

6

Independence for Papua New Guinea

The 1970s again featured the confused manner in which the Territory of Papua and New Guinea (TPNG) was viewed by bureaucrats in both TPNG and Canberra. Adding to the confusion, however, was the move towards self-government, and by 1975, independence. Funding of education in the territories was very limited in the 1960s, as has been discussed in previous chapters. The move to independence, accelerated by the Whitlam Government, highlighted the previous lack of investment and created a demand for more active intervention by the Australian Government to support secondary and tertiary education.¹

The nature of Australia's colonial rule and slow progress towards facilitating Papua New Guinea (PNG) independence did not prove to be robust building blocks for PNG as a nation-state. Stephen Henningham wrote for the Parliamentary Library in 1995, 'nothing had ever been done by the Australian colonial administration to create a national spirit amongst the 500 or so ethnic groups in Papua New Guinea'.² The Australian Government had established a Legislative Assembly and there was a flag and national anthem;

1 Derek McDougall argues that the foundations for this accelerated timeline were laid by Andrew Peacock as Minister for External Affairs in the previous coalition government: Derek McDougall, 'Edward Gough Whitlam, 1916–2014: An Assessment of his Political Significance', *Round Table* 104, no. 1 (2015): 31–40, doi.org/10.1080/00358533.2015.1005360. A report in the *Pacific Island Monthly* in 1970 noted that when Gough Whitlam toured PNG as opposition leader he ended the 'gentleman's agreement' keeping Papua New Guinea out of Australian domestic politics. See: 'New Guinea Becomes Battlefield for Australian Party Politics', *Pacific Islands Monthly*, 1 February 1970.

2 Stephen Henningham, 'No Easy Answers: Australia and the Pacific Islands Region', ed. Parliamentary Research Service (Canberra: Department of the Parliamentary Library, 1995), 360.

however, there was also an ongoing separatist conflict, which escalated in Bougainville. The Australian Government understood the reality and the possibility of divisions in PNG following independence. Briefing notes written in 1970 for a visit to PNG by Prime Minister Gorton mentioned that one of the fragmenting factors in the country was 'regionalism pressure in Bougainville and Gazelle Peninsula'.³ More positively, these same briefing notes observed that education and the creation of an indigenous police force was 'helping to remove tribal rivalry and suspicion between different groups'.⁴ The election of the Whitlam Government in 1971 accelerated the push for independence, and the government made a commitment to grant PNG independence by 1975.

Scholarships, both the domestic Commonwealth Scholarships and the territory scholarships, continued to be offered in TPNG in the early 1970s much as they had in the 1960s, with scholarships offered to students for secondary schooling and some awards given for tertiary-level study. There were also many scholarships awarded for students to study in tertiary institutions in TPNG, such as the University of Papua New Guinea (UPNG). However, with self-government and independence far more likely at the beginning of the 1970s than they were only a few years earlier, the pressure on the Australian Government to lift educational attainment in TPNG was acute.

A note written by the Department of External Territories in April 1970, in response to a parliamentary question, discussed the status of tertiary scholarships in TPNG. The note explained the status at the time as being '370 indigenous scholarship holders and 17 expatriate scholarship holders'.⁵ The use of the word 'expatriate' represented an evolution in terminology from previous government documents (from the 1960s) that referred to these students as 'European'. This is a formal acknowledgement of what had been implied by previous scholarships: that race was fundamental to the understanding of who was an Australian citizen. Expatriates is a term that represents foreign nationals, despite TPNG being a territory of Australia at the time. In addition to the changing language in 1970, officials in the Department of External Affairs in Canberra were concerned that non-indigenous students were not mandated to return to TPNG to work in

3 'Briefing Notes for PM Trip to PNG July 1970', A452 1970/3068, 1970, National Archives of Australia (NAA).

4 'Briefing Notes for PM Trip to PNG July 1970', A452 1970/3068, 1970, NAA.

5 'Tertiary Scholarship PNG, Minute | 8 April', A452, 1970/4026, NAA.

the administration, which was considered by George Warwick Smith, the Secretary of the Department, as an 'unsatisfactory feature' of the PNG tertiary scholarship scheme.⁶

However, the Department of External Territories wished to have a 'non-discriminatory scheme', so recommendations were made that some level of means testing should be supported. Another Department of External Territories minute also recommended that students should be bonded to the administration, given the advantages that a qualification would grant them on return to TPNG, such as opening a private medical practice.⁷ This minute, written by the Acting Assistant Secretary and seen by the Secretary of the Department, reflects a concern that the administration should not be exploited for personal gain through the scholarship program. This desire to bond students to the TPNG Administration on return reflects a fundamental contradiction in the policy settings. These students were consistently understood as being 'non-Australians', but to seek for them to be bonded indicated a level of control only possible within a scholarship for citizens. These contradictions and concerns were again raised only months after this minute was written, when indigenous graduates in TPNG were expressing their concerns that their pay rates were being determined by their skin colour, rather than their qualifications. An article in the *Post-Courier* in June 1970 noted that 'Australian' doctors were paid A\$170 a fortnight while 'coloured' doctors were paid A\$45 for the same period.⁸ This issue was raised by a delegation of medical students from TPNG, who were concerned that the pay they were to receive following their training would have little to do with their qualifications.

The early 1970s also marked a widening view of the options for development assistance to TPNG, with moves to open up the territory to outside aid and development agencies such as the World Bank and Japan, among others. Max Loveday, a senior Department of Foreign Affairs official, suggested Australia should seek to sponsor TPNG's entry into the Colombo Plan arrangement, allowing it to access further bilateral donors, and perhaps the scholarships that had to that point been reserved for foreign nationals.⁹ In 1972 the Minister for External Territories in the Coalition Government, Andrew Peacock, made a speech at the Australian Institute of International

6 George Warwick Smith, 'Tertiary Scholarships – Eligibility of Expatriate Residents | 18 May', A452, 1970/4026, 1970, NAA.

7 'Tertiary Scholarship PNG, Minute | 8 April', A452, 1970/4026, NAA.

8 'Salary Policy "Based on Skin Color"', *Post Courier (Port Moresby)*, 11 June 1970, 8.

9 'Salary Policy "Based on Skin Color"', *Post Courier (Port Moresby)*, 11 June 1970, 8.

Affairs advising the TPNG Administration to seek financial help from countries other than Australia. A newspaper article about his speech reports that he said 'Papua New Guinea would have an important place in its foreign relations for Indonesia, Singapore, Malaysia, the Philippines, Japan and the island nations of the South Pacific'.¹⁰ Discussions were also held in early 1973 about the potential for Japan to become a donor to TPNG, with Department of Foreign Affairs officials suggesting that Australia could act as a facilitator for discussions.¹¹ With senior government officials making speeches and bureaucrats seeking alternative donors and funding sources, it is not surprising that bureaucrats in Australia, and leaders in TPNG, were not entirely clear on Australia's position regarding ongoing aid funding to an independent PNG.

The path towards independence was accelerated by the Whitlam Government, following its election in 1972. The federal government was grappling with the changes necessary to reflect the change of TPNG from colony to nation. Finding itself in a potentially vulnerable position as preparations for independence took shape, the Aid Policy Section of the Department of Foreign Affairs (DFA) prepared a comprehensive paper: 'External Aid and the Future Development of Papua New Guinea'. The Aid Policy Section was concerned that it needed a seat at the table of the interdepartmental discussions about the future status of PNG. The report outlined the perceived and known positions of other government departments, including Treasury: 'Treasury may seek to preserve present arrangements for as long as possible through tight budgetary control over official capital flows to PNG'; Trade: 'we may expect difficulties in persuading Trade to give sufficient attention and sympathy to the trading needs of PNG'; Defence: 'the most attractive type of defence aid to PNG will ... be that associated with the maintenance of internal security and order'; and other areas of government.¹² This briefing paper reflected the concerns of the DFA, who understood that as soon as PNG became independent it would be responsible for the diplomatic and aid relationships. This in itself was not necessarily a problem, but the DFA expected resistance from the Department of External Territories, who was the lead agency on all things related to TPNG at the time. However, Department of External Territories

10 'Welcome New Aid Peacock Tells PNG', *Post Courier*, 9 June 1972, 1.

11 Max Loveday, 'Foreign Aid to Papua New Guinea | 2 February', A1838, 3080/10/4/3 Part 1, 1973, NAA.

12 'External Aid and the Future Development of Papua New Guinea | Aid Policy Section | April', A1838, 3080/10/4/3 Part 1, 1972, NAA.

was a department that was ‘running down’¹³ as its main colonial responsibility gained independence. The worries, both large and small, expressed in this document reflected tensions within the bureaucracy at the time. The DFA wanted to be able to shape the responsibilities and relationships it required in TPNG prior to independence, and felt that interdepartmental disputes would overwhelm a measured and deliberate process.

Despite his department preparing for its own inevitable closure, the Minister for External Territories was endeavouring to ensure that the transition of aid administration was smooth. In 1973 Bill Morrison wrote to Prime Minister Gough Whitlam to ‘seek an early government decision on future aid administration’.¹⁴ Morrison suggested that the prime minister establish a PNG Aid Unit within a new aid administrative body (the Australian Development Assistance Agency, or ADAA). He wrote ‘[W]hichever way the decision runs on this issue I am convinced that the unique character of Papua New Guinea aid has to be a dominant factor in future aid administration’.¹⁵ There was a clear recognition and acceptance that aid to PNG was going to be a dominant, if not overwhelming, component of Australia’s aid program in the future, and designing the administration around the requirements of PNG would be prudent.

Papua New Guinean leaders were also concerned about the allocation and administration of aid. In a January 1973 letter to Prime Minister Whitlam, PNG Chief Minister Michael Somare wrote that he was deeply concerned about aid administration after independence, and the impact it could have on national cohesion. His letter highlighted the gravity of the situation:

Perhaps one of the greatest fears of independence in my country stems from the belief by a very substantial number of my people, particularly the Highlanders, that Australia will make severe reductions in aid as soon as we become independent ... Unless we have some firm assurances that this will not be the case, I believe the country could be seriously divided because of this additional strain on a very difficult existing situation.¹⁶

13 ‘External Aid and the Future Development of Papua New Guinea | Aid Policy Section | April’, A1838, 3080/10/4/3 Part 1, 1972, NAA.

14 ‘Letter to PM Whitlam Re Aid Administration | 8 March’, A1838, 3080/10/4/3 Part 1, 1973, NAA.

15 ‘Letter to PM Whitlam Re Aid Administration | 8 March’, A1838, 3080/10/4/3 Part 1, 1973, NAA.

16 Michael Somare, ‘Letter – Chief Minister Somare to PM Whitlam | 25 January’, A1838, 3080/10/4/3 Part 1, 1973, NAA.

With policy decisions coming from a number of different departments and ministers, and an understanding of the previous failures of Australian efforts to 'develop' TPNG, the concern from PNG leaders that Australia's aid and support could be suddenly reduced was understandable. There were also many areas with a potential for important policy or practical considerations to fall through the cracks – not through malice, or even incompetence, but because of the unforeseen impacts.

The overseas student subsidy scheme was one example of policies having changing implications across the independence period. The planned introduction of the overseas student subsidy program, as discussed in the previous chapter, included the removal of a requirement that the course of study of overseas students had to be of relevance to their homeland. This was a policy that had been put in place by the Department of Immigration, and was perceived to have limited the influx of 'Asian' students into the country to those studying in a priority area. The DFA was troubled with this proposal as it applied to an independent PNG. A briefing written by the Director of the International Training Section, Ric Throssell, noted that:

[the] policy proposed by the Department of Immigration appears to be quite inconsistent with the special needs of Papua New Guinea in the transitional period and in the period immediately following independence.¹⁷

Throssell believed that private PNG students should be directed towards courses that 'will be of direct and immediate value in the social and economic development of Papua New Guinea as an independent country'.¹⁸ Throssell also used this briefing note to raise questions around a future training policy for an independent PNG, and how PNG students were to be supported as 'overseas students' in the future. In response to Throssell's brief, the Pacific Branch within DFA responded with its own submission on the changing student policy. Importantly, while they agreed with Throssell in the main, the response from the Pacific Branch noted that they 'would hope Papua New Guinean students can be treated on exactly the same basis as other foreign students, or very close to it'.¹⁹ The note goes on to explain that:

17 'Private Students from Papua New Guinea | 5 March', A1838, 3080/10/4/3 Part 1, 1973, NAA.

18 'Private Students from Papua New Guinea | 5 March', A1838, 3080/10/4/3 Part 1, 1973, NAA.

19 'Private Students from Papua New Guinea | Pacific Branch | 8 March', A1838, 3080/10/4/3 Part 1, 1973, NAA.

Papua New Guinea (for good cause) is extremely sensitive to paternalism and could be expected to react sharply to any special arrangements made in their case, irrespective of the purity of our motives.²⁰

These events demonstrate that the transition from TPNG as colony to PNG as independent created challenges for Australian policymakers across the federal government. But with an existing (small) cohort of students not subject to the same structures and strictures that were imposed on other overseas students, this was just one more policy question that needed to be answered in the period before PNG became independent.

Meeting agendas and notes from 1974 detail the discussions between Australian DFA officials and PNG Officials, who had travelled to Canberra for talks. These talks included discussions about specific educational aid programs; for example, additional support to UPNG in an effort to support the 'education of more Papua New Guineans at a tertiary level' by increasing the enrolments and decreasing the dropout rate.²¹ The Chief Minister, Michael Somare, used a letter from Prime Minister Whitlam to assure members of the PNG Assembly that the Australian Government was committed to giving aid to PNG after independence, noting that he had a 'guarantee' from Whitlam that aid would continue.²²

Right up to (and past) formal independence on 16 September 1975, the Australian Government was working with the PNG Assembly on the education policies of the newly formed nation, and how the policies of PNG and Australia would intersect. An area of considerable discussion was the prospect of students being sent by their parents to study in Australia. Senior leaders in PNG were eager to send their children to Australia, while the official position of the PNG Government was that PNG students should be educated in PNG, particularly for secondary school. Australian diplomats reported back to Canberra that the Director of Education had determined:

20 'Private Students from Papua New Guinea | Pacific Branch | 8 March', A1838, 3080/10/4/3 Part 1, 1973, NAA.

21 'Draft Agenda for Discussions with PNG Officials Canberra | February', A1838, 3080/10/4/3 ANNEX, 1974, NAA. At the time there was also a number of Australian academics working at UPNG including Ken Inglis and James Griffiths.

22 'PNG Promised Conditional Aid', *The Fiji Times*, 5 March 1974, 4.

that educational needs of Papua New Guinea children [are] best served by PNG oriented curriculum, and cited [a] decision by his department to withdraw PNG Government scholarships previously provided for secondary schooling of selected Papua New Guineans in Australia.²³

Despite this stated policy, a senior official (the Minister for Commerce, Mr NE Olewale) requested permission for his nephews to study their final years of secondary school in Australia.²⁴ PNG students still had to seek permission to be allowed to enter mainland Australia. Australian diplomats were confused by the situation, agreeing that accepting the students was necessary to maintaining good relations with PNG, while noting the officially stated policy. In this case the students were given permission to enter Australia – but the case did highlight significant conflicts between the policy goals of Australia and PNG when it came to support for the secondary and tertiary education of PNG citizens.

Following on from independence, the relationship between Australia and PNG continued to evolve. However, while these were now two nations working as ‘equals’, the power dynamics remained firmly colonist–colony. PNG also developed its own bilateral relationships with other nations in the South Pacific, which were more equal.

Australia’s aid to PNG continued to support the fledging nation, funding more than 40 per cent of the central government expenditure in 1975.²⁵ Eligible students seeking tertiary study were able to attend universities in PNG, but those wishing to study in Australia were, finally, able to access the international scholarships available, or make use of the subsidy scheme. As noted earlier, the Development Training Scholarships were selected by the recipient government, and only a very small number of PNG students were able to utilise the subsidy scheme (in 1983 there were 760 sponsored students, and only 31 subsidised students in Australia).

23 ‘Cablegram from Port Moresby to Canberra | 24 January | Peter Aitsi – Ministerial Representations’, A1209, 1974/6740, 1975, NAA.

24 ‘Cablegram from Port Moresby to Canberra | 24 January | Peter Aitsi – Ministerial Representations’, A1209, 1974/6740, 1975, NAA.

25 This represented 60 per cent of Australia’s aid budget at the time. See *The Contribution of Australian Aid to Papua New Guinea’s Development 1975–2000*, Evaluation and Review Series No. 34 (Canberra: AusAID, 2003), 24.

While the future of TPNG had been a point of debate and discussion for the 70 years since Federation, Whitlam revitalised the discussion about the future of Papua New Guinean independence into domestic political debates with a visit to TPNG as Opposition Leader in 1970. In doing so, he placed pressure on those tasked with transition arrangements to hasten policy development, which were further complicated when the subsidy scheme for overseas students was introduced. Bureaucrats, such as Ric Throssell, were attempting to implement policies that were designed without TPNG at front of mind in the design. The Australian colony of TPNG, and then the independent nation of PNG, provided a unique problem for scholarship administrators. Independence in 1975 did allow for PNG to be considered another Pacific nation with which the government had a bilateral relationship. However, the long colonial relationship between Australia and PNG marked all interactions, even though they were now technically equal in the community of nations. For the students of PNG, this now allowed them access to the subsidy scheme and other international development schemes. But these schemes did not address the disadvantage that had been created by decades of insufficient investment in education.

This text is taken from *Mandates and Missteps: Australian Government Scholarships to the Pacific – 1948 to 2018*, by Anna Kent, published 2024 by ANU Press, The Australian National University, Canberra, Australia.

doi.org/10.22459/MM.2024.06