

**The Hon. Alexander Downer, MP**

MINISTER FOR FOREIGN AFFAIRS, AUSTRALIA

**Joint Statement**

16 December 2005, Royal Pines Resort, Gold Coast

# 17<sup>th</sup> Australia - Papua New Guinea Ministerial Forum

1. The 17<sup>th</sup> Australia-Papua New Guinea Ministerial Forum was held at the Royal Pines Resort on the Gold Coast, on 16 December 2005.
2. The Hon. Alexander Downer, Minister for Foreign Affairs, chaired the Ministerial Forum and led the Australian delegation, which included Senator the Hon. Robert Hill, The Hon. Warren Truss, The Hon. Philip Ruddock, Senator the Hon. Nick Minchin, Senator the Hon. Amanda Vanstone, The Hon. Ian Macfarlane, Senator the Hon. Chris Ellison and The Hon. Mal Brough. The Papua New Guinea delegation was led by the Rt Hon. Sir Rabbie Namaliu, Minister for Foreign Affairs and Immigration, and included The Hon. Sir Moi Avei, The Hon. Bart Philemon, The Hon. Mark Maipakai, the Hon. Bire Kimisopa, the Hon. Mathew Gubag, the Hon. Arthur Somare, the Hon. Sinai Brown, the Hon. Sir Peter Barter and Dame Carol Kidu.
3. In his opening remarks, Mr Downer welcomed Sir Rabbie Namaliu and the Papua New Guinea delegation to the Forum on behalf of the Government and people of Australia. Mr Downer took the opportunity to congratulate Papua New Guinea on its 30 years of Independence, which it celebrated in September this year and noted the enduring strength and importance of Australia's bilateral relationship with Papua New Guinea.
4. In response, Sir Rabbie thanked the Australian Government for hosting the 17<sup>th</sup> annual Ministerial Forum and acknowledged the hospitality and warm welcome extended by Mr Downer and the Australian delegation. Sir Rabbie suggested that future Ministerial Forums should adopt a thematic approach. In this regard, he further suggested the next meeting focus on ways and means to strengthen and add vibrancy to people-to-people linkages. Australia welcomed the proposal.

*PNG Economy*

5. The Forum welcomed the improved performance of the PNG economy, noting in particular the positive GDP growth recorded since 2003, the reduction in national debt levels and historically low inflation and interest rates. PNG noted that the economy was expected to continue to grow strongly, with GDP growth of 3 per cent and 3.5 per cent forecast for 2005 and 2006 respectively. It was agreed that effective

budget policy was partly responsible for improved macroeconomic performance and that strong fiscal policy settings needed to be maintained. The Forum also agreed on the need for PNG to advance implementation of economic reforms while pursuing its Medium Term Development Strategy, Medium Term Fiscal Strategy and Medium Term Debt Strategy. Ministers also agreed on the importance of mechanisms to ensure the benefits of economic growth flowed through to the PNG community in the form of service delivery improvements.

#### *The Enhanced Cooperation Program (ECP)*

6. The Forum endorsed the objectives of the ECP in seeking to address key reform and development challenges in PNG. Ministers noted the valuable contribution made by civilian ECP deployees in a range of PNG agencies. It was noted that ECP deployees had played a valuable role in assisting economic policy-making and improving financial management within government, including in preventing waste and leakage. PNG noted positive ECP deployee contributions in the Department of Finance, the Treasury and the Internal Revenue Commission. The Forum agreed on the importance of effective action to reduce the loss of public funds through claims against the state. In addition, the Forum noted that ECP deployees had assisted PNG to draft new extradition, mutual assistance and proceeds of crime legislation. The PNG side was working to ensure these were put into force and implemented. The Forum also noted the Australian Attorney General planned to visit PNG in the near future for further discussions on the Law and Justice (non-policing) Sector of the ECP. There were constructive discussions about a revised package of policing assistance that could be deployed in the context of the legal environment established by the PNG Supreme Court ruling of 13 May 2005.
7. The Forum noted recent progress and improvements, supported by ECP deployees, in border management and transport security. Australian assistance in the establishment of new border facilities at Wutung on the border with Indonesia and the improvement in security at Jackson's international airport were noted. The Forum commended strong and effective cooperation between Australia and Papua New Guinea in meeting customs and immigration challenges, and agreed on the need for increased PNG staffing levels in the immigration area. The Forum also agreed that urgent arrangements should be made to permit the deployment of armed joint border patrols in the Australia/Papua New Guinea border zone in order to address issues such as illegal fishing, drug smuggling and other criminal activity. The Forum agreed on the importance of Papua New Guinea staff working closely with ECP deployees to ensure effective capacity building and skills transfer.

#### *MOU on the Care, Protection and Voluntary Return of Certain Irregular Migrants*

8. The Forum noted the importance of the Memorandum of Understanding, that was signed today by Australia and PNG, jointly with the International Organisation for Migration, on cooperation to support the voluntary return to their home countries of irregular immigrants to Papua New Guinea.

#### *Bilateral Aid Program*

9. The Forum endorsed a framework for a new Australian aid strategy in PNG. The Forum noted that the strategy was consistent with Papua New Guinea's Medium Term Development Strategy and was focused on improved governance and nation building, sustainable economic growth and productivity, improved stability and service delivery, and combating HIV/AIDS. The Forum also noted that under the new Papua New Guinea Country Strategy, Papua New Guinea would be asked to provide an appropriate level of matching funds to ensure that the aid provided does not replace Papua New Guinea's own funding for basic services. The Forum agreed to the development of a joint performance assessment framework, linked to PNG's planning and budget cycles, to assess the effectiveness of development efforts in PNG.
10. The Forum agreed that HIV/AIDS was a major challenge for Papua New Guinea, acknowledged the substantial assistance which Australia was providing, and noted that on 12 December the Papua New Guinea Cabinet had agreed to a Strategic Plan to address the HIV/AIDS problem over the 2006 – 2010 period.
11. Australia reiterated its commitment to assist Papua New Guinea prepare for its 2007 national election. Papua New Guinea welcomed Australia's on-going assistance with preparations for the election, which are already under way but which will be intensified next year.
12. The Forum noted the success of recent sporting cooperation efforts, including the exhibition rugby league match that was part of Australia's gift to PNG on its 30 th anniversary of independence in September, and visits by prominent Australian sporting personalities to PNG. The Forum noted the potential that sports cooperation has in promoting broader development objectives and in communicating key messages, including about HIV/AIDS.

#### *Discussion with Business Representatives*

13. Business council representatives engaged Ministers on issues of interest to business, including PNG's positive economic reform efforts, the ECP's commitment to PNG's fiscal outcomes, labour mobility, the use of land, law and order and infrastructure development. Business representatives outlined strong concerns about the proposal to change equity arrangements for law firms. They expressed strong concern about HIV/AIDS, and it was agreed that business and government should work together to address this challenge.

*Defence cooperation*

14. The Forum noted progress with the downsizing of the Papua New Guinea Defence Force (PNGDF), which Australian funding was supporting. It noted that the completion of the program would open the way for Australian assistance to a capacity rebuilding phase, which would assist the PNGDF in becoming a more operationally capable and effective force. The Forum agreed that the PNGDF needed to be developed on a sustainable and affordable basis. The Forum also noted the importance of maintaining adequate levels of funding for Defence, particularly if the objectives of reform are to be realized. In addition the Forum noted the very positive contribution of the PNGDF as part of RAMSI in Solomon Islands, and that Australia would be ready to consider training assistance for future international peace keeping deployments by the PNGDF.

*Trade and Commerce*

15. The Forum agreed on the importance of the PNG Gas Project and noted that key investment decisions are due in 2006. PNG was confident that the project would proceed and is working hard to meet its commitments under the project. It thanked Australia for its offer to provide technical support to facilitate this. PNG noted that existing ECP civilian deployees were also providing valuable assistance on the PNG Gas project. The Forum noted that PNG had already set aside Kina 400 million to go towards meeting its equity stake in the project.
16. The Forum welcomed Australia's in-principle agreement to establish an Australian Technical College for the Pacific and noted that an Australian delegation would travel to Port Moresby early next year as part of the scoping study for the proposal. Australia noted that the proposal would increase the number of skilled workers in the Pacific and would facilitate regional labour mobility, including to Australia.
17. PNG raised its interest in increasing exports of agricultural goods to Australia and sought assistance from Australia in helping Papua New Guinea comply with Australia's quarantine requirements. Australia agreed to look into this matter.
18. The Forum noted that proposed amendments to PNG's Lawyers Act, that would require majority ownership in law firms operating in PNG, had been referred to a committee that included representatives from the PNG Law Society, for further consideration. PNG noted Australia's strong concerns about the proposed amendments and its request that these concerns be brought to the attention of the committee.

*Bougainville*

19. The Forum noted Australia's substantial contribution to the peace process on

Bougainville, and its continuing assistance to reconstruction and development, through, and with the support of, the Government of Papua New Guinea. It also noted recent progress, notably the elections last June and the establishment of the Autonomous Bougainville Government. They also noted the importance of the Joint Supervisory Body. The Forum agreed that the presence of certain foreigners on Bougainville was of concern, and noted the economic challenges which Bougainville faced. Development cooperation in Bougainville involving Australia and other countries will continue to be conducted through the national Government of Papua New Guinea.

#### *Torres Strait Treaty Issues*

20. The Forum noted ongoing cooperation in the Torres Strait, and reaffirmed that the joint border patrol issue would be addressed.

#### *Other Issues*

21. Australia congratulated Papua New Guinea on its successful hosting of the Pacific Islands Forum and both parties agreed to cooperate closely in the implementation of the Pacific Plan and the Kalibobo Roadmap.

#### *Date and Venue of next Ministerial Forum*

22. Papua New Guinea invited Australia to attend next year's Ministerial Forum at Kokopo, East New Britain, at a date to be advised. Australia thanked Papua New Guinea and agreed to accept this invitation.