

Hindsight

Case:

H21

Logline:

Geographical Interest:

Asia

Topic:

Conflict Islands

Tagline:

Title: Is China really buying These Islands near Australia?

1. Hook

This is a truly absurd story.

“There are islands for sale just off our coastline”

A retired businessman from Australia currently owns 21 atolls in Papua New Guinea.

“This is my definition of heaven”

But after 2 decades, he wants to sell. But it just so happens to be that these islands are of key military strategic importance, and guess who’s looking to buy...

[video]

These are the “Conflict Islands” in Papua New Guinea. They are privately owned and have an absurd history. But since they came on the market in 2022, they became the center of a media hype.

This is whether China is really buying the Conflict Islands, with Hindsight.

2. Bumper

3. Body

The Conflict Islands consist of 21 atolls that are mostly uninhabited. The biggest village is Irai, which has about 20 inhabitants.

They're part of Milne Province, Papua New Guinea, but they're privately owned and administered. These islands went through a crazy exchange of ownership.

This boat, in 1886, was the first European vessel to ever visit the islands. Its name? The Conflict HMS, after which the islands are named today.

They were leased to a British explorer for a period of 25 years, after which the islands shifted hands between customary owners while mostly remaining uninhabited.

But in the 1970s, it got really weird.

Papua New Guinea gained independence in 1975, and somewhere around that year, an American couple supposedly bought the entire Conflict Group.

Let's call them Lu and Marry Anne Nevels.

I'm saying this with a lot of skepticism, because I'm assuming that any person who's able to afford such real estate, must've made a mark on the world. But Lu and Marry Anne Nevels only seem to exist on the internet to corroborate this story.

So I'm personally not ruling out that this story is fabricated.

With PNG's newly found independence, they instituted their constitution. In which it says that **only PNG citizens may acquire freehold land**. And this is very important.

Freehold land means that the owner has the right to the land in perpetuity, it's the opposite of a lease.

But an exception was made for land that was already privately owned by foreigners at the time that the new constitution was instituted. Those lands could be transferred to the state at a later moment. [0]

But in 2003, somehow, these islands were bought from this couple that doesn't exist on the internet to an Australian businessman. Apparently for the sum of 25 million U.S. dollars.

Ian Gowrie-Smith has owned these islands ever since. He funded a turtle conservation program, and since 2016, he helped facilitate the islands being a destination for cruise ships. [0]

Two decades later, he felt it was time to sell. This put the islands' importance into a new perspective.

These islands are located less than 1,000 km from Australia's shore, at the center of a channel. About 30 large commercial ships pass through this channel every day. The PNG government has

recently declared this a compulsory pilotage area, meaning that every boat passing through this channel needs to be piloted – a great source of revenue for local entrepreneurs. [0]

The water around these islands is deep, in some places up to 600 meters, allowing for large ships to access the region. For example, cruise ships, or war ships.

The largest island has a rocky foundation and is long enough to sustain a 3,000 m runway. This is sufficient for landing a jumbo Boeing 747, or about any military aircraft. Its geography is ideal for a military base, but when you look at its strategic importance, it gets really interesting.

There are three major submarine internet cables that pass through this channel, connecting Australia to the rest of the world. These cables are used for financial transactions, communicating secret intelligence, and they provide vast regions with internet and cell phone coverage.

The islands are situated in the coral sea, which is one of the most biodiverse regions in the world. Making it of ecological importance, as well as a prime asset to local fisheries.

This is a strategic chokepoint to control.

In the second World War, the Japanese wanted to strengthen their position in the South Pacific and decided to invade and occupy Port Moresby and Tulagi, in Solomon Islands. This led to the battle of the Coral Sea. The Japanese intended to advance through this channel but they were ultimately forced to retreat.

Japanese expansionism is a thing of the past, but today, China is eyeing the region.

They made a major security deal with Solomon Islands, and they tried to do the same in Papua New Guinea, but this was rejected.

But with the Conflict Islands coming on the market, China could hypothetically bypass the PNG government and buy themselves in.

The media picked this up with headlines such as

“China eyeing 21 islands on Australia’s doorstep”[0]

and...

“China prepares to buy up a string of private islands right on Australia's doorstep”[0]

Well, this isn’t really true.

The millionaire owner explained it like this:

“I guess you could say no to a Chinese buyer.” (...) “We're not involved in any discussions with the Chinese at the moment to try and sell them.”

[I wrote the foreign affairs, no reply, took it to the media]

“A Current Affair” picked up the story and dramatically sensationalized it. I have a gut feeling that these words were never spoken...

“Would you be prepared to sell these islands to the Chinese? -- Yes, I have to sell the islands.”

It makes for better headlines, but China, to my knowledge, has made no bid.

In an interview with the Prime Minister and Minister of Land in Papua New Guinea, they called for an investigation to establish the status of the islands, and to find out how the title was awarded in the first instance. [0]

Well, according to the owner, the status is that they're freehold.

“The irony is that they're freehold. Less than 3% all around the world are freehold. So you can sell to who you wish to”

If that's true, and it's not a lease, he can actually only sell to a citizen of PNG. But there are workarounds.

“Who controls the islands? – Me, via Papua New Guinean companies”

Papua New Guinea is amongst the most corrupt countries in the world and China has great purchasing power, so the threat is real, but it's not yet true.

Maybe he wanted the attention of Australia's government? Maybe he's spreading the word about his sale? Or perhaps,

4. CTA

Continue watching this video here on the left, which talks about the South China Sea Dispute. When China doesn't find an island that's already suitable for a military base, they just build it. Find out how!

MAIN SOURCES:

NOW AVAILABLE: A SLICE OF HEAVEN (Club Marine):

<https://www.clubmarine.com.au/exploreboating/articles/29-3-Now-available-A-slice-of-heaven>

Australia can help stop the Conflict Islands living up to their name (Australian Strategic Policy Institute):

<https://www.aspistrategist.org.au/australia-can-help-stop-the-conflict-islands-living-up-to-their-name/>