

Papua New Guinea Issues of External and Internal Security

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# **Papua New Guinea: Issues of External and Internal Security**

Ronald May

Since independence in 1975 Papua New Guinea has enjoyed a generally benign external security environment, in which the principal challenges have come from the management of the borders with Indonesia to the west and the Solomon Islands to the east, and illegal fishing. Security threats from illegal migration and international crime have been of relatively minor concern. More significant for Papua New Guinea have been issues of internal security, including "tribal fighting", raskolism, threats to resource projects, violence against women, and election-related conflicts.

Australia and Papua New Guinea have a long, and continuing, association based on geographical proximity and colonial history. This article argues that relations have been generally good, but that changing dynamics within the Asia Pacific region suggest a need for continuing close attention to the relationship.

Australia and Papua New Guinea have long been linked by geographical proximity and by colonial history. Security concerns were a major element of Australia's early interest in the island of New Guinea and these concerns were reinforced by the Japanese invasion and occupation of New Guinea in 1942-1945 and Indonesian expansionism in the 1960s.

Security issues are still an important element in relations between the two countries, but their interests do not necessarily coincide and security priorities are subject to the changing external and internal environments in which they operate. Maintenance of good relations requires continuous review of the issues and their relevance to the respective players.

## **Papua New Guinea's Transition to Independence**

In 1951 the Australian colonial administration revived the Pacific Islands Regiment (PIR), which had been formed in Papua New Guinea during the Second World War. Until 1964 the PIR formed part of the Australian Army's Northern Command, whose headquarters were in Brisbane. Subsequently, headquarters were shifted to Port Moresby, though most of the PIR's officers were Australian and orders came from Canberra.

With the approach of independence, in the early 1970s there was debate about whether an independent Papua New Guinea should have a defence force, as some commentators both within and outside Papua New Guinea saw a well-organised defence force as a potential threat to the emerging democratic state. In the event, the PIR formed the core of the Papua New

Guinea Defence Force (PNGDF) which was established in 1973. Just before independence in 1975 defence powers were transferred from Australia to Papua New Guinea and a Papua New Guinean, Brigadier-General Ted Diro, became commanding officer of the force.<sup>1</sup>

At independence, Papua New Guinea clearly expected a defence treaty with Australia,<sup>2</sup> but this was not forthcoming; instead in an exchange of letters and a joint statement in 1977 the two countries affirmed that their governments “attached high importance to continuing the close co-operation between their two countries in defence matters” and declared their intent “to consult ... about matters affecting their common security interests”. Australia also undertook to provide continuing assistance to the PNGDF through its Defence Cooperation Program.

Papua New Guinea’s foreign policy at independence was one of “universalism”: “friend to all, and enemy to none”. Subsequently this was modified to a policy of “active and selective engagement”, to which was subsequently added the elaboration of “look North [to Asia] and work the Pacific”.<sup>3</sup> Central to the latter has been Papua New Guinea’s prominent role in the Pacific Islands Forum and the Melanesian Spearhead Group.

## **Papua New Guinea’s External Security Environment**

Papua New Guinea has continued to enjoy a generally benign external security environment, though not without some challenges. The principal issues for Papua New Guinea’s external security have been in three main areas: the border with Indonesia to the west; the border with the Solomon Islands to the east; and incursions by foreign fishing vessels in Papua New Guinea’s territorial waters.

### **THE BORDER WITH INDONESIA**

Papua New Guinea shares a border with the Indonesian provinces of West Papua and Papua (formerly the single province of Irian Jaya). Papuan nationalists, led by the *Organisasi Papua Merdeka* (OPM, Free Papua Movement) and more recently the *Komite Nasional Papua Barat* (KNPB, West Papua National Committee), have maintained a continuing campaign for West Papuan separatism and a review of the 1969 so-called “Act of Free

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<sup>1</sup> See: R.J. May, *The Changing Role of the Military In Papua New Guinea*, Canberra Papers on Strategy and Defence No. 101 (Canberra: Strategic and Defence Studies Centre, Australian National University, 1993), chapter 1; James Sinclair, *To Find a Path: The Papua New Guinea Defence Force and the Australians to Independence. Volume II Keeping the Peace 1950-1975* (Bathurst: Crawford House Press, 1992).

<sup>2</sup> See: May, *The Changing Role of the Military*, p. 36.

<sup>3</sup> For an overview of foreign policy making in Papua New Guinea see Edward P. Wolfers and Bill Dihm, ‘Foreign Policy Making’, in R.J. May (ed.), *Policy Making and Implementation: Studies from Papua New Guinea* (Canberra: ANU E Press, 2009), pp. 299-321. A review of foreign policy, tabled in the Papua New Guinea National Parliament in 1981, is reproduced in *Papua New Guinea Foreign Affairs Review*, vol. 1 no. 4 (1982).

Choice” (in fact, an act of “no choice”, conducted in the presence of a UN special representative), by which West Papua moved from a United Nations Temporary Executive Authority to incorporation within the Indonesian Republic.<sup>4</sup>

In the early 1970s there was significant sympathy among Papua New Guinea's emerging leaders for the separatist ambitions of their Melanesian brothers in the former Dutch territory. However, Papua New Guinea recognised Indonesian sovereignty in West Papua after 1969 (as did Australia) and within its capacity sought to deny the OPM access to Papua New Guinea. Despite this, OPM camps were set up in the dense jungle on Papua New Guinea's side of the border, which was a source of some tension in relations between Indonesia and Papua New Guinea. Regular crack-downs on West Papuan groups by Indonesia led to frequent border crossings by OPM supporters and ordinary villagers, and occasional incursions by Indonesian soldiers. In 1984 some 10,000 border crossers sought refuge in Papua New Guinea after the Indonesia military acted against Papuan nationalists who had sought to raise the West Papuan flag. The Indonesian military made unauthorised border incursions in pursuit of alleged OPM supporters who sought refuge in Papua New Guinea. In an escalation of tensions, Papua New Guinea took its grievances to the UN General Assembly.

By the late 1980s relations between the two countries had improved and the two had signed a *Treaty of Mutual Respect, Friendship and Cooperation*.<sup>5</sup> However, the border remains a continuing irritant in Papua New Guinea-Indonesia relations. West Papuan separatism has not gone away, and the erosion of concessions made by the Indonesian Government to West Papuans after the demise of President Suharto, continued immigration from other parts of Indonesia, and sustained military repression and human rights abuses in West Papua, have fuelled Papuan nationalist sentiments and separatist demands and created a vicious cycle of repression and confrontation. Papua New Guinea has resisted Indonesian proposals for joint border patrols, and with the PNGDF's capacity to patrol the border limited by its resources, the potential for future border “incidents” is high.<sup>6</sup>

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<sup>4</sup> See, for example, Otto Ondawame, *‘One People, One Soul’. West Papuan Nationalism and the Organisasi Papua Merdeka* (Adelaide: Crawford House Publishing, 2010); John Saltford, *The United Nations and the Indonesian Takeover of West Papua, 1962-1969* (London: RoutledgeCurzon, 2002).

<sup>5</sup> See R.J. May, “Mutual Respect, Friendship and Cooperation?” *The Papua New Guinea-Indonesia Border and its Effect on Relations between Papua New Guinea and Indonesia*, *Bulletin of Concerned Asian Scholars*, vol. 19, no. 4 (1987).

<sup>6</sup> See, for example, Peter King, *West Papua and Indonesia Since Suharto: Independence, Autonomy or Chaos?* (Sydney: University of NSW Press, 2004); Richard Chauvel, *The Papua Conflict; Jakarta's Perceptions and Policies* (Washington: East-West Center, 2004); International Crisis Group, ‘Indonesia: The Deepening Impasse in Papua’, *Asia Briefing No. 108*

### **THE BORDER WITH THE SOLOMON ISLANDS**

In the east, a similarly arbitrary colonial boundary separates Papua New Guinea from the Solomon Islands, although there has been continuing traditional movement across the island chain. During the Bougainville rebellion (see below) members of the Bougainville Revolutionary Army regularly crossed into the Solomon Islands—for some time with the effective blessing of the Solomon Islands Government—to escape the PNGDF, and weapons and medicines were imported into Bougainville through the Solomon Islands. In a mirror image of what was happening on Papua New Guinea's western border, on more than one occasion PNGDF soldiers crossed illegally into the Solomon Islands (in one instance attempting to annex a small island in the Solomon Islands territory), drawing complaints from successive Solomon Islands governments.<sup>7</sup>

Since the end of the Bougainville conflict, this issue has largely disappeared, although the reported continuing flow of weapons into Papua New Guinea through the Solomon Islands still poses security concerns.

### **ILLEGAL FISHING**

The operation of illegal foreign fishing vessels in Papua New Guinea waters, particularly in the "Dogleg" area to the west of the Papuan Gulf, has been a serious issue for Papua New Guinea, especially given its limited capacity to monitor, let alone control, its extensive territorial waters. Some attempts have been made to address the problems of illegal fishing on a regional basis through the Forum Fisheries Agency and the Western and Central Pacific Fisheries Commission. Australia has supported the efforts of Papua New Guinea and other Pacific island states to improve their maritime security and protect their fisheries through the Pacific Patrol Boat Program and assistance in aerial surveillance.

### **OTHER CONCERNS**

In addition to these concerns, in recent years a range of non-traditional security concerns has emerged—though arguably the issues identified have been of greater relevance to Papua New Guinea's allies, particularly Australia, than to Papua New Guinea itself.

Following 9/11 2001, international terrorism has been added to the list of external security threats, and, largely at the urging of Australia (which has provided some logistic assistance) and the United States, measures have been taken to upgrade maritime and airport security. While the threat of a terrorist strike cannot be entirely dismissed, the likelihood of terrorist activity in Papua New Guinea is slight: there are no terrorist groups in Papua New

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(3 August 2010); International Crisis Group, 'Indonesia: "Christianisation" and Intolerance', *Asia Briefing No. 114* (2010).

<sup>7</sup> See Dinnen, this volume.

Guinea and no obvious constituency for them (there is a small group of foreign Muslims and Papua New Guinean converts, but the group has no apparent radical tendencies).<sup>8</sup> In small-scale Papua New Guinea society, the activities of outsiders (and indeed of Papua New Guineans) tend to attract close scrutiny from neighbours, which would make terrorist activities difficult to sustain.<sup>9</sup>

For similar reasons, and given fairly tight border security, people smuggling, though sometimes listed as a security concern, is not a major issue for Papua New Guinea. Apart from the border crossers from West Papua, mentioned above, there has been some illegal migration to Papua New Guinea, in some cases of people (mistakenly) perceiving Papua New Guinea as an easy entry route to Australia; there has even been at least one boatload of prospective refugees who unintentionally made landfall in Papua New Guinea en route to Australia. And there has been a steady stream of illegal migrants from China. Some of this illegal migration (and some legal issuing of Papua New Guinea passports) seems to have been facilitated by corrupt officials in overseas diplomatic posts and in one disturbing incident the machine used to print Papua New Guinea passports was stolen. But stringent visa conditions, closer oversight of officials working overseas, and occasional raids to round-up foreigners working without work permits (especially those working in occupations reserved for Papua New Guineans) have kept the number of unwanted foreigners within limits.<sup>10</sup>

Perhaps more serious are reports of Papua New Guinean links to international crime.<sup>11</sup> From time to time there have been reports of “Chinese triads” operating in the country and of a trade in drugs (marijuana) for guns across the Torres Strait border. When coupled with the reality of *raskol* gangs in Papua New Guinea (see below) and corruption within the public sector (including the police), these reports must be taken seriously, but the evidence of such activities is still modest. For most Papua New Guineans, vulnerability to the activities of foreign “carpet baggers” and scam merchants, for example in forestry and in pyramid finance schemes, may be cause for greater concern.

For Australia, with its relative abundance of resources to address the issues, these non-traditional security threats occupy the minds of security planners. But for Papua New Guinea, external security threats, both traditional and

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<sup>8</sup> See Scott Flower, ‘The Growth of Islam in Papua New Guinea: Implications for Security and Policy’, unpublished PhD thesis, Australian National University, 2010.

<sup>9</sup> For an interesting comparative critique of the “terrorist threat” (to Australia) see Christopher Michaelsen, ‘The Triviality of Terrorism’, *Australian Journal of International Affairs*, vol. 66, no. 4 (2012), pp. 431–49.

<sup>10</sup> A report in *Islands Business*, July 2012, however, suggests that “Between 15,000 and 20,000 foreigners, mostly Asian, are believed to be residing and working in Papua New Guinea”.

<sup>11</sup> A range of pertinent issues is addressed in Beno Boeha and John McFarlane (eds), *Australia and Papua New Guinea. Crime and the Bilateral Relationship* (Canberra: Australian Defence Studies Centre, University College, Australian Defence Force Academy, 2000).

non-traditional, are substantially outweighed by the challenges it faces with respect to internal security.

## Internal Security

Before European contact, “tribal” fighting between Papua New Guinea’s fragmented local groups was endemic across much of the country. Under the colonial administration inter-group fighting diminished, but it continued, especially in the highlands where the Australian administrative presence was not well established until the 1960s. “Law and order” problems were still a major issue in the years preceding independence in 1975, and were probably exacerbated by forces set in train by the process of “modernisation”: increased competition for land due to the introduction of cash crops and a rapid increase in population; the impact of large-scale resource projects; the breakdown of traditional authority structures at the local level; intense competition for electoral office (in 2002 “failed elections” were declared in six of the country’s electorates as a result of election-related inter-group fighting in the Southern Highlands); and the introduction of motor vehicles (and hence motor vehicle accidents) and alcohol. Over the past two decades there has been a marked increase in the use of automatic weapons in inter-group fighting and in general criminality.

There are several dimensions to the law and order problem.<sup>12</sup>

Inter-group, or “tribal”, fighting has deep historical and cultural roots, including mechanisms for at least temporary peace and reconciliation, but has evolved in new forms with the introduction of guns and the interplay of traditional rivalries and electoral competition.

*Raskolism*—essentially, criminal gangs—began to emerge both in towns and in rural areas in the 1970s largely amongst unemployed youth (especially in urban squatter settlements) and often based on localised ethnic group affiliation. Over time, *raskol* gangs have tended to become more heterogeneous, more sophisticated, and probably more likely to be associated with prominent local political figures (for whom the term “warlord” has come into common usage). The predatory behaviour of *raskols* in some rural areas, especially in the highlands, has curtailed economic activities such as coffee buying and led the closure of banks and other businesses.<sup>13</sup>

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<sup>12</sup> For early reviews of the law and order issue see Committee to Review Policy and Administration on Crime, Law and Order, *Report* (Port Moresby: Department of Provincial Affairs, 1983); William Clifford, Louise Morauta and Barry Stuart, *Law and Order in Papua New Guinea* (Port Moresby: Institute of National Affairs, 1984). A more recent analysis is Sinclair Dinnen, *Law and Order in a Weak State. Crime and Politics in Papua New Guinea* (Honolulu: University of Hawai’i Press, 2001).

<sup>13</sup> For example, see Nicole Haley and R.J. May (eds), *Conflict and Resource Development in the Southern Highlands of Papua New Guinea* (Canberra: ANU E Press, 2007), chapter 1.

Within communities, violence against women is also a widespread problem.<sup>14</sup> Apart from the personal and communal costs of domestic violence, this mindset helps explain the level of political participation by women in Papua New Guinea, which is one of the lowest in the region. To the extent that violence against women has made some parents reluctant to send their daughters to school, this has far-reaching longer-term implications for the status of women.

Threats to resource projects, from disgruntled landowners and others impacted by mining or other resource-exploiting operations, have become another aspect of the law and order problem. The outstanding case here is Bougainville,<sup>15</sup> where what began essentially as a protest movement among the younger generation of landowners in the area adjacent to the Bougainville gold and copper mine escalated into a declaration of independence and a virtual civil war which lasted for over a decade, cost numerous lives, and closed the mine, which at the time contributed around 40 per cent of Papua New Guinea's exports and 17 per cent of its government revenue. Bougainville may be an extreme instance of the power which landowners can exercise over a big resource project, but virtually all of Papua New Guinea's mining, gas and petroleum projects have run into confrontation with landowner groups, whose expectations of the benefits to be gained from such projects are often unrealistic and for whom formal agreements are infinitely negotiable.

Increased migration from Asia, especially illegal migration from China, and the expansion of Asian business interests have produced sporadic outbursts of 'anti-Chinese' sentiment, including protests against the largely Chinese-owned Ramu nickel mine and occasional attacks on 'Chinese' businesses. Though not on the scale witnessed in the Solomon Islands in 2006, the potential exists for anti-Asian riots.<sup>16</sup>

Numerous measures have been taken to deal with law and order problems, from the passage of an *Inter-Group Fighting Act* in 1977, the creation of police mobile squads and the call-out of the PNGDF in states of emergency, to the creation of village court magistrates and provincial peace and good order committees. The PNGDF was first called out to assist police following the declaration of state of emergency in response to rising urban crime in the national capital, Port Moresby, in 1984. It was involved in several further operations with police during the 1980s and 1990s, including its heavy commitment to the Bougainville conflict. More recently the PNGDF and

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<sup>14</sup> For an overview of the subject see Amnesty International, *Papua New Guinea: Violence Against Women: Never Inevitable, Never Acceptable!*, ASA 34/002/2006 (4 September 2006).

<sup>15</sup> For a comprehensive account of the Bougainville conflict and peace process see Anthony J. Regan, *Light Intervention. Lessons from Bougainville* (Washington: United States Institute of Peace Press, 2010).

<sup>16</sup> See, for example, Graeme Smith, 'Chinese Reactions to Anti-Asian Riots in the Pacific', *The Journal of Pacific History*, vol. 47, no. 1 (2012).



Royal Papua New Guinea Constabulary (RPNGC) collaborated during a state of emergency in the Southern Highlands in 2006-2007. But fundamental problems remain.

A continuing issue in dealing with the problems of law and order is the capacity of the RPNGC. Faced with daunting tasks of policing, the RPNGC is under-resourced in terms of pay, housing and transportation.<sup>17</sup> Police morale is generally low, and in recent times the RPNGC has been factionalised and politicised at senior levels. In 2002, when “failed elections” were declared in the six Southern Highlands electorates, the provincial police commander complained that his officers could not contain the violence because they were not only outnumbered but out-gunned. Not surprisingly, under these conditions, police—especially the police mobile squads—have been frequently accused of human rights abuses<sup>18</sup> and the state has paid out substantial amounts of compensation for police actions in which property has been destroyed and civilians abused.

With regard to the PNGDF, the post-independence military coup predicted by many in the early 1970s has not materialised, though there have been a number of relatively minor confrontations between the PNGDF and the government. These have included: the “Sandline affair”, in which the PNGDF commander intervened to abort a covert operation by the government in 1997 to use “military consultants”, in conjunction with the PNGDF, in an attempt to end the Bougainville conflict;<sup>19</sup> a mutiny at Moem Barracks in Wewak, where soldiers briefly occupied the barracks and destroyed some buildings in protest against conditions of service and proposals to downsize the Force;<sup>20</sup> and the recent (January 2012) short-lived mutiny by a group of soldiers supported by Sir Michael Somare who pressed for acceptance of a Supreme Court ruling in Somare’s favour during the political impasse which followed the parliamentary ousting of Somare as prime minister in 2011 (see below). I have argued elsewhere that a military coup seems unlikely in Papua New Guinea, but the possibility of a coalition

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<sup>17</sup> See Dinnen, *Law and Order in a Weak State*, pp. 53-4. Dinnen notes that in 1975, when crime rates were relatively low, the ratio of police to population was 1:476; by the late 1990s, with rising crime rates, the ratio had fallen to 1:800; current estimates place the ratio at around 1:1400.

<sup>18</sup> See, for example, ‘PNG: Evolving Police Brutality’, *Human Rights Features* 163/07 (New Delhi: Human Rights Watch, 2007).

<sup>19</sup> See S. Dinnen, R.J. May and A.J. Regan (eds), *Challenging the State: the Sandline Affair in Papua New Guinea* (Canberra: Research School of Pacific and Asian Studies, 1997); Sean Dorney, *The Sandline Affair: Politics and Mercenaries and the Bougainville Crisis* (Sydney: ABC Books, 1998); Mary-Louise O’Callaghan, *Enemies Within: Papua New Guinea, Australia, and the Sandline Crisis: the Inside Story* (Sydney: Doubleday, 1999).

<sup>20</sup> See R.J. May, “The Military in Papua New Guinea: a ‘Culture of Instability’?”, in R.J. May (ed.), *‘Arc of Instability’? Melanesia in the Early 2000s* (Christchurch: Macmillan Brown Centre for Pacific Studies, University of Canterbury and State, Society and Governance in Melanesia Project, Australian National University, 2003), pp. 1-7.

of disgruntled soldiers and opportunistic politicians challenging government decisions cannot be ruled out.<sup>21</sup>

Deterioration in government service delivery also poses security risks for Papua New Guinea's citizens. Apart from a high incidence of HIV/AIDS,<sup>22</sup> the poor state of Papua New Guinea's health system has resulted in recent outbreaks of cholera and tuberculosis (leading to an influx of people from Papua New Guinea's Western Province into Australia's Torres Strait islands seeking treatment), and poor performance on most health indicators. A poorly performing health sector leaves the country vulnerable to imported viruses. Human health issues, and the potential spread of plant and animal diseases, pose external threats to Australia, which have been addressed in part by regular consultation between health and quarantine officials from the two countries.

Papua New Guinea's geography and weather patterns raise further security risks in terms of susceptibility to earthquakes, tsunamis, volcanic eruptions, floods, mudslides and droughts, and the longer-term effects of climate change. The Carteret islanders in the Autonomous Region of Bougainville are already reportedly threatened by rising sea levels and likely to become amongst the world's first "climate change refugees". Papua New Guinea's capacity to respond to such natural disasters is limited.

## The Challenges Ahead

Papua New Guinea is commonly perceived as politically unstable, even though to the end of July 2012 the country had had only six prime ministers in thirty-seven years, elections had been held regularly on schedule, and all changes of government had followed constitutional procedures. All governments to date, however, have been coalitions (since 2002, coalitions of more than ten parties). Coalitions have been unstable, and up to 2002 no government had survived a full parliamentary term (most losing office as a result of a vote of no confidence against the prime minister). In 2001 an *Organic Law on the Integrity of Political Parties and Candidates* (OLIPPAC) sought to create greater political stability by strengthening parties and providing sanctions against MPs who switched parties. Subsequently, the government of Sir Michael Somare (2002-2007) became the first to survive a full parliamentary term, though this owed less to the provisions of the OLIPPAC (which in 2003 proved to be largely ineffective in maintaining party cohesion)<sup>23</sup> than to the Somare coalition's large majority, which it used to

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<sup>21</sup> Ibid. p. 6.

<sup>22</sup> See, for example, Trevor Cullen, 'HIV/AIDS in Papua New Guinea: A Reality Check', *Pacific Journalism Review*, vol. 12, no. 1 (2006); Leslie Butt and Richard Eves (eds), *Making Sense of AIDS: Culture, Sexuality, and Power in Melanesia* (Honolulu: University of Hawai'i Press, 2008).

<sup>23</sup> See R.J. May and Ray Anere, 'Background to the 2007 Election: Political Developments', in R.J. May, Ray Anere, Nicole Haley and Kate Wheen (eds), *Election 2007. The Shift to Limited Preferential Voting in Papua New Guinea* (Port Moresby: The National Research Institute and

avoid votes of no confidence by adjourning parliament and controlling parliamentary procedures.

Somare was re-elected as prime minister in 2007, heading another larger coalition, but tensions soon appeared within the coalition. Then in July 2010 the Supreme Court ruled against certain provisions of the OLIPPAC, leaving the way open for renewed "party hopping". Several coalition MPs crossed the floor.

In August 2011, while Somare was in Singapore receiving medical attention, the parliament, ignoring constitutional requirements, declared that the prime ministership was vacant and elected Peter O'Neill to replace Somare. The parliament's actions were challenged and in December 2011 the Supreme Court upheld the challenge, but O'Neill and his supporters (who formed a clear majority of the parliament) chose to ignore the court—having already attempted to block the challenge and dismiss the chief justice. From August 2011 to June 2012 this political impasse continued, although the public service and (after an initial division) the police fell into line behind O'Neill.<sup>24</sup>

A scheduled national election in June 2012 promised a way out of the impasse, but in early 2012 attempts by O'Neill's erratic Deputy Prime Minister Belden Namah to postpone the election, and an ambivalent reaction by O'Neill, threatened to create a serious constitutional crisis. In the event, the electoral commission refused to back down from commitment to the election and with over 3400 candidates having paid their candidate's fees and out campaigning there was no stopping the electoral process.

By late July results had been declared in nearly all electorates and it was apparent that O'Neill, as leader of the party with the largest number of seats, would be invited to form government. On 2 August 2012, a year after his controversial political coup against Somare, O'Neill was duly elected prime minister, heading another large coalition. In a particularly Papua New Guinean turn of events, Somare—who before the election had promised, if elected, to put O'Neill and his supporters behind bars—joined O'Neill as a coalition partner, and Namah, who had fallen out with O'Neill during the election, moved to head a small parliamentary opposition group.

Once again, Papua New Guinea has come back from the brink of what appeared to be a serious constitutional crisis, although it remains to be seen, first, whether permanent damage has been done to the relationship between the legislature and the judiciary, and, secondly, whether the O'Neill-led

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State, Society and Governance in Melanesia Program, Australian National University, 2011), pp. 10-7.

<sup>24</sup> R.J. May, 'Papua New Guinea's "Political Coup". The Ousting of Sir Michael Somare', *State, Society and Governance in Melanesia Program Briefing Note 1/2011* (Canberra: Australian National University, 2011).

coalition will prove stable or will give way to another period of what Papua New Guineans have referred to as “yo-yo politics”.

Achieving good governance will be particularly important on two counts. A major liquified natural gas (LNG) project, based in the Southern Highlands and scheduled to come on stream in 2014 and to produce revenue flows to government in 2018, is expected to double the size Papua New Guinea's GDP and fund a substantial rise in the provision of government services.<sup>25</sup> Expectations are high, as is the potential for landowner discontent. Successful management of the prospective benefits of the LNG project will call for good governance. Secondly, under the terms of the Bougainville Agreement of 2001 which marked the end of the Bougainville conflict, a referendum on the future status of Bougainville—to include the option of independence—is to be held within the period 2015-2020. Whether Bougainvilleans decide to maintain their present autonomy or vote for independence may be determined largely by relations between the national government and Bougainville over the next few years. And if Bougainville decides to separate, it remains to be seen if the rest of Papua New Guinea will accept the decision.

### Implications for Australia

Relations between Australia and Papua New Guinea since the latter's independence have been generally good. But the relationship is not symmetrical and there is always likely to be some resentment on Papua New Guinea's part of Australia's colonial past and its continuing role in Pacific affairs. Many Papua New Guineans perceive Australia as attempting to exert influence over Papua New Guinea and other the Pacific island states (and over the Pacific Islands Forum and Melanesian Spearhead Group), and see Australia's substantial development assistance as “boomerang aid” which benefits Australians more than it benefits Papua New Guinea. The chairman of Papua New Guinea's anti-corruption Taskforce Sweep has also described Australia as a “Cayman Islands” in relation to the laundering and housing of proceeds of corruption in Papua New Guinea.<sup>26</sup> These attitudes partly account for the “Look North” emphasis in Papua New Guinea's foreign policy, and the fostering of closer relations with China, Indonesia and Malaysia.

Following on from the exchange of letters in 1977, Papua New Guinea and Australia signed a *Joint Declaration of Principles Guiding Relations Between Papua New Guinea and Australia* (JDP) in 1987. The JDP reaffirmed the basic elements of the security relationship, though Papua New Guinea's prime minister at the time, Paias Wingti, saw it as “an improvement” on the

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<sup>25</sup> See ACIL Tasman Pty Ltd, *PNG LNG Economic Impact Study* (Melbourne: ACIL Tasman, 2009).

<sup>26</sup> Speech by Sam Koim to AUSTRAC Major Reporters Meeting, Sydney, 4 October 2012.

1977 undertaking, and his defence secretary described it as “an effective guarantee of Australian commitment”, saying, “Papua New Guinea considers Australia as a security guarantor in the event of uncertainty and threats”.<sup>27</sup> Subsequently, following reviews by Papua New Guinea of its security needs and by Australia of its security assistance programs with Papua New Guinea, an *Agreed Statement on Security Cooperation* was signed by Australia’s Prime Minister Hawke and Papua New Guinea’s Prime Minister Namaliu in 1991. A significant feature of this document was the agreement that “Internal security needs are to be given the highest priority”.

Security relations between Australia and Papua New Guinea were again reviewed as part of wider examination of Australia’s relations with the Pacific island states by the Senate Committee on Foreign Affairs, Defence and Trade in 2003<sup>28</sup> and 2009.<sup>29</sup> Both reports identified issues of concern—including threats from terrorism and transnational crime, border management capability (and specifically the porous nature of the border with Indonesia), and internal security issues, including vulnerability to natural disasters and climate change, outlined programs already in place to address common security concerns, and made recommendations for further action.

Apart from the Defence Cooperation Program, Australia has supported a variety of joint initiatives, bilateral and regional, to support the Law and Justice Sector, improve Papua New Guinea’s border management and enforcement capabilities, combat transnational crime, and improve the country’s capacity to respond to natural disasters. An Enhanced Cooperation Program (ECP) was launched in 2004 and involved some sixty public servants and 210 police from Australia to serve in line positions in Papua New Guinea at a cost of \$A1.1 billion over five years. However, the ECP had a mixed reception and was largely abandoned when the Papua New Guinea Supreme Court ruled against the enabling Papua New Guinea legislation; the Australian police contingent and some public servants were subsequently withdrawn.

Australia’s development assistance and defence cooperation support for Papua New Guinea are likely to remain significant for both countries. Australia’s bilateral aid program to Papua New Guinea, at \$A492 million in 2012/13, is its second largest, behind Indonesia, and is Papua New Guinea’s largest source of overseas development assistance; Papua New Guinea is the largest component (\$A21 million in 2012/13) in Australia’s Defence Cooperation Program. But this does not buy Australia more than a very

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<sup>27</sup> May, *The Changing Role of the Military*, p. 36.

<sup>28</sup> See Senate Foreign Affairs, Defence and Trade References Committee, *A Pacific Engaged. Australia’s Relations with Papua New Guinea and the Island States of the South-West Pacific* (Canberra: Australian Government, 2003).

<sup>29</sup> See Senate Foreign Affairs, Defence and Trade References Committee, *Economic and Security Challenges Facing Papua New Guinea and the Island States of the Southwest Pacific* (Canberra: Australian Government, 2009).

limited, and changeable, influence over Papua New Guinea's security policies.

Relations between Papua New Guinea and Australia reached something of a nadir during an interventionist phase in the latter stages of the Howard Government,<sup>30</sup> but in March 2008 Australia's incoming Prime Minister Kevin Rudd and Papua New Guinea Prime Minister Somare co-signed the "Port Moresby Declaration", which set down Australia's commitment to a new era of cooperation with the Pacific island nations. The following month at an Australia-Papua New Guinea ministerial forum Papua New Guinea's foreign minister welcomed the 'rebirth' of relations between the two counties. In a joint statement the two countries committed to negotiations on a new bilateral Partnership for Development to achieve improved development outcomes in Papua New Guinea.<sup>31</sup> The ECP was subsequently replaced by a *Strongim Gavman* program, which was a somewhat less ambitious assistance package, and a renewed policing partnership between the Australian Federal Police and the RPNGC was endorsed. Other important recent initiatives have included the creation of a bilateral Health Issues Committee and a Papua New Guinea-Australia Forest Carbon Partnership.

Australia's relations with the incoming government of Peter O'Neill are likely to remain sound, but, as always, maintaining good relations will require sensitivity on Australia's part. As ABC journalist Sean Dorney once said:

one of the biggest problems Australia has in dealing with Papua New Guinea ... [is that] too many Australians who know too little about the country tend to believe they have the solutions for Papua New Guinea's problems.<sup>32</sup>

Moreover, with the growing influence of China, and to a lesser extent Indonesia and Malaysia, and the changing dynamics of the Pacific Islands Forum and Melanesian Spearhead Group,<sup>33</sup> the context in which Australia conducts its relations with Papua New Guinea has become more complex.

To maintain good relations, Australia must improve its understanding of Papua New Guinea, through closer government-to-government and people-to-people relations, and resist the temptation to act as though it knows what

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<sup>30</sup> See Greg Fry and Tarcisius Kabutualaka, 'Political Legitimacy and State-building Intervention in the Pacific', in G. Fry and T.T. Kabutaulaka (eds), *Intervention and State-Building in the Pacific: the Legitimacy of Co-operative Intervention* (Manchester: Manchester University Press, 2008).

<sup>31</sup> For some reflections on Australia-Papua New Guinea relations in the period to 2008, see R.J. May, *Improving Development and Respecting Sovereignty: Australia and Papua New Guinea. Strategic Insights 43* (Canberra: Australian Strategic Policy Institute, 2008). The aid relationship is examined in Independent Review Team, *Review of the PNG-Australia Development Cooperation Treaty (1999)* (April 2010).

<sup>32</sup> Dorney, *The Sandline Affair*, p. 338.

<sup>33</sup> See R.J. May, 'The Melanesian Spearhead Group: Testing Pacific Island Solidarity', *Policy Analysis 74* (Canberra: Australian Strategic Policy Institute, 2011).

is best for Papua New Guineans. For its part, Papua New Guinea must lift the standard of governance and demonstrate to Australian taxpayers that Australia's development assistance is being well used.

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