at Senior Officials level and at the Joint Ministerial Forum level that under the hubris of continued development aid and joint aid programming, Australia is unilaterally making decisions on aspects of its development assistance to PNG and on intruding into PNG's exclusive sovereign right to decide on policies for development and the resources allocated to support these policies.
- If recent pronouncements from Canberra are any indication of the future conduct of our bilateral ties particularly with respect to its development assistance to PNG, PNG should expect more of the same and not less.
- The perennial issue of governance continues to be on the radar screen and efforts by Treasury and Finance ECP contingent with their PNG colleagues in these agencies within PNG government are bringing a modicum of comfort for Canberra. There are other priorities for spending Australia's aid resources which fall in line with ours which include, health, education, infrastructure, law and justice and HIV/AIDS.
- In the past up to 85% of funding on priorities, was borne by the development assistance funding, most of which came from Australia's aid program. The last Somare government began the process of reclaiming priority funding by

- increasing spending from around 20% on each of our priorities to 50%. With capacity constraints it will be a hurdle to overcome in actually spending these allocations within the budget year particularly for capital works in infrastructure. While it did not attract much political attention, it is a very significant initiative symbolically, to begin the process of reclaiming our sovereignty and absolute right to determine our future in our policy decisions. PNG cannot say we are sovereign and economically independent when others pay for much of our development needs.
- In his most recent pronouncement on Australia's relations with its Pacific Island neighbours to the diplomatic corps in Canberra, the Australian Foreign Minister, Hon. Alexander Downer, indicated in not so subtle a way, that in future, there may be a shift in Australia's relations with its Pacific neighbours and how it provides its aid program. He hinted on Australia enhancing its economic cooperation with countries that do well with good governance and managing their Public Balance Sheets and delivering the goods and services to their people. On the other hand, Australia may reduce or stop dealings with those who are unable to do so or refuse to do so. It is an implied threat to PNG (on account of Moti Affair) and Solomons and Fiji. He even went on to list three Pacific Island countries that may be the first beneficiaries of this change in Australia's benevolence. In diplomatic parlance, this move may be described as the "Most Favoured Nations" policy.
  - For PNG, we need to intensify our efforts to diversify our bilateral ties with other nations and economies of our region. Australia's White paper on its development assistance released last year has essentially ranked Asia region, Indonesia, PNG and Pacific Islands Region, as beneficiaries of major part of its aid. This year's budget sees PNG no longer enjoying the "largest beneficiary of Australia's aid" standing, despite an additional increase of around \$A28 million. This title has now been bestowed on Indonesia.

The thawing of relations between our two governments was signaled last week when our two Ministers of Foreign Affairs and Trade during APEC week in Sydney, agreed to re-engage in the Joint Ministerial Forum suspended due to Moti Issue. This is a significant move and for the good of our relations going forward.

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