Welcome to the third issue of the APNGBC Newsletter. March was a busy month. In addition to the normal day to day activities, we hosted a cocktail function in honour of a visit by the Australian Prime Minister, Hon Tony Abbott MP at the Gateway Hotel on Friday 21st March 2014, with 200 guests.

Geoff Day in his capacity as acting President of APNGBC (Australia) commanded the proceedings and introduced me to cover the recent work APNGBC had been attending to. This included bilateral meetings and visas. PM Abbott spoke in reply about how strong Australia’s relationship is with PNG and that he had signed an Economic Corporation Treaty with PNG. PM Abbott also expressed his thanks for the PNG Governments’ role and efforts in controlling people smuggling in the region. Thank you also to Mark Baker (APNGBC – PNG Executive Member) for his excellent summing up of speakers comments.

Many thanks to Dulcie Bodu (APNGBC Administration Officer) and Sylvia Pascoe and her team who organized the event in the absence of Helena who was on leave at this time. Photos of this event can be found on our website shortly and also within this Newsletter.

I would like to personally thank two of our Executive Committee who are leaving PNG end of April, Kevan Dacey from Austrade and Rick Sawicki from Qantas. Both Kevan and Rick have provided valuable support to the committee and I wish them all the very best in their future endeavours.

There are currently 220 registered participants and 46 Trade Booths sold for the 30th Australia PNG Business Forum & Trade Expo 18-20 May 2014 in Cairns. Please contact the Secretariat for a copy of the Brochure or for any enquiries relating to the forum.
For those of you that are not aware, the APNGBC operates very active organisations in both Australia and PNG. We focus on bilateral issues that encourage sustainable trade and investment between the nations and support work programs sponsored by other peak bodies that will enhance the investment climate and help reduce the costs of doing business.

The APNGBC work program has covered issues relating to trade treaties, tariffs and the delivery of Australian Aid.

In terms of the big ‘V’ word, visas was raised by both PMs today. It is ironic and should not be glossed over that the APNGBC was instrumental and led the call for an improvement of the visa application process for PNG citizens to travel to Australia. So gone are the long lines of very patient Papua New Guineans.

APNGBC:
• has represented its members at four Bilateral Business and Officials Working Group, which was formed at the Australia Ministerial Forum in 2011 and mandated to examine business issues and report back to the Ministerial Forum each year. We are pleased with the establishment and ongoing support for the Working Group because it gives business a regular and structured opportunity to engage with officials from both governments on business issues. There is scope to accelerate progress of issues.

• has been a leading participant in bilateral meetings on trade and ways in which the Australian Foreign Aid programmes can partner the private sector in delivering aid projects in areas that create long term sustainable solutions to the development challenges and programs goals that have been agreed by both governments. The APNGBC would encourage the architects of the Australian Aid Program in PNG to ensure the design and implementation of projects allows the completed project to continue in perpetuity once aid funding concludes. APNGBC members would welcome the opportunity for Australian Aid to partner their TVET Training, Education, Health and community welfare projects.

• welcomes the arrival of Australian Federal Police and looks forward to hearing of the positive impact this is having for law and order in the community. A challenge for the program is for it to leave behind a legacy of improved procedures, infrastructure and a mechanism for securing adequate PNG Government funding for the RPNGPC.

• is mindful of Prime Minister O’Neill’s call for a Special Economic Zone between North Queensland and Papua New Guinea and believe there are a number of measures which can assist moves in that direction. We are keen to work closely with governments to explore these.”
Manus Island—Regional Processing Centre

The Manus Island Regional Processing Center (RPC) has been the focus of a number of investigations over the last month.

Course of events
Normalcy returned to the RPC after the outbreak of violence at the centre housing 1500 asylum seekers, during which detained foreign nationals almost overran the facility. The 17 February clashes between asylum seekers and G4S guards are now being investigated by the PNG and Australian governments.

Policy
In early March, Australia’s Minister for Immigration and Border Protection Scott Morrison met with his counterparts in Port Moresby to facilitate an agreement that Australia and PNG will meet monthly to monitor the progress of the RPC.

During Australian Prime Minister Tony Abbott’s visit to PNG (20-22 March 2014), an agreement was reached with PNG Prime Minister Peter O’Neill to resettle some of those assessed as genuine refugees in PNG. However, the legislative framework to assess the refugees will be introduced to the PNG Parliament in May. Therefore the first refugees will most likely be resettled in May-June this year.

Prime Minister Peter O’Neill stated that he did not know the exact number of those that will be assessed as genuine refugees, as many will opt to return to their country of origin because they were economic refugees, not genuine refugees. O’Neill also made it clear that he expected other countries in the Pacific to also participate in resettling refugees. O’Neill also reminded the media that PNG agreed to establish the RPC in order to save thousands of people who died at sea, trying to make the journey to Australia by boat.

Legal Proceedings
An investigation of human rights at the RPC launched in February by National Court Judge Justice David Cannings, was shut down by the PNG government after they obtained Supreme Court orders to the stay the proceedings. However, Cannings launched a new inquiry after he visited the RPC with journalists. This inquiry allowed Australian lawyer Jay Williams to visit 75 transferees that he was representing. However, Williams was soon deported for breaching his visa conditions after it was discovered he did not hold a valid legal practicing certificate for PNG.

Journalists who visited the centre reported conditions were overcrowded but the RPC was in good condition. Subsequently, a National Court appointed specialist consultant found that the curative health care available to transferees and support staff appeared to be excellent.

The legal proceedings also continued with a total of 11 transferees testifying before the National Court Inquiry on 26 March. Amnesty International was also granted leave to join as a party to the proceedings.

Visa Ban

Australia has said there will be no visa on arrival for PNGs, but Abbott and O’Neill were working together to find a suitable solution for PNGs to enter Australia more efficiently. It was discussed that the Papua New Guinean and Australian immigration computer systems could be adapted to allow for the sharing of information, similar to the current Australia-New Zealand situation which effectively provides a visa on arrival in Australia for New Zealand citizens.
Prime Minister Tony Abbott’s visit to PNG

Australian Prime Minister Tony Abbott visited PNG from 20-22 March 2014. During his visit he met a number of Government officials including; Prime Minister Peter O’Neill and Governor-General Sir Michael Ogio. The focus of his trip was to; enhance economic relations, explore opportunities that both countries could benefit from economically, particularly in the area of trade and business, and iron out issues between the countries which may threaten stability, and visit several Australian funded programs.

Abbott also discussed the Manus RPC, the Australian visa issue and progress of the PNG LNG project. As a result of his visit, Abbott signed an economic trade deal allowing for an increase in trade and investment between the two countries.

Abbott commented that PNG was becoming a player in the global community not just the Pacific. The hosting of the 2018 APEC Leaders Summit was evidence of this and Australia will support however they can. PNG will also continue assisting Australia to address people smuggling by maintaining the Manus RPC. Abbott also confirmed the continuing support roles of the Australian Federal Police.

Infrastructure

A concessional loan of over K318 million from China was granted for the construction of the Hanuabada to 9-Mile road via Gerehu. This would improve traffic congestion and access.

The reconstruction and upgrading of Lae roads have been hampered by poor performance of contractors. Lae roads are one of the Government’s high impact projects that is being funded through the national budget.

The Kerema-Malalaua K78 million roadworks are being funded through a loan from the World Bank. The works will take 2 years to complete.

Department of Works is developing a policy to penalize contractors that fail to declare their over budget costs, after reports of millions of kina had gone missing over the years. Many contractors were awarded contracts by the state and did not complete their work on time or to a high quality standard.

State of the Economy

The economy has experienced positive, stable growth for the past 12 years. According to the Bank of Papua New Guinea, despite high liquidity in the banking system, the kina exchange rate was stable, inflation was low and there would be continued economic growth. The PNG LNG Project was also progressing well and first gas exports were expected in the second half of the year which would mean an inflow of foreign exchange to support the kina.

Pacific trade growth has also increased six fold in the last decade, reaching close to USD25 billion annually. PNG accounts for 80 per cent of exports and 65 per cent of imports.

The National Housing Corporation land and properties in the provinces will be transferred to all provincial governments after the nationwide verification, validation and valuation exercise is completed. This would help alleviate the shortage of housing for public servants in the provinces.

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Food Imports

Rural Industries Council slammed the import of raw chicken and eggs into the country, stating that it posed a high bio-security threat to PNG wildlife and poultry farmers’ businesses.

Mobile Rates

BMobile customers will receive a special call rate if they subscribe for only K2 to access 40 toea per minute calls to all mobile operator networks in the country. Subscription is valid for 24 hours, to encourage new customers. However, BMobile continues to rectify network problems.

Oil Palm Project

According to the Minister for Commerce, Trade and Industry Richard Maru, an oil palm project on the plains of East Sepik Province, has received K50 million in funds from the Government. It will be the biggest oil palm project in the world once it is completed.

Australian Builder Leighton Goes Spanish

Australian builder Leighton, which is developing the multi million dollar ExxonMobil PNG LNG Project staff compound at Seven Mile and the PRL Ground Boroko stadium for next year’s SP Games, has been taken over by Spanish interest Hochtief.

Women’s Interests

Australian High Commissioner to PNG Deborah Stokes, yesterday joined the Business and Professional Women’s Club in Port Moresby to celebrate International Women’s Day (IWD). The Australian Government supports positive changes for PNG women, including gender equality and empowerment, education and employment opportunities, and ending domestic violence.

HIV

HIV cases are on the rise in rural areas as there are no education/awareness programs on basic HIV/AIDS information. A lot of money and resources have been spent in urban areas, but little to no resources have been allocated to the rural population.
WHAT IS THE AUSTRALIA PAPUA NEW GUINEA BUSINESS COUNCIL?

Established in 1980 the Council is a non-profit association of Australia-based businesses with interests in Papua New Guinea. The management of the Council is vested under the constitution in an Executive Committee, headed by a President and three Vice-Presidents, elected at an Annual General Meeting of members.

The Council's goals are to advance the interest of Australia business in Papua New Guinea by:

1. increasing trade and investment between Australia and Papua New Guinea;
2. encouraging the further development and expansion of the Papua New Guinea economy;
3. representing Australian business interests to the Australian and Papua New Guinea governments;
4. providing a network of business people with shared interests in Papua New Guinea.

HOW DOES THE COUNCIL ACHIEVE ITS GOALS?

The Council advances Australian business interests in Papua New Guinea through:

- the holding of trade, investment and information seminars on Papua New Guinea;
- participation in regular bilateral Ministerial talks to discuss major policy issues of concern to Australian business;
- submissions to government on policy matters affecting Australian business interests in Papua New Guinea;
- the receiving and sending of trade and investment delegations between Australia and Papua New Guinea;
- dissemination to members of information on current economic, political and social developments in Papua New Guinea;
- providing access to a network of Australian businesses with long experience in Papua New Guinea with whom members can seek and share information.

APNGBC Executive Committee

President: Phil Franklin (BNG Trading)
Vice President: James Kruse (Deloitte)
Secretary: Jonathan Seeto (PWC)
Treasurer: David Guinn (Guinn PKF)
Committee:
Rick Sawicki (Qantas)
Mark Baker (ANZ)
Geoff Toone (Westpac)
Peter Diezmann (Interoil)
Peter Graham (Esso Highlands)
HE Deborah Stokes (AHC) – Ex Officio
Kevan Dacey (Austrade) – Ex Officio

APNGBC Office Staff

Helena Wilson – Corporate Services Manager
Dulcie Bodu – Administration Manager

PNG CONSULATE–CAIRNS

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PNG PUBLIC HOLIDAYS FOR 2014

Good Friday - Fri APR 18
Easter Saturday - Sat APR 19
Easter Sunday - Sun APR 20
Easter Monday - Mon APR 21
Queen’s birthday - Mon JUN 9
Remembrance Day - Wed JUL 23
Independence Day - Tue AUG 26
Christmas Day - Thu DEC 25
Boxing Day - Fri DEC 26