



Australia Papua New Guinea
Business Council



21st AUSTRALIA PAPUA NEW GUINEA BUSINESS FORUM

Novotel Palm Cove Resort, Cairns, 1 to 3 May 2005

“BUILDING BUSINESS OPPORTUNITIES AND GROWTH”

COMMUNIQUE

The 21st Australia Papua New Guinea Business Forum, hosted by the Australia Papua New Guinea Business Council and the Business Council of Papua New Guinea, was held in Cairns, Australia, from 1 to 3 May 2005.

The Councils appreciated the participation and attendance of senior ministers of the Papua New Guinea government including Hon Bart Philemon, Treasurer and Minister for Finance, Hon Melchior Pep, Minister for Health, Hon Sir Moi Avei, Minister for Petroleum and Energy, Hon Bire Kimisopa, Minister for Internal Security, Hon Sir Peter Barter, Minister for Intergovernmental Affairs and Local Level Government, Mr Wilson Kamit, Governor of the Bank of Papua New Guinea, and from the Australia government Senator the Hon Chris Ellison, Minister for Justice and Customs, the Hon Bruce Billson, Australian Parliamentary Secretary for Foreign Affairs and Trade and Mr Bob Sercombe MP, Australian Shadow Minister for the Pacific Islands. The Forum also viewed a video address by the Hon Alexander Downer, Australian Minister for Foreign Affairs. In excess of 180 delegates attended the Forum representing the Australian and Papua New Guinea private and public Sectors.

The Forum noted the continued improvement in economic indicators in Papua New Guinea and endorsed the sound economic and fiscal policy being exercised by the Papua New Guinea Government and the Bank of Papua New Guinea. This has led to a continued improvement in the business-enabling environment.

Notwithstanding the excellent work being carried out by the Papua New Guinea government on removing impediments to business, the Forum called for accelerated reform on the issue of labour market and immigration policy and procedures. The meeting encouraged the Australian government to engage with the Councils in dialogue on reforms to the Australian labour market to facilitate access by Papua New Guineans as a first step towards wider economic integration.

The Forum applauded the recent abolition of the Reserved Activity List, which will improve access to foreign equity investment in Papua New Guinea. However, the Forum would view with serious concern any measure to impose foreign ownership restrictions on professional services, as has been suggested.

The Forum noted the serious social, economic and health implications of the worsening HIV/AIDS pandemic, and recommitted the Councils to work with government on assisting develop strategies for managing HIV/AIDS in business. It called on the Governments of Australia and Papua New Guinea to include business representatives in bilateral and Papua New Guinea national discussions on HIV/AIDS management strategies on the basis that any effective partnership requires open and transparent involvement of all parties.

Believing that more can be done to capitalize on the considerable potential of the tourism industry to contribute to the Papua New Guinea economy, the meeting urged the Papua New Guinea Government to elevate the tourism ministerial portfolio to that of a major economic portfolio, to provide it with a higher cabinet ranking, and to

appropriately resource the tourism policy and promotional agencies enabling them to be more effective in promoting increased investment and growth for the industry. In addition, the meeting urged the Government to consider introduction of targeted tax incentives to help kickstart this industry.

The importance of agriculture as a key driver of employment and economic growth was again noted, and the government's intention to focus greater resources on this important sector was applauded. The government was urged to work with the private sector to identify opportunities for new crops, and more effective means of producing and marketing agricultural outputs.

The Forum noted the strong support of the Queensland and Papua New Guinea governments for the proposed Papua New Guinea gas pipeline project, the detailed infrastructure planning, and the increasing interest by potential customers.

The Forum also noted that stable law and order, including an effective criminal justice system, is essential for investment and business. The Papua New Guinea and Australian governments were urged to ensure that the Royal Papua New Guinea Constabulary is effectively managed, resourced and trained, and that it is able to operate in a sound legislative and policy environment. The essential role that the ECP will play in achieving these outcomes was noted, and the Papua New Guinea and Australian governments were urged to ensure the program does not suffer any disruption or diminution. The Papua New Guinea government's actions to establish enhanced partnerships with Provincial Governments to improve policing operations, and proposals to secure the independence of Police Commissioner, were well received by the meeting.

The Forum noted that, consistent with its desire to develop partnerships whenever possible, all AusAid funded projects in Papua New Guinea are now open to tenders and participation by Papua New Guinea companies. It was also noted that sustainable economic growth might benefit from a refocus of development programs to include support, for example, in agriculture, forestry, tourism, power, telecommunications, shipping, infrastructure development and technical education.

In acknowledging the expressed desire of the Papua New Guinea government to retain ownership of national infrastructure, the Councils offered to work with the government to develop models which would enable the effective financing and operation of national infrastructure such as roads, telecommunications, water, power, ports and harbours and major public hospitals.

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