



Australia Papua New Guinea  
Business Council



26<sup>th</sup> AUSTRALIA PAPUA NEW GUINEA BUSINESS FORUM  
16 TO 18 MAY 2010  
Jupiters Hotel and Casino, Townsville

GROWING THE NATION

COMMUNIQUE

The 26<sup>th</sup> Australia Papua New Guinea Business Forum and Trade Expo was held in Townsville from 16 to 18 May 2010 with the theme "Growing the Nation". The Forum was attended by 402 delegates, partners, speakers and trade expo exhibitors.

The Forum acknowledged the important contribution to the bilateral business relationship by the late Henry Kila OBE, President of the Business Council of Papua New Guinea, and mourned his passing on 4 January 2010.

The Forum was addressed by the Papua New Guinea Minister for Foreign Affairs, Trade and Immigration, the Hon Samuel Abal MP, the High Commissioner of Australia to Papua New Guinea, His Excellency Mr Ian Kemish, the Australian Minister for Resources and Energy, the Hon Martin Ferguson MP, and the Deputy Governor of the Bank of Papua New Guinea, Mr Benny Popoitai. Papers were presented on behalf of the Papua New Guinea Deputy Prime Minister, the Hon Dr Sir Puka Temu, and the Papua New Guinea Minister for Treasury, the Hon Patrick Pruaitch MP.

Other expert speakers addressed the Forum on the Papua New Guinea economy, the link between business and development, infrastructure, doing practical business between Australia and Papua New Guinea, regional economic integration (PACER Plus), matching education and the labour market, building sustainable business in Papua New Guinea, and opportunities in the resources and mining sector.

The Forum noted the strength of the Papua New Guinea economy and endorsed measures by the Bank of Papua New Guinea effectively to manage the current economic and fiscal challenges. Delegates noted the capacity challenges faced by the Papua New Guinea government in delivering services in the current period of growth, and capacity constraints across a wide range of areas in the economy and urged the Papua New Guinea government to respond by liberalising approval processes to allow business to more easily meet these capacity challenges.

The Forum expressed its concern that the Australia Papua New Guinea Ministerial Forum had been cancelled in 2010. Business regards these meetings as a most important and invaluable opportunity to engage with governments at ministerial level, and called on both governments to facilitate at the planned ministerial bilateral meeting in July 2010 the high level engagement with business which the Ministerial Forum normally provides. The Forum also urged the Australian and Papua New Guinea governments to ensure that the two meetings annually of the Bilateral Business and Officials Committee which reports to the Ministerial Forum should be continued in 2010.

The Forum noted that business is an essential partner in development including achieving the Millennium Development Goals, and called on the Australian and Papua New Guinea governments to adopt the proposal made by the Business Councils at the 2009 Australia Papua New Guinea Ministerial Forum to establish a very high level strategic development co-ordination committee involving bilateral business and governments to ensure business is involved in

achieving more effective development outcomes. It also endorsed calls by speakers for greater involvement of business in delivering effective development assistance outcomes.

The Forum heard a highly valuable presentation by Mr David Murray, Chairman of the Australian Future Fund, on the need for governments effectively to use revenue flows for building their economic future, welcomed the recent statement by the Prime Minister of Papua New Guinea on the establishment of sovereign wealth funds, and urged the Papua New Guinea government to establish an appropriate framework around these funds to ensure their long term viability as builders of national economic prosperity including through the development and maintenance of high quality national economic infrastructure including but not limited to power, water, telecommunications, ports, airports and roads.

Forum delegates heard a range of views about issues concerning regional economic integration under PACER Plus with the Pacific Islands Forum Countries including Australia and New Zealand, and endorsed the need for future effective negotiations to ensure that the measures put in place improve Papua New Guinea's economic performance for the benefit of all its people. The Forum called on the Papua New Guinea and Australian governments to work more closely with business to ensure that an appropriate framework is implemented, and that the development aspects of PACER Plus are fully understood and utilised to comprehensively to meet the challenges and opportunities it creates for business and for national long term economic benefit and business and employment growth.

Noting the continued and long term under-funding of the education sector in Papua New Guinea, the Forum committed the Councils to explore with relevant agencies and institutions opportunities for entering into partnerships to improve the standard and relevance of the qualifications of graduates from higher and technical education institutions entering the labour market to better meet the needs of business for highly skilled workers in professional and technical disciplines. The Forum agreed to examine the viability of arranging a seminar in 2010 to create a dialogue about business expectations of the education sector. The Forum endorsed the concept of the establishment of a Commercial Mediation Centre in Papua New Guinea, and recommended that further work be done on refining the concept and the procedures necessary for establishment of such a centre.

The Forum heard of the extensive opportunities to develop sustainable businesses in the agricultural sector, especially in cocoa, spices and rainforest products. It urged the Papua New Guinea government to work to create the necessary conditions, especially in regards to ensuring infrastructure facilities meet the needs of agricultural industry and also by minimalising government intervention in industry.

Noting that financial closure had been reached on the Exxon Mobil liquid natural gas project, and that the InterOil project was also well advanced through the approval process, the Forum expressed its concerns at the impact on business of the capacity constraints within the Papua New Guinea government leading to delays for business in a range of areas within the regulatory approval processes, and also on general capacity issues within the economy especially in Port Moresby. It urged the Papua New Guinea and Australian governments to take appropriate steps to minimise delays in doing business in Papua New Guinea. The Forum also expressed the importance of ensuring that Papua New Guinea businesses have substantial opportunities to participate and grow through access to project contracts in the resources sector.

The Councils invited delegates to attend the 27<sup>th</sup> Australia Papua New Guinea Business Forum which will be held in Papua New Guinea in 2011.