



Moving beyond the Bougainville Peace Agreement

Time for a fresh Australian strategy

Ian Kemish

Key points

- Following the 2019 referendum – when Bougainvilleans voted overwhelmingly for independence – Papua New Guinea’s parliament may soon vote on whether to allow Bougainville to become an independent state. It will almost certainly be voted down.
- A no vote, unaccompanied by a constructive alternative forward plan, could lead to a unilateral declaration of independence, creating serious challenges for Australia and opportunities for its strategic competitors.
- For the last two decades Australia has, appropriately, supported the terms of the 2001 Bougainville Peace Agreement, but it must now take a lead in helping chart a fresh strategy that takes account of both parties’ underlying aspirations.
- A new strategy should extend well beyond the preparation of agreed response statements to ensure Australia plays a key role, with other trusted partners, in developing a viable alternative plan for Bougainville’s future.

Key recommendations

- Bougainville should be recognised by the Australian Government as a cross-ministerial priority with significant regional security implications.
- A cabinet-endorsed strategy should be firmly based on recognition that the existing positions of both parties carry significant downside risks for Australia.
- Australia should work with other trusted international parties to support dialogue on alternative models for Bougainville’s political status. This should involve fully fledged backing for the identification, recruitment and technical support of a new, trusted international moderator.
- Key Australian ministers on the National Security Committee of Cabinet should work to develop stronger personal links with the Bougainvillean leaders given the importance of relationship in the negotiations that will come.
- Australia should work with other like-minded economic partners to prepare a more substantial plan for Bougainville’s economic development.

The Bougainville Peace Agreement

In the late 1990s and early 2000s, Australian statecraft helped bring an end to the Bougainville conflict – the worst experienced in the South Pacific since the Second World War. The conflict had been sparked in 1989 by landowner dissatisfaction with environmental and labour practices at the Panguna copper mine, operated by Australian-registered Conzinc Rio Tinto, as well as a generational split within the landowner group. These local tensions fused with broader secessionist sentiment across Bougainville, led to a civil war in which thousands of people were killed.

Australian defence and civilian personnel led a peace monitoring group from the late 1990s. Australian diplomats played a decisive role in negotiating the Bougainville Peace Agreement (BPA) of 2001, working with others from the UN and New Zealand. Positive links have been maintained over time with the region through the Australian aid program.

The BPA has brought about more than 20 years of relative stability for Bougainville, but it effectively deferred the central question of the region's future political status for two decades. The PNG state failed to use this time to convince Bougainvilleans that limited autonomy was in their interests. Instead, 97.7 per cent of the region's voters opted for full independence, when the question was put to them in a 2019 BPA-mandated referendum. The agreement also held that this referendum would be non-binding, and that its result should be subject to ratification by the PNG national parliament. This element was the direct result of Australian mediation.

The state of play

Former Bougainville Revolutionary Army (BRA) leader Ishmael Toroama was elected as President of the Autonomous Bougainville Government (ABG) in 2020. Toroama's single priority is to achieve independence and find a way to sustain this economically. Since coming to power in 2019, PNG Prime Minister James Marape has been more prepared than his predecessor, Peter O'Neill, to engage in discussions about independence, but like most national politicians, is fundamentally opposed to it.

After more than three years of wrangling between the national government and ABG over how ratification should be given effect, the parties finally agreed in July 2023, that the matter should proceed to an open parliamentary vote. While agreement on the wording of the sessional order for the parliamentary motion is yet to be made, it's been agreed that Toroama and his fellow leaders should first be invited to conduct awareness sessions with members of parliament. But the ABG has dropped its insistence that the parliament's role should be limited to a ceremonial endorsement of the referendum result.

The timing of next steps remains to be determined. One or both of the parties may seek to defer the vote for some time for their own tactical reasons. However, Toroama will be under increasing pressure to deliver on independence as the next ABG election approaches in 2025. Additionally, the national government may decide to precipitate a vote as soon as it judges the timing is right. For planning purposes, it's prudent to assume that this will happen quickly.

Dangerous assumptions

Misplaced assumptions on both sides have allowed a significant expectation gap to develop between the two parties. Discussions in 2021 between Marape and Toroama left the ABG convinced that the PNG prime minister was prepared to support independence by 2027 – a perception encouraged by Marape's loose negotiating style and some failures on the national side to focus on the detail of proposed joint statements. Until recently the ABG side has struggled to believe that the national parliament would overturn the obvious will of the Bougainvillean people.

But the national government's position has hardened in recent months, and its approach has become more disciplined. PNG ministers appear to be calculating that the Bougainvilleans might be dissatisfied, but will ultimately accept a negative outcome. This is a risky assumption. Marape has dropped his previous conciliatory language about finding alternative acceptable options if the motion is voted down. The PNG side is insisting that while the motion to adopt the sessional order will require only a simple majority, the later motion about whether to accept the referendum results will require a two-thirds absolute majority (the ABG hopes that endorsement might somehow just be possible with the lower threshold).

While there's not a universal consensus at the national level, the most probable parliamentary outcome is that Bougainvillean hopes will be dashed. In the absence of any planning and discussion of a 'Plan B', this may lead to a unilateral declaration of independence by Bougainville, and an associated appeal to the United Nations and international community for recognition and UN membership. Bougainvilleans will be reluctant to take up arms again as there is a common understanding of the damage caused by the war of the 1990s. However, it is possible that there is some degree of localised conflict and heightened tensions across Bougainville – and conceivably also in neighbouring Solomon Islands.

Economic and administrative complexities

A newly independent Bougainville would not be economically viable for the foreseeable future. It would require external financial support and would probably not limit its outreach to Australia and other western donors.

The ABG is pinning most of its hopes on the mining sector – and specifically the Panguna mine, which has now been non-operational for almost 35 years. As in the rest of PNG, agriculture and fisheries are seen as longer-term bets for the Bougainville economy.

In 2019 Rio Tinto gifted its 53% equity in Bougainville Copper Limited (BCL) – the holder of the Panguna licence – to the ABG (36%) and the PNG state (17%). Combined with its pre-existing stake, this brought the national government's equity to 36%. But the national government is in the process of re-gifting its total share to the ABG, which will bring its stake to 72%. The BCL board is expected to approach industry partners about operatorship in due course. Rio Tinto's current activities on Bougainville are limited to supporting a joint assessment (with the ABG and Panguna stakeholders) of the mining operation's human rights, social and environmental legacy.

Toroama has made some progress in promoting alignment among local Panguna stakeholders that the mine should be re-opened, but consensus on this point remains fragile. Further divisions are likely given the competing links established by several small, opportunistic mining companies with key landowners.

The ABG has extremely limited administrative capacities and the parties have failed to 'draw down' many of the administrative powers agreed under the BPA. The ABG has, however, assumed responsibility for the regulation of mining and a mining code is under preparation.

Australia's role, and interests

There are risks for Australian security interests on both sides of the equation. There's a common view amongst strategic commentators that independence would run counter to Australian interests, given the potential impact on PNG's broader territorial integrity and the poor economic viability of a newly and abruptly independent Bougainville. Australia also needs to be vigilant to

any opportunistic efforts by China to exert influence on a future independent Bougainville. On the other hand, the risk that a separatist Bougainville might somehow emerge, which feels it has done so despite Australian opposition, is also a very negative scenario in circumstances where China is seeking influence and advantage in the Pacific.

Until now, it has been appropriate for Australia – as a witness to the BPA – to remain neutral on independence, and to encourage compliance with the agreement. Since the referendum, this has amounted to encouraging dialogue between the parties on ratification. Pinning Australia's approach on the BPA will neither be appropriate nor sustainable for the next phase.

Australia needs to maintain deep engagement with the ABG leadership, through effective and targeted development support and enhanced political-level engagement.

Since the staging of the 2019 referendum, the Australian High Commission in PNG has stayed close to proceedings and maintained effective relations with both sides. However, the Bougainville question should be seen as a major regional security issue, and as such merits the attention of a range of ministers and agencies beyond the DFAT portfolio. Australia needs to build deep engagement with the ABG leadership through effective development support and enhanced political-level engagement. Personal relationships, including at the political level, could be crucial when key future decisions loom.

There are some sensitivities for Australia, as it seeks to engage constructively on the Bougainville question. Some Bougainvillean figures consider Australia to have been a protagonist in the conflict, given that the bilateral defence cooperation program between Port Moresby and Canberra continued during the civil war. The strongly negative ABG reaction to Deputy Prime Minister Richard Marles' public remarks of October last year, that Australia's "job", as a witness of the BPA, was to "support Papua New Guinea", underlined the sensitivity of Australia's position and the narrow path that Australia has to tread.

On the other hand, PNG national officials remain sensitive to any suggestion of Australian over-reach on what it considers to be an internal matter.

These are factors to take into account, not obstacles that prevent active Australian engagement on an issue of legitimate regional security concern.

Friends of PNG and Bougainville

Australia should take a leading role, ideally in advance of any parliamentary vote, in convening a supportive international group to encourage dialogue on alternative options for Bougainville's future. These options could be somewhere between, say, the form of free association that exists between Cook Islands and New Zealand on one hand, and unlimited sovereignty for Bougainville on the other. It might also consider options for membership of regional forums such as the Pacific Islands Forum.

Any serious political alternatives will need to be matched with a new level of international economic support for the autonomous region from Australia and a range of

like-minded countries as well as international institutions. This requires the development of a substantial forward plan that leverages financial support from a wide range of allies. Australia should take the lead.

This group of 'friends' should be led by Australia and include New Zealand and the United Nations, but should also be open to engagement by the Pacific Islands Forum and other regional countries.

The dialogue would best be supported by a newly appointed international moderator from the region. The two parties appear to be open to this. Australia should fund this and provide the necessary technical support.

About the author

Ian Kemish AM is an NSC expert associate and former Australian High Commissioner to PNG. He was the first Australian official to be welcomed back to Panguna after the Bougainville civil war.

About the series

Policy Options Papers offer concise evidence-based recommendations for policymakers on essential national security issues. Papers in this series are peer-reviewed by a combination of expert practitioners and scholars.

About the College

The National Security College (NSC) is a joint initiative of The Australian National University and Commonwealth Government. The NSC offers specialist graduate studies, professional and executive education, futures analysis, and a national platform for trusted and independent policy dialogue.

E national.security.college@anu.edu.au

W nsc.anu.edu.au

 @NSC_ANU

 National Security College