



## **JOINT STATEMENT**

### **19<sup>TH</sup> AUSTRALIA-PAPUA NEW GUINEA MINISTERIAL FORUM**

**Marriott Hotel, Brisbane  
10 June 2009**

1. The 19<sup>th</sup> Australia-Papua New Guinea Ministerial Forum was held at the Marriott Hotel in Brisbane on 10 June 2009.
2. The Hon. Stephen Smith, Minister for Foreign Affairs co-chaired the Ministerial Forum and led the Australian delegation which included the Hon. Simon Crean, Minister for Trade, Senator the Hon. Chris Evans, Minister for Immigration and Citizenship, Senator the Hon. Penny Wong, Minister for Climate Change and Water, the Hon. Peter Garrett, Minister for Environment, Heritage and the Arts, the Hon. Tony Burke, Minister for Agriculture, Fisheries and Forestry, the Hon. Martin Ferguson, Minister for Resources, Energy and Tourism, Senator the Hon. Nick Sherry, Assistant Treasurer, the Hon. Dr. Mike Kelly, Parliamentary Secretary for Defence Support, the Hon. Bob McMullan, Parliamentary Secretary for International Development Assistance, and the Hon. Duncan Kerr, Parliamentary Secretary for Pacific Island Affairs.
3. The Papua New Guinean delegation was led by the Hon. Samuel Abal, Minister for Foreign Affairs, Trade and Immigration, and included the Hon. Philemon Embel, Minister Assisting the Prime Minister, the Hon. James Marabe, Minister for Education, the Hon. Paul Tiensten, Minister for National Planning and Monitoring, the Hon. John Hickey, Minister for Agriculture and Livestock, the Hon. Ben Semri, Minister for Fisheries, the Hon. Bob Dadae, Minister for Defence, the Hon. Sani Rambai, Minister for Internal Security, the Hon. Sasa Zibe, Minister for Health, the Hon. Charles Abel, Minister for Culture and Tourism, the Hon. Benny Allan, Minister for Environment and Conservation, the Hon. Dame Carol Kidu, Minister for Community Development, the Hon. Gabriel Kapris, Minister for Commerce and Industry, the Hon. Mark Maipakai MP, Minister for Labour and Employment, the Hon. Don Polye, Minister for Works, Transport and Civil Aviation, the Hon. Peter O'Neill, Minister for Public Service, the Hon. Beldan Namah, Minister for Forestry, the Hon. Sali Subam, Vice Minister for Foreign Affairs.



4. In his opening remarks, the Hon. Stephen Smith welcomed the Hon. Samuel Abal and members of the Papua New Guinean delegation to the Forum, on behalf of the Government of Australia. Australia and Papua New Guinea, the Hon. Stephen Smith emphasised, were close neighbours, close friends and strong partners. He highlighted that the relationship between Australia and Papua New Guinea was at an 'all time high' and, despite the global economic downturn, there were many trade and investment opportunities. Australia valued Papua New Guinea as a development partner and welcomed the continued close cooperation and partnership on regional issues, including the Pacific Islands Forum, Fiji and the Regional Assistance Mission to the Solomon Islands. The Hon. Stephen Smith welcomed Papua New Guinea's decision to re-open a Consulate in Sydney. He also reiterated the Australian Government's appreciation for the generous response of the people and Government of Papua New Guinea to the victims of the Victorian bushfires and Queensland floods.

5. In reply, the Hon. Samuel Abal thanked the Australian Government for hosting the 19<sup>th</sup> Ministerial Forum. He agreed that the bilateral relationship was at an unprecedented high, noting the early personal commitment of Prime Minister Somare and Prime Minister Rudd to rekindle the relationship when they met in 2007. The Hon. Samuel Abal thanked Australia for its contribution to Papua New Guinea's development, which had remained consistent over many years. Agreement by the two Prime Ministers to review the development relationship, he said, was in keeping with Papua New Guinea's strong desire to be self-reliant and overtime reduce the dependency on foreign assistance for its development.

#### *Australia-Papua New Guinea Partnership for Development*

6. The Forum welcomed the endorsement of the first five Implementation Schedules to the Papua New Guinea-Australia Partnership for Development that detail mutual commitments to the achievement of improved outcomes in the areas of transport infrastructure, basic education, health, the public service and statistics.

7. The Forum noted the requests of the Papua New Guinea Government to consider a Memorandum of Understanding between transport sector agencies of the two countries covering the areas of safety and security; to assist with securing funding for the construction of missing links roads after feasibility studies have been completed; and to explore opportunities for development of training institutions in Papua New Guinea on safety and security in all three modes of transport.

8. The Forum noted in particular the agreement by Prime Minister Somare and Prime Minister Rudd to target an increase in the net enrolment rate of Papua New Guinean children in primary schools from 53 per cent today to 70 per cent by 2015. Papua New Guinea's proposal for non-formal and community learning education will also be considered under the Basic Education schedule to the Partnership.

9. The Forum welcomed the addition of HIV/AIDS, Higher Education (universities and technical education), and Law and Justice sectors to the Partnership schedules. Papua New Guinea's proposal for a comprehensive program supporting technical training at TAFE colleges for up to 2000 students annually will be



considered under the Higher Education Schedule. These schedules will be considered at the 2010 Australia-Papua New Guinea Ministerial Forum.

10. In endorsing the Public Sector schedule, the Forum noted the importance of public sector capacity developments focussing on all levels of government: national, provincial and districts; establishing training programs aimed at improving public administration and financial accountability; and improving training facilities, particularly focussed on the Institute of Public Administration (IPA).

11. The Forum discussed resource commitments under the Partnership for Development, agreeing the importance of increasing funding to Partnership priorities over the period to 2015. In light of the current global economic crisis the Forum emphasised that increased funding for the Partnership priorities needed to be consistent with maintaining sound macroeconomic settings and a sustainable fiscal position.

12. To achieve this, the Forum agreed that funding allocations to Partnership priorities will be determined in the context of each country's annual planning and budget process and fiscal strategy, and will take into account progress in implementing mutually agreed commitments under the Partnership. Multi-year funding projections will be included in the Implementation Schedules of the Partnership and updated annually.

13. The Forum acknowledged Australia's 2009-10 budget increase in official development assistance to Papua New Guinea to \$414.3 million and welcomed its commitment to make available a further \$18 million in country programmable assistance for 2009-10, noting total overseas development assistance was therefore anticipated to increase by 11 per cent in 2009-10. The Forum welcomed Papua New Guinea's commitment to endeavour to ensure that for the 2010 Budget agreed priority outcomes under the Partnership would be reflected in the budget strategy paper. The Forum agreed that clear information would be made available on both Governments' budgetary allocations and expenditures in support of the Partnership. Both Governments would endeavour to maintain annual budgetary allocations in support of Partnership priorities at least at the same proportion of total outlays.

14. The Forum welcomed the agreement by Prime Minister Somare and Prime Minister Rudd to the joint review of the Papua New Guinea university system by Sir Rabbie Namaliu and Professor Ross Garnaut. This will begin in October 2009.

#### *Review of the Australia-Papua New Guinea Development Cooperation Treaty (1999)*

15. The Forum welcomed the recent agreement between Prime Minister Somare and Prime Minister Rudd to review how Australia's aid can best support Papua New Guinea's long term development aspirations, including gradual phasing out of Papua New Guinea reliance on Australian assistance over time, through a review of the Papua New Guinea-Australia Development Cooperation Treaty. The Forum endorsed terms of reference for the review of the Papua New Guinea-Australia Treaty on Development Cooperation and tasked a Steering Group to be established within two weeks. Ministers requested a report on outcomes be provided to the 2010 Ministerial Forum.

#### *Strongim Gavman Program*

16. The Forum noted that good progress has been made to address the findings of the ECP Review. The Forum endorsed the revised arrangements for the *Strongim Gavman Program*, ensuring increased focus on capacity building, improved integration with the broader aid program and joint management and ownership of the program.

#### *Liquefied Natural Gas Project*

17. The Forum was encouraged by progress on the Papua New Guinea Liquefied Natural Gas (PNG LNG) Project, noting that the Project provided an enormous opportunity to improve the wellbeing of all Papua New Guineans. The Forum reinforced the commitment of both countries to collaborate on support for the PNG LNG Project. This would include working together to address capacity constraints through training and skills development, and other targeted assistance.

#### *Coral Triangle Initiative*

18. The Forum welcomed the progress of the *Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security* and further acknowledged its role as an important mechanism for collaboration between Papua New Guinea and Australia. The Forum noted that healthy oceans are essential for healthy people and communities, providing a foundation for a productive marine environment, poverty alleviation and strengthened regional security. Specifically, the Forum welcomed Papua New Guinea's commitment to fund CTI implementation and start immediate action and Australia's multi-year commitment in support of the CTI. The Forum encouraged senior officials to explore collaboration efforts following finalisation of Papua New Guinea's National Plan of Action.

#### *Forestry Memorandum of Understanding*

19. The Forum welcomed signature of a bilateral Memorandum of Understanding for cooperation on sustainable forest management, forest certification and governance between the governments of Australia and Papua New Guinea. The program of activities under the Memorandum of Understanding recognises the importance of facilitating trade in legally-sourced forest products between the two countries.

#### *Kokoda Track Issues*

20. The Forum welcomed the excellent progress made in implementing the Joint Understanding on the Kokoda Track and Owen Stanley Ranges signed at the 2008 Ministerial Forum including: delivering improved basic services to a number of villages along the Track; establishing a new Kokoda Track Authority Management Committee and building Papua New Guinea expertise to develop the Track as a world class trekking experience through provision of Australian-funded experts; the development of a Kokoda Track Code of Conduct; and the provision of technical and other expert advice to build capacity within Papua New Guinea agencies. The Forum particularly welcomed the new Kokoda Track Authority's success in negotiating with



local landholders to re-open the Track, and its efforts to build greater awareness in Track villages of the ongoing benefits associated with keeping the track open. The Forum agreed that the good progress to date should continue to be built on through further cooperative work in all of these important priority areas. The Forum welcomed the announcements of a further \$1 million in funding to the Kokoda Development Program, to provide basic services for local communities, and the grant of \$250,000 to the Kokoda Track Authority for urgent upgrades to trekking infrastructure along the track.

21. The Forum also noted the need to now jointly pursue some of the longer term objectives of the Joint Understanding, including: improving Papua New Guinea Government systems for managing the Kokoda Track, Owen Stanley Ranges and Brown River catchment; an analysis of potential future benefit streams and livelihoods for communities along the Track corridor; income generation projects to ensure ongoing sustainable improvements to communities; spatial data and legislative work to enable protection of the Brown River Catchment; and a feasibility study into a possible World Heritage nomination of the Kokoda Track and Owen Stanley Ranges.

#### *Fuzzy Wuzzy Angels Medallions*

22. The Forum welcomed the Australian Government's announcement that the first presentation of Fuzzy Wuzzy Angel Commemorative Medallions, in recognition of the invaluable assistance provided by Fuzzy Wuzzy Angels to Australian Servicemen during the Second World War, would take place in Papua New Guinea on 23 July 2009, Papua New Guinea Remembrance Day.

#### *Kokoda Track War History Website*

23. The Forum welcomed the progress to date in the development of a commemorative Kokoda Track war history website that will help to increase awareness, particularly among younger generations, of the importance of this iconic site in our wartime history, and acknowledge the service and sacrifice of the people of our two nations in securing the freedom and democracy we enjoy today.

#### *Tourism Cooperation*

24. The Forum noted that the Framework for Bilateral Cooperation on Tourism signed by Australia and Papua New Guinea at the 2008 Ministerial Forum has since facilitated collaboration on areas of common interest. A number of key projects are also under development to assist in the transfer of tourism expertise.

25. The Forum noted the strong commitment of both Governments to working together to support the development of Papua New Guinea's tourism industry, including through the exchange of knowledge and expertise.

#### *The Economy and the Global Economic Crisis*

26. The Forum noted the radically changed world economic circumstances since the 2008 Forum and the resultant impact on both economies. Australia and Papua

New Guinea had both suffered a significant decline in mineral revenues and it was uncertain when commodity prices would recover. The Forum noted the difficult choices countries would face in determining spending priorities in the period ahead and the importance of removing barriers to economic growth to ensure an early recovery from the global economic crisis.

#### *Microeconomic Reform*

27. The Forum welcomed previous structural reforms and noted the positive effect they were having on private sector growth and employment in Papua New Guinea. The Forum noted that for the full benefits of large scale resource extraction projects to be realised, reforms to remove barriers to widespread growth and reduce the cost of doing business are vital. The Forum discussed further areas of reform, with both agreeing to work together to remove impediments to economic growth in Papua New Guinea.

#### *PACER Plus*

28. The Forum affirmed the continued importance of pursuing greater economic integration, with a view to promoting the sustainable development of Pacific island countries.

29. The Forum recalled the decisions taken by Pacific Islands Forum Leaders in Niue in August 2008 and strongly supported the commencement of PACER Plus negotiations from August 2009. The Forum noted the good progress to date on the formulation of a detailed roadmap on PACER Plus designed to provide an effective framework for mutually beneficial PACER Plus negotiations.

30. The Forum confirmed the strongly shared desire to move forward with PACER Plus and welcomed the work being undertaken to build and strengthen the national capacity of Papua New Guinea and other Pacific Islands Forum countries, with support from Australia and New Zealand, to maximise the opportunities and benefits provided by PACER Plus.

31. The Forum supported the early establishment of the Office of the Chief Trade Adviser pending a decision to commence PACER Plus negotiations. The Forum noted the importance of the Office in providing independent assistance and advice to enable Papua New Guinea and other Pacific Islands Forum countries to participate in the PACER Plus negotiations.

32. The Forum commended efforts to enhance the national negotiating capacity of Papua New Guinea and other Pacific Islands Forum countries through the direct provision of training to Pacific island country trade officials under the Trade Fellowships Program and support for independent research on trade priorities.

33. The Forum welcomed the opportunity for further discussions on PACER Plus at the Pacific Islands Forum Trade Ministers' Meeting on 17-18 June 2009.



### *Business Participation*

34. The Forum warmly welcomed the participation of representatives from the Australian and Papua New Guinean Business Council and the Business Council of Papua New Guinea. In their discussion, the Business Councils articulated issues of concern to business. Business representatives endorsed the Strongim Gavman Program, and identified a number of areas in which the program could further strengthen the capacity of Papua New Guinean Government agencies, particularly in light of increased demand being placed on agencies in servicing the important needs of the Liquefied Natural Gas project.

35. Business representatives noted recent comments by Prime Minister Somare and Prime Minister Rudd regarding the need to improve outcomes from the bilateral development assistance program, and made a number of valuable proposals for business and government to work together in partnership in developing economic and social infrastructure, including the possibility of an over-arching development assistance advisory council. The Forum welcomed the interest of business in working towards improved development outcomes, and agreed to work with business to further examine these proposals.

36. Business representatives encouraged the Papua New Guinean Government to agree to enter into negotiations on PACER Plus, noting that the commencement of negotiations does not commit governments to particular, if any, outcomes.

37. The Papua New Guinea and Australian governments reinforced their commitment to creating opportunities for economic growth including through continued dialogue with business on removing impediments to trade and investment.

### *Quarantine Cooperation*

38. The Forum welcomed the strong ongoing collaboration between Australia and Papua New Guinea in the area of quarantine cooperation and acknowledged the important role it plays in strengthening regional biosecurity.

39. The Forum recommended that this cooperation be further extended to cover a number of areas of mutual benefit to both countries. The Forum noted Papua New Guinea's concern that, for biosecurity reasons, certain marine products could not be exported to Australia, and noted that Australia should be in a position to respond shortly to this concern. The Forum also welcomed Australia's willingness to consider any formal market access request raised by the Papua New Guinea Government.

### *Pacific Seasonal Worker Pilot Scheme*

40. The Forum welcomed progress made on arrangements for Papua New Guinea's participation in the Pacific Seasonal Worker Pilot Scheme, noting the significant economic and people to people benefits that the Scheme should bring to Papua New Guinea and Australia.

41. The Forum welcomed the possibility for students to access employment opportunities in Australia for up to eighteen months following the successful

completion of approved tertiary studies, along with meeting other necessary requirements, under the subclass 485 visa.

#### *Climate Change*

42. The Forum noted the one-year anniversary of the signing of the Papua New Guinea – Australia Forest Carbon Partnership by Prime Minister Somare and Prime Minister Rudd in March 2009 and the continuing importance of climate change to Papua New Guinea and Australia.

43. The Forum agreed on the importance of the issue of reducing emissions from deforestation and forest degradation in developing countries, known as REDD. The Forum recognised that emissions from deforestation represent approximately 18 per cent of global greenhouse emissions and agreed that REDD can and should make a significant contribution to the global mitigation of climate change.

44. The Forum noted the ambitious objective of setting the world on a path to stabilise greenhouse gas concentrations at 450 parts per million or lower and agreed that to achieve this or any similar objective, REDD must be part of the solution. Papua New Guinea and Australia agreed to continue to work together in the international climate change negotiations to include REDD as part of an equitable and effective post-2012 international climate change agreement. To this end, the Forum noted Papua New Guinea's and Australia's international leadership on REDD, exemplified by the Forest Carbon Partnership, as a demonstration of their commitment to REDD.

45. The Forum agreed on a Work Plan to advance cooperation under the Forest Carbon Partnership. The Work Plan provides a framework to progress current and future cooperation under the Forest Carbon Partnership, as a further demonstration of Papua New Guinea's and Australia's ongoing commitment to REDD.

#### *Policing Cooperation*

46. The Forum welcomed the commitment of both countries to the Papua New Guinea-Australia Policing Partnership, following its endorsement at the 2008 Ministerial Forum. The Forum noted that 14 Australian Federal Police (AFP) officers were presently deployed to key advisory position in Papua New Guinea, to support the Royal PNG Constabulary (RPNGC), under Phase I of the Policing Partnership. The Forum welcomed collaboration between the AFP, RPNGC and key stakeholders on the design process of the concept paper that will address areas of corporate support, organisational review, operational support, behavioural change, learning and development, and provincial engagement and marketing.

#### *Customs and Border Security Cooperation*

47. The Forum welcomed the ongoing close cooperation between Australia and Papua New Guinea on customs and border security issues. The Forum noted the contribution made by the Australian Customs and Border Protection Service to support Papua New Guinea Customs modernisation and border management, through



the Border Security Project and the AusAID sponsored Papua New Guinea and Australian Customs Twinning Scheme.

48. The Forum also welcomed the continuation of the Australian and Papua New Guinea Customs joint cross border patrol program and increased cooperation in the Torres Strait.

#### *Immigration issues*

49. The Forum welcomed ongoing cooperation in the area of immigration, including joint efforts to counter people smuggling. The Forum noted that Australia and Papua New Guinea were in the last stages of negotiating a Work and Holiday Visa Arrangement.

50. The Forum noted the progress made with rollout of the new border management system which will enhance Papua New Guinea's management and administration of its borders including entry of people in Papua New Guinea.

51. The Forum noted that because of Australia's universal visa requirements, it was not able to consider Papua New Guinea's request for a reciprocal visa arrangement.

#### *Tsunami Early Warning Stations*

52. The Forum welcomed the progress made on the tsunami early warning stations on Manus Island and in Rabaul, noting that both tsunami warning stations should be operational by the end of June.

#### *Defence Cooperation*

53. The Forum welcomed Australia's and Papua New Guinea's continuing commitment to the bilateral defence relationship, as endorsed by Australia's recently released Defence White Paper. Australia reaffirmed its continued support for the development of a professional defence force in Papua New Guinea with improved capabilities in core areas such as border and maritime security. Australia will continue to work closely with Papua New Guinea to help it develop a sustainable Defence Force.

54. The Forum welcomed the successful delivery of the Goodwill Package to Papua New Guinea and noted the commencement of Phase II of the Defence Reform Program.

55. The Forum noted that Australia will provide assistance to help the Papua New Guinea Government develop Papua New Guinea's Defence White Paper. It also noted in-principle Australian support to assist the development of the Papua New Guinea Defence Force's peacekeeping capacity, once the International Obligations Bill has been passed by the Papua New Guinea Parliament.

### *Torres Strait Cooperation*

56. The Forum noted the report of the Joint Advisory Council which met on Thursday Island, Australia, on 28 October 2008. The Forum welcomed Papua New Guinea's offer to host the next meeting of the Joint Advisory Council in 2009.

57. The Forum welcomed the ongoing close cooperation between Australia and Papua New Guinea in the Torres Strait and re-affirmed the commitment of both countries to proper application of the Torres Strait Treaty's free movement provisions.

58. In recognition of the unique cross-border arrangements which apply in the Torres Strait region, the Forum noted the progress made to date in developing the joint Papua New Guinea - Australia Package of Measures to Address Cross Border Health Concerns, including the initiative for facilitated cross-border movement. The Forum welcomed the Australian Government's commitment of \$13.8 million over four years to the Torres Strait Health Protection Strategy which forms part of the Package of Measures.

59. The Forum acknowledged the collaborative efforts and commitment by both governments in addressing cross border health concerns and stressed the importance of continued involvement and support from both governments in order to achieve the better health outcomes sought under the Package of Measures. The Forum expressed its support for the further development and implementation of the Package of Measures. It was noted that the implementation of some elements of the Package had already commenced and will continue through 2009-10.

### *Sports Cooperation*

60. The Forum welcomed continuing cooperation between the two Governments on the promotion of sport. The Forum noted the potential of sport to provide a significant social dividend in health and fitness. The Forum looked forward to the forthcoming announcement of the Rugby League initiative, as foreshadowed by Prime Minister Rudd and Prime Minister Somare.

### *Fiji*

61. The Forum expressed its grave concern about the deteriorating situation in Fiji following the abrogation of the constitution, including interference with the media and key national institutions, such as the Reserve Bank, judiciary and police. The Forum noted that these actions had serious negative implications for the people of Fiji, the Fiji economy and regional stability and progress. The Forum reaffirmed its support for the Pacific Islands' Forum Leaders' decision on Fiji in Port Moresby on 27 January 2009 and urged the Fiji Interim Government to take concrete measures to return Fiji to democracy and the rule of law, including holding elections, without delay.



*Pacific Islands Forum Leaders Meeting*

62. The Forum welcomed Australia's hosting of the 2009 Pacific Islands Forum Leaders' Meeting in Cairns and noted that a key focus will be developing a regional response to the global economic crisis.

*Forum Ministerial Standing Committee on Regional Assistance Mission to the Solomon Islands*

63. The Forum welcomed Australia's decision to support Papua New Guinea's permanent membership of the Forum Ministerial Standing Committee on the Regional Assistance Mission to the Solomon Islands.

*Date and venue of next Ministerial Forum*

64. Papua New Guinea invited Australia to attend next year's Ministerial Forum at a date and venue to be advised. Australia thanked Papua New Guinea and agreed to accept this invitation.

The Hon Stephen Smith MP  
Minister for Foreign Affairs  
Australia

The Hon Sam Abal MP  
Minister for Foreign Affairs, Trade  
and Immigration  
Papua New Guinea



Date: 10/06/09

