

Not In Our Backyard, On Our Doorstep

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IF there is one lesson for national security policy that we should learn from September 11 and the Bali bombings, it is a quite fundamental one: that threats to national security often come as a surprise, but that, after the event, are also rather unsurprising. This lesson is particularly important at the moment. With our attention firmly focused on terrorism, the risk for our national security planning is that we will downgrade or overlook other risks.

Papua New Guinea is a good example of this danger. As noted in *Beyond Bali* (a recently released report by the Australian Strategic Policy Institute), PNG is an obvious launching pad or conduit for terrorist or transnational crime activity directed against Australia, given the growing political and institutional instability in that country. While this is the obvious security threat from PNG, the real security threat from PNG is likely to come from internal developments in PNG and a continued failure of Australian aid policy, rather than from external agents such as Muslim terrorists or transnational criminals using PNG as a base.

To most Australians, to identify PNG as a major threat to our national security in its own right would seem nonsensical: how could a small, developing country pose an independent threat to a country such as Australia? This perception is reinforced by the fact that for many Australians, PNG is viewed through the prism of the Kokoda Track, fuzzy-wuzzy angels, mountainous jungle and an environment relatively unspoilt by

modern society. Within this perception, PNG is also seen as a part of the geographic isolation that adds to, rather than detracts from, our security.

The reality is dangerously different from this out-of-date perception. Although PNG is indeed rich in natural and environmental resources, it is also beset by endemic official corruption and political in-

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stability. Despite over twelve billion dollars (yes twelve BILLION dollars in 2001–02 terms) in aid from Australia since it gained independence in 1975, in terms of most development indicators (life expectancy, literacy rates, income per capita, etc.), PNG is going backwards.

Worse, our aid policy has been a significant contributor to the emerging failure of PNG as a state. For most

of the period after independence, Australian aid was delivered as direct budgetary assistance—cheque-book aid, without the accountability regarded as the norm for other expenditure programmes. The result: PNG politicians used Australian aid flows to fund their growing appetite for corruption.

The decline in PNG is also accelerating. In 1999–2000, GDP contracted by 1 per cent. This financial year, PNG's GDP is forecast to decline by 3 per cent. In real per capita terms, incomes in PNG have probably contracted by around 20 per cent over the last five years. Unemployment is high and rising, particularly among the young, lawlessness is out of control and, as a state, PNG is dysfunctional: outside the capital (and even within Port Moresby) most basic services such as police, transport, education and health have collapsed.

This has direct security implications for us. As can be seen from a decent map of the area,¹ Australia shares extensive island and seabed borders with PNG. Within the Torres Strait, there is also freedom of movement of Torres Strait islanders of either nationality between both countries. These movements have increased significantly over the last few years and were estimated at over 50,000 movements in 2001. As the disintegration of the PNG state accelerates, we can expect to see these movements increase further as more and more Papua New Guineans come to rely on Australian facilities in the Torres Strait for basic services. In the case of health services, this is already happening, with the

Queensland Government requesting increased federal health funding to compensate for the drain on its health services by PNG nationals.

From the national security perspective, while large, uncontrolled movements of PNG nationals across our borders presents serious risks in its own right, the nature of those movements is also of concern. In PNG, for example, AIDS infection is running at nearly one per cent of the adult population. This compares to an infection rate of 0.1 per cent in the Australian adult population. As a result, a large influx of PNG patients into the Torres Strait health system brings with it the increased risk of AIDS transmission into the Australian health system, particularly given that most health services in the Torres Strait region are delivered through relatively unsophisticated facilities. Although this risk may be unintended by those seeking health care, the result would be the same as intentional exposure by terrorists.

The bottom line of the foregoing is that we need a fundamental review of Australian policy towards PNG. Unless we do, we will continue to waste tens of millions of dollars in aid each year while at the same time exposing ourselves to serious security risks—risks potentially far more serious than, say, bombings in Bali. We will also be letting PNG down. While the memory of the Kokoda Track may not be relevant to where PNG is today, it is relevant to where we should want it to be tomorrow. Nor is it the fault of ordinary Papua New Guineans that our aid and their politicians have failed them.

NOTE

- 1 A readily accessible one may be found at: [http://www.dfat.gov.au/geo/torres_strait/map.html]

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IPA

Tea Break or Mad Hatter's Tea Party?

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IT is not entirely clear whether anti-globalization protestors are bent on building the backlash against economic reform, convincing the legislators that it is bigger than it really is, or having fun. Nevertheless, since their apparent success by any of the three measures in Seattle in 1999 and certainly since the 1980s:

- fewer people are defending economic reform with consistent arguments;
- the determination of Australian governments to reform their respective economies has abated;
- the big-spending and big-taxing Howard Government has become prone to appeasing vested interests; and
- the ALP and the minor parties in the Senate are blocking reforms that the Hawke Government would once have championed.

Again persuaded more by noisy minorities and less by economic principle, our politicians have, as New Zealand's David Lange once put it, taken a 'tea break' from reform. Australian economic reform has, to date, been overwhelmingly successful, more is needed, and they justify their break about as convincingly as the Mad Hatter justified his tea party to Alice.

The Liberals and Labor have clearly been scared by the minor parties, but their response does not seem to address the principal grievance of the voters who

deserted them. When, following the 1983 election Labor (then in Government) and the Coalition (then in Opposition) began taking advice from conventional sources more seriously than before, One Nation, the Democrats and the Greens continued to offer the policies which economic theory and budgetary arithmetic disallow. A 1998 *IPA Backgrounder* showed that the minor parties were, for practical purposes, as one on foreign ownership, trade protection, re-regulating the financial sector, opposition to privatization, labour market regulation and reduced immigration—all areas where Labor or the Liberals were closer to each other than to the minors. The minors played 'catch' with the populist and protest vote, adding it to their core of genuine ideological support which, in the case of One Nation, was temporarily so considerable that something visceral was needed to account for it.

A little of the something was no doubt race, but if other upper blue-collar and rural electorates are like the one that I represented, only very little. Epithets such as 'red neck' and 'racist' hurt these electors, and both Labor and the Coalition fostered the attitudes that caused them to be so abused. But there was, I believe, something even more fundamental than that. I am reasonably confident that a feeling that their opinions did not count with officials who insisted on 'do's' and 'don'ts' that trivialized their values and disdained their