

Third Australia-Papua New Guinea Ministerial Forum

The Third Australia-Papua New Guinea Ministerial Forum was held in Canberra on 21-22 February 1991 and officially opened by Prime Minister Hawke. Senior ministerial representation on both sides underlined the importance which both countries attach to the Forum.

The Papua New Guinea delegation was led by the Foreign Minister, Sir Michael Somare, and included the Minister for Finance and Planning, Mr Paul Pora, the Minister for Minerals and Energy, Mr Patterson Lowa, the Minister for Defence, Mr Benias Sabumei, the Minister for Police, Mr Mathias Ijape, and the Acting Minister for Trade and Industry, Mr Jack Genia.

The Australian delegation was headed by the Minister for Foreign Affairs and Trade, Senator Gareth Evans, and included the Treasurer, Mr Keating, the Minister for Industry, Technology and Commerce, Senator Button, the Minister for Primary Industries and Energy, Mr Kerin, the Minister for Defence, Senator Ray, the Minister for Justice and Consumer Affairs, Senator Tate, and the Minister for Resources, Mr Griffiths.

The main focuses of the Third Ministerial Forum were economic relations including the impact of international developments on Australia and Papua New Guinea, security issues including the Papua New Guinea security review and the Bougainville situation, Australia's development assistance to Papua New Guinea and bilateral parliamentary contact.

The Forum was also the occasion for the signing of two new bilateral agreements - the revised Papua New Guinea-Australia Trade and Commercial Relations Agreement (PATCRA) and a Memorandum of Understanding on shipping.

In his opening statement Prime Minister Hawke emphasised the importance Australia attaches to its relationship with its sovereign, independent near-neighbour Papua New Guinea, a relationship interwoven by close ties of history, kinship and commerce.

Mr Hawke recalled his own visit to Papua New Guinea last September, which had given him a clearer understanding both of the great opportunities for natural resource development in Papua New Guinea and of the nation's understanding of its own problems and challenges, notably at present law and order, the Bougainville situation and depressed world agricultural prices and their impact on the domestic economy. He had been impressed by the deliberate and responsible way in which Papua New Guinea was seeking to deal with its problems and challenges.

Mr Hawke noted that the current level of Australian investment in Papua New Guinea was about \$1.8 billion and this was likely to rise to \$4 billion over the next five years. It was agreed that Mr Hawke's visit that there should be a review of Australian security assistance to Papua New Guinea. In turn, Papua

New Guinea undertook to carry out a review of its defence and security policies and the role and structure of the PNG army and police and their relevance to PNG's contemporary security problems. Australia had completed its side of the review and looked forward to hearing the preliminary outcome of Papua New Guinea's own deliberations.

On the international security front, Mr Hawke noted with satisfaction the common stance Australia and Papua New Guinea had taken on the Gulf crisis, of support for international unity in resisting armed aggression by one nation against another and of support for the principle of collective security.

Mr Hawke welcomed the Honiara Declaration as a positive step towards a peaceful resolution of the Bougainville situation and conveyed Australia's support for this process.

Finally, he noted that Papua New Guinea and Australia had a common interest in a good outcome from the Uruguay Round

including the freeing-up of international trade in agricultural products. The signing of the revised PATCRA between Australia and Papua New Guinea was aimed at encouraging greater bilateral trade and investment through the removal of impediments and barriers.

Sir Michael Somare's opening statement affirmed Papua New Guinea's commitment to a close, cooperative and friendly relationship with Australia, building on the substantial links of history, geography and personal and economic relations. Papua New Guinea valued the "frank, cordial and constructive" discussions of the Australia-Papua New Guinea Ministerial Forums.

Sir Michael noted the changing international context of Australia-Papua New Guinea relations - the Gulf conflict and the changes in Eastern Europe with their implications for international security, the emergence of regional economic arrangements, and the continued growth and expansion of our own Asia-Pacific region with the clear advantages of greater regional economic cooperation.

He declared his government's optimism at the progress of implementation of the Honiara Declaration, which would include a multinational supervisory team to oversee the restoration of peace and services to Bougainville. Papua New Guinea hoped Australia would be a participant along with several other countries of the region.

While acknowledging the law and order problems existing in Papua New Guinea, Sir Michael was concerned that there be an unexaggerated perception of their size. The Papua New Guinea Government was committed to a thorough review of its overall security situation and looked forward to discussions with Australia on bilateral cooperative security arrangements and areas for defence and security cooperation with other countries.

The closure of the Bougainville copper mine in 1989 and continued depressed international prices for Papua New Guinea's major agricultural commodities had had major adverse effects on Papua New Guinea's economy. But a major structural adjustment program approved by the World Bank had been successfully embarked on, with support from the international donor community including Australia.

Papua New Guinea remained optimistic about its long-term economic future based on its major oil and mineral resource development projects. However, it had to determine an approach to development of the natural resources sector to suit its own unique system of land ownership by allowing more active and equitable participation by land owners and provincial governments in resource development projects while also protecting the interests of foreign investors.

Sir Michael welcomed the revised PATCRA as an enhancement of Papua New Guinea's opportunities for trade and investment with Australia which his government intended to promote further with an industrial and trade development action plan to be announced later in 1991.

He said Papua New Guinea continued to value Australian development assistance, which was to continue in its present form until June 1994 under the present bilateral Development Cooperation Treaty.

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