



**AUSTRALIA PAPUA NEW
GUINEA BUSINESS COUNCIL**



27th PAPUA NEW GUINEA AUSTRALIA BUSINESS FORUM
Divine Word University, Madang, Papua New Guinea, 15 to 17 May 2011
“PNG TAKING UP THE CHALLENGE”

COMMUNIQUÉ

The 27th Papua New Guinea Australia Business Forum and Trade Expo held in Madang, Papua New Guinea, from 15 to 17 May 2011, with the theme “PNG Taking Up The Challenge”, was attended by 350 delegates, partners, speakers, and trade expo booth attendants. Thirty trade expo booths were mounted.

Speakers from the Papua New Guinea Government included the Minister for Foreign Affairs, Trade and Immigration, The Hon Don Polye MP, the Minister for Treasury and Finance, The Hon Peter O’Neill MP, and the Attorney-General, The Hon Sir Arnold Amet MP, and the Autonomous Bougainville Government by President The Hon Chief Dr John Momis MP. The Australian Government was represented by the Australian High Commissioner His Excellency Mr Ian Kemish AM.

The Forum noted with extreme disappointment the failure of the Australian Government to be represented at Ministerial level at this important bilateral business meeting, and called on the Australian Government to take seriously its responsibility to support the bilateral business and economic relationship including through future ministerial level participation in these annual Forums.

In addition to the above government speakers, the Forum also heard from expert speakers on the Papua New Guinea Economy, health and education, rural industries, infrastructure, and resources.

The Forum noted the positive economic indicators achieved by Papua New Guinea over the last decade and projected for the near term, and called on the Papua New Guinea Government to ensure inflationary and other risks such as poor public services and finalisation of arrangements for managing revenue flows from resource projects through the establishment of sovereign wealth funds are effectively managed.

The Councils briefed the Forum that political uncertainty in Australia and Papua New Guinea had limited the capacity of both governments to focus with business on important issues previously agreed.

The Councils reported to the Forum on the range of topics it had discussed with governments over the last year, including the Review of Australian Development Assistance and the proposed Economic Relations Agreement about which proposals had been made to cement the role of business in the bilateral economic relationship through the establishment of a Development Assistance Delivery Council (DADC) and a formal framework for bilateral officials and business consultations as part of the Ministerial Forum process.

The Forum noted the concerns of business in a range of areas including increased wages, high rents especially in Port Moresby and Lae, inefficient infrastructure especially power, and roads, inadequate policing due to the drain of police from urban to rural to protect resources sites, and work permits and visas. It was noted that while there were concerns raised over the state of the nation’s ports, a plan has been developed and is currently being implemented. It called on the Papua New Guinea Government to address these issues as a priority and the Australian Government to adopt entry policies which would facilitate the movement of people especially for business, training and medical entry into Australia.

Business and government were urged to work together to adopt innovative solutions to labour market shortages including through improved education and training, changed work practices, and removing

gender barriers which limit opportunities in the workforce for women, and other policy reforms aimed at increasing local employment. The pleasing work being done by Esso Highlands in training and workforce development was noted with appreciation.

The Forum endorsed work being undertaken to improve the health and education system in Papua New Guinea, and strongly urged the Papua New Guinea government to work with business to deliver more effective health and education services with a view to creating a healthier and better educated community and workforce capable of meeting national labour market requirements. It also urged business to be proactive in supporting the elimination of domestic violence in Papua New Guinea.

Speakers identified opportunities for foreign investors to partner with Papua New Guinea provincial and landowner entities and local business to stimulate business growth in rural areas as a means of improving the quality of rural life across all of Papua New Guinea, including Bougainville which the President of Bougainville declared is now open for business. Such opportunities include agricultural commodities, animal husbandry and energy including biodiesel and hydro-electricity.

The Forum commended innovations taking place in using technology to improve efficiency of financial transactions, and urged governments to ensure the regulatory environment supported technological improvements in business practice.

Proposals by speakers about the need for significant reforms to improve government transparency, to adequately remunerate senior public service levels to help retain staff and counter corruption, improved town and urban planning and land management and administration were endorsed by the Forum.

Noting that corruption is the most serious threat to the internal security, political stability, national integrity and prosperity of Papua New Guinea today, the Forum commended work done so far in implementing recommendations of the Police Administrative Review (2004), the report on "Fighting Corruption and Promoting Integrity in Public Life in Papua New Guinea" (2005), and the White Paper on Law and Justice in Papua New Guinea (2007) and strongly urged the early full implementation of the recommendations of these reports and to fully empower and fund the National Anti-Corruption Alliance (NACA) to enable it to achieve its goals.

The Councils continue to urge business to become members of the Business Coalition Against HIV/AIDS (BAHA) and to implement appropriate procedures for the prevention and management of HIV/AIDS issues in their workplace.

The Resources Sector Update Session provided delegates with updates by Bougainville Copper Limited, Frieda River Project (X-Strata and Highlands Pacific), InterOil Corporation, Esso Highlands LNG Project, and by Macquarie Bank on project financing issues. The Presentations highlighted the challenges and opportunities of meeting critical issues and operating in the resources sector in Papua New Guinea at a time of unprecedented activity in the sector and in the economy generally.

The Councils agreed that the 28th Australia Papua New Guinea Business Forum will be held in Brisbane from 13 to 15 May 2012.

MADANG, PAPUA NEW GUINEA
17 May 2011