



**AUSTRALIA PAPUA NEW
GUINEA BUSINESS COUNCIL**



25th PAPUA NEW GUINEA AUSTRALIA BUSINESS FORUM
Divine Word University, Madang, Papua New Guinea, 17 to 19 May 2009
“EXPLORING BUSINESS AND INVESTMENT OPPORTUNITIES IN PNG”

COMMUNIQUE

The 25th Papua New Guinea Business Forum, held in Madang, Papua New Guinea, from 17 to 19 May 2009, was attended by 223 delegates, partners, speakers and guests representing a wide cross section of business and national government from Papua New Guinea and Australia.

The Forum was addressed by the Governor of Madang, Sir Arnold Amet, the Australian Parliamentary Secretary for Trade, the Hon Anthony Byrne MP, the Papua New Guinea Minister for Foreign Affairs, Trade and Immigration, the Hon Samuel Abal MP, and a range of experts on the opportunities for business in meeting the Millennium Development Goals (MDGs), infrastructure development including opportunities for partnerships between government and business in a wide range of areas, human resource development, agriculture, climate change, resources and the Papua New Guinea incentive and regulatory environment.

The Forum noted a strong sense of confidence that Papua New Guinea is well placed to weather the current global financial crisis. It also noted that the long term relationship between Australia and Papua New Guinea remains strong.

The Forum noted comments by Minister for Foreign Affairs, Trade and Immigration and the Parliamentary Secretary for Trade about the importance of commencing negotiations on PACER Plus, and endorsed the earliest possible commencement of such negotiations.

Delegates noted that at the highest levels of both governments there had been recent agreement to review current development assistance arrangements. The Forum agreed that the private sector plays a pivotal role with governments in achieving effective development outcomes, and the Councils committed to engage with government in reviewing these arrangements.

The Forum heard a number of informative presentations detailing how business and government can work together to improve economic and social infrastructure and the delivery of government services.

Speakers on the Millennium Development Goals (end poverty and hunger, universal education, gender equality, child health, maternal health, combat HIV/AIDS, environmental sustainability and global partnership) identified ways in which business can assist government meet the Goals through innovative business approaches to the market opportunities which the informal sector provides including micro-finance, telecommunications, education and health services, and clean energy.

Delegates noted and welcomed progress since the previous Forum by the Papua New Guinea Government on Public Private Partnership (PPP) policy development, noting especially that the Papua New Guinea National Executive Committee has adopted a PPP policy which is currently being developed into a legislative framework. Government speakers highlighted the role business can play by engaging and looking for opportunities to bring capital and expertise to economic areas suitable for PPPs, and the Forum committed to work to encourage business to engage in this process. At previous Forums there has been focus on improving service in the telecommunications sector: at this Forum delegates heard with interest the presentation by PNG Power. A strong and sustainable power sector is crucial to business and poverty alleviation. Delegates were encouraged that PNG Power is focussed on developing energy from alternative sustainable resources. Having regard to the significant program of capital

works there will be opportunities for the private sector to partner with PNG Power in further development of the PNG power sector.

Presentations on human resource development heard innovative ideas about how PPPs can deliver education and other social services in conjunction with government. It noted and endorsed the work of the PNG Chamber of Mines and Petroleum in working with governments in developing education services targeted at the resources sector. The Forum undertook to engage in further dialogue with governments and business to explore how further such PPPs might be developed.

Delegates noted the centrality of agriculture to developing a sustainable long term economy in Papua New Guinea. There is rich potential for Papua New Guinea to develop a more effective agricultural economy for both domestic and export markets, and to grow rural incomes. Recent improvements in telecommunications in rural areas have created new commercial opportunities for farmers. Major constraints to growth are access to micro-finance, training, quarantine, transport and marketing arrangements. The Forum urged business and governments to work effectively together to overcome these constraints through mutually beneficial commercially based cooperative arrangements. The Forum noted with interest that the Papua New Guinea government is currently working on a National private sector growth strategy. The range of issues confronting the Task Force are complex and extensive, and the Forum encourages the Task Force to engage in close dialogue with the Councils as this process progresses.

On climate change, delegates noted that Papua New Guinea with its extensive forest assets is in a unique position to support global carbon emission reductions. There is an urgent need for Papua New Guinea to develop appropriate policy and legislation and to enter into negotiations with relevant stakeholders to capitalise on these assets.

In relation to the PNG Gas Project, the Forum welcomed the commitment by the project operators through their National Content Plan to create a wide range of employment opportunities for Papua New Guinea workers including through upskilling programs, as well as the opportunities for Australian and Papua New Guinea companies to form partnerships and joint ventures to deliver services and goods to the project. The Forum encourages the project operator to work with key stakeholders to broaden supply chain initiatives.

The Forum endorsed the work of the Investment Promotion Authority in promoting and facilitating business and investment in Papua New Guinea. It commended the Department of Labour for the positive work it has undertaken to codify and streamline work permit processes. It noted the work being done through the Strongim Gavman program, and commended governments for the work undertaken to implement this program since its launch in April 2008.

The Forum endorsed the need for all investors to be good corporate citizens, and to deal fairly, openly, and promptly with issues which affect the workforce, and for government to fairly and equitably administer its legislation in relation to visas, work permits, and employment conditions.

The Forum expressed its appreciation to the President and staff of Divine Word University for the use of the excellent facilities of the University for the holding of a highly successful meeting.

The Councils agreed that the 26th Australia Papua New Guinea Business Forum would be held in Australia in 2010.

MADANG, PAPUA NEW GUINEA
19 May 2009