

UPNG Papua New Guinea Update
Address by HE Bruce Davis
Australian High Commissioner to Papua New Guinea
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Acknowledgements:

The Honourable James Marape, Prime Minister
Heads of Government Agencies
Distinguished Guests
Ladies and Gentlemen

Thank you for the opportunity to address this year's Papua New Guinea Update, at this great Papua New Guinean institution. And supported by the Papua New Guinea-Australia Partnership.

With the **successful state visit** to Australia by Prime Minister James Marape and his delegation of ministers and governors, there has been quite a spotlight on the relationship between our two countries.

To borrow from one of the Prime Minister's themes, we are now beginning a new chapter in the long book of relations between Papua New Guinea and Australia. It is therefore an opportune time to deliver these remarks.

In a speech of this nature, perhaps the most standard approach is to launch into a discussion of all the activities Papua New Guinea and Australia are delivering together. Through our partnership, it is certainly a diverse and substantial list.

However, before reflecting on some of our signature initiatives, I want to take a step back to consider what drives the Papua New Guinea-Australia partnership. To look at why and how we are working together.

Our partnership does not exist in a vacuum. It is the product of a special shared history. The values we have in common, and the relationships between our people and our institutions, bind us together.

The starting point for any country or institution, looking to effectively partner with Papua New Guinea, must be to try to understand Papua New Guinea's view of itself and its priorities. Australia is well placed to work with Papua New Guinea on shared challenges and we must try, from an outsider's perspective, to understand how Papua New Guinea sees the challenges of its first 44 years of Independence. And how it sees the opportunities of the next 44 years and beyond.

A meaningful partnership with Papua New Guinea means listening to Papua New Guineans and shaping engagement accordingly. Even if at times imperfectly, Australia follows this approach and we invest in mechanisms at every level of our relationship to ensure a genuine dialogue guides our partnership.

The latest example is a joint commitment to hold **annual leaders' talks** – with the inaugural dialogue between Prime Minister Morrison and Prime Minister Marape held just over two weeks ago. We must continue to listen as a new generation of leaders emerges and articulates their ambitions for Papua New Guinea.

Papua New Guinea is rightly proud of its many cultures and identities, which stretch back millennia in this land of a thousand tribes. The scale of Papua New Guinea's modern achievements, in sustaining democratic government and an independent judiciary must be recognised. This sits beside the development challenges in what Prime Minister Marape has described as 'the most geographically and culturally diverse nation on earth.'

Papua New Guinea's 830 tribal and language groups, its connection to Western traditions and Christian principles and its status as a Pacific leader all play into its modern sense of identity. Unambiguously, Papua New Guinea's vision is to build on these achievements and assert greater control of its own future. Australia understands this and wants to engage in keeping with this vision.

Papua New Guinea's geographic location in the **Indo-Pacific**, which is now at the centre of the global economy, presents new opportunities and challenges. Papua New Guinea is astutely looking to take advantage of its position close to the trading routes and economic powerhouses of Asia.

The international order in the Indo-Pacific is changing and we cannot know the strategic and economic implications with certainty. However, we know for sure that a modern partnership between Papua New Guinea and Australia will be central to both our countries' engagement with the region and to our mutual benefit.

As the contest for influence in the Indo-Pacific grows, Papua New Guinea is clear that its approach is as a 'friend to all'. Having said that, we take pride in the fact that the security relationship between Papua New Guinea and Australia is special and unbreakable. It is characterised by a shared history of wartime sacrifice and a shared commitment to promoting an open, inclusive and rules-based Indo-Pacific into the future.

Central to our security relationship is the long-term partnership between the PNG Defence Force and Australian Defence Force. It is a best practice example of inter-agency cooperation between our two countries. Australia's **Defence Cooperation Program** with Papua New Guinea marks its 40th anniversary this year and is larger than similar arrangements we have with any other partner.

We are currently working together to bring four new Guardian-class patrol vessels on line. In July, Prime Minister Marape visited shipyards in Henderson, Western Australia where these ships are under construction. The first, *the Ted Diro*, commenced operation in early 2019 and is already patrolling Papua New Guinea's northern waters.

It is upholding maritime sovereignty and protecting Papua New Guinea's fisheries resources – a core priority. And our Defence Cooperation Program will continue to adapt to keep pace with The Prime Minister's vision of the PNG Defence Force as a key nation building asset, including in the area of natural disaster response.

We continue to work together in so many other areas of security cooperation as well – whether it be border security, policing, customs and immigration.

Papua New Guinea and Australia are near neighbours, but the similarities between us go far beyond geographic proximity.

Custodianship and **ownership of land** is central to Papua New Guinea's economic system and cultural foundation.

I accompanied Prime Minister Marape to the remote Pilbara region of Western Australia on his recent state visit. We saw ancient indigenous rock art and participated in a moving welcome to country ceremony.

I was struck by the parallels with the concept of belonging to country that characterises Australia's First Nations peoples and Papua New Guineans.

Longstanding **indigenous connections** between Papua New Guinea and Australia are being revived and I am personally committed to fostering these links.

Last month, the High Commission supported four Papua New Guineans to travel to the Cairns Indigenous Art Fair to explore exchange and entrepreneurship opportunities. In coming days, a group of dancers from Australia's Torres Strait will perform at the Enga and Hagen Cultural Shows, becoming the first non-Papua New Guinean groups to perform at these legendary Highlands celebrations.

The wealth of the land in Papua New Guinea and its abundant **natural resource** potential offers so much. At the same time, the ruggedness of the terrain continues to challenge remote service delivery.

Prime Minister Marape spoke recently of his frustration at seeing many of the hardships which his grandparent's generation experienced still persisting today, even in resource rich Hela Province. The Prime Minister has been clear that harnessing this country's natural resources to maximise economic opportunities for all the people of Papua New Guinea is central to his agenda.

Striking the right balance in realising taxation and royalty returns while remaining an internationally competitive destination for scarce foreign investment is not straightforward. It is a challenge which Australia, like Papua New Guinea, has grappled with.

It is entirely reasonable that Papua New Guinea is concerned with securing an equitable share of resource revenue. At the same time, investors will favour a transparent and predictable operating environment and will naturally seek the best deal possible. In Australia's experience, foreign investment has proven critical for economic growth and has helped drive over 30 years of uninterrupted economic prosperity.

Of course, Prime Minister Marape's emphasis on diversifying Papua New Guinea's **economy** – with a particular focus on agriculture, sustainable forestry and fisheries - is a critical response too. Success in these sectors will be crucial to achieving the economic self-reliance set as a goal for the nation.

As always, we stand ready to engage with Papua New Guinea, who will find Australia to be a committed partner in this endeavour. A central focus of our development program is working with the Government of PNG to help achieve a framework that fosters economic growth and translates growth into real benefits for Papua New Guinean citizens. This involves investing in a skilled and healthy workforce, expanding enabling infrastructure and promoting security and access to justice.

Our partnership with Papua New Guinea to improve **market access** for agricultural producers is a prime example of how Australia can contribute. In 2017, we partnered with the PNG Cocoa Board to hold a Cocoa Excellence Show in Kokopo, linking cocoa producers with premium craft chocolate makers. A cocoa farmer from West Sepik, Grace Klembasa, won best in the show. Bars of single origin dark chocolate made from cocoa beans supplied by Grace are being sold as far afield as Hawaii.

Cocoa is a K300 million industry in Papua New Guinea and these types of stories give an insight into what is possible. Indeed, while we meet here, the annual Bougainville Chocolate Festival is taking place in Arawa.

Australia is paying close attention to the Papua New Guinean Government's focus on equipping young Papua New Guineans with the **training and skills** to take advantage of expanding opportunities in the formal sector – both here and overseas.

In 2006, we jointly established a Pacific-wide institution known as the **Australia Pacific Training Coalition**, with a campus here in Port Moresby. It has delivered employment focused, vocational training to more than 3,100 Papua New Guineans to date. We are now planning to expand our investment in technical and vocational education, particularly in the provinces. Manus has been identified as an early location for extension. We are also keen to deliver extra employment-ready courses within existing institutions including, for example, in nursing schools.

The **Australia Awards** scheme is a flagship investment and since the early 1950s, over 11,000 Papua New Guineans have received scholarship opportunities, many to study at Australian universities. We are proud of these achievements and we are always considering how we can respond to Papua New Guinea's requests to do more.

The resilience of the people of Papua New Guinea – particularly the 80 percent who live in rural areas – is perhaps this nation’s greatest asset. But remoteness is also a challenge to policy makers seeking to guarantee high-quality basic service delivery.

Prime Minister Marape has challenged Papua New Guinea’s **public sector** to become leaner and to reform its delivery of services. This builds on Papua New Guinea’s agenda of **decentralisation** – aimed at getting more decision-making authority and resources out to the provincial and local governments.

Australia is partnering with Papua New Guinea on this priority in a number of ways. First, we are supporting public sector reform through a focus on leadership. The **Pacific Leadership and Governance Precinct** is led by the Government of PNG through UPNG and PILAG. As part of the Precinct programs, Australian tertiary institutions have collaborated to deliver training in ethical, practical leadership to more than 3,000 aspiring public service leaders from nearly every province of Papua New Guinea.

Second, Papua New Guinea is diverse and this means we must be diverse in our responses across the country. Australia is committed to ensuring that our assistance delivers benefits across all of the Papua New Guinea – that is why we maintain such an extensive ‘footprint’ of programs across the country.

We are now giving consideration to ‘priority economic corridors’ identified by Papua New Guinea. Ultimately, we aspire to an approach that is joined up and integrates – under local leadership – our infrastructure, law and justice, health and education investments into one cohesive and unified effort. We work in partnership with local leaders, community groups, churches, and all levels of government in Papua New Guinea.

We are also trialling new partnerships at provincial and local government levels. In five pilot districts, in Western Highlands, Morobe, West Sepik, Manus and West New Britain, we trialled a new approach to directly partner with local authorities and co-fund local solutions – for example women’s resource centres and mechanical workshops – based on needs identified by local people. We are now evolving these partnerships in line with the Marape government’s approach of working closely with provinces which have the leadership and drive to make a difference at the sub national level.

And so, what next for the bilateral agenda? The headline from the recent meeting between Prime Minister Marape and Prime Minister Morrison in Canberra was a joint announcement that Papua New Guinea and Australia would elevate our relationship to a **Comprehensive Strategic and Economic Partnership**. This is about taking our relationship to a new level to make sure we have a modern partnership that is fit for purpose, responds to our changing Indo-Pacific region and responds to both countries’ interests.

Importantly, the CSEP is a leaders-level commitment that will draw the many disparate strands of our bilateral engagement into a more coherent whole. The CSEP will enable us to take forward clearly defined work streams related to areas of mutual priority including security cooperation, institutional links, a more visible development program, governance and trade and investment. This framework will be a key focus of the annual Papua New Guinea - Australia Ministerial Forum to be held here later this month.

Our evolving economic and **trade relationship** is a particular focus for both governments. Australia is Papua New Guinea's largest trading and commercial partner and the value of our two-way trade reached K14.3 billion in 2017-18. There is a healthy trade surplus in Papua New Guinea's favour, to the tune of K3.2 billion last year. There is currently more than 4,400 Australian businesses exporting to Papua New Guinea and we want to see more Australian investment here, in support of the economic diversification goals set down by Prime Minister Marape.

Alongside broader discussions on economic cooperation, I expect to see strong exchanges between Australian and Papua New Guinean economic and trade ministers during forthcoming talks on how to further expand our trade and investment links. As was highlighted during the visit to Murdoch University during the state visit, discussions around increasing agricultural diversity, market access and biosecurity are obvious areas of early focus.

Opportunities for Papua New Guinean workers and businesses through Australia's **Pacific Labour Scheme** is another exciting and promising economic opportunity before us.

Papua New Guinea formally joined the Pacific Labour Scheme in March 2019 and our challenge now is to maximise the number of Papua New Guineans able to participate in this scheme, as well as the Seasonal Workers Programme. We will do this by working harder to connect Australian employers with potential Papua New Guinean employees and by continuing to invest in TVET so that Papua New Guinean workers can upskill to achieve Australian certification.

Australia aspires to be a sophisticated development partner for Papua New Guinea. This means that our programs, however worthy, do not exist in isolation as stand-alone initiatives.

Instead, each of our investments is an enabler, intended to have a multiplier effect on economic and social development in Papua New Guinea. And as Papua New Guinea's population rapidly grows, investing in better health, education and well-being for **all** Papua New Guineans will be essential for economic prosperity and the building of this great nation.

A good example is our two Prime Ministers' announcement last month that Australia would provide \$54 million in additional funding to Papua New Guinea's quality **healthcare** agenda. As part of this we are contributing \$10 million to Papua New Guinea's accelerated routine immunisation program. Alongside other partners, this will help immunise up to 400,000 children across 12 provinces over three years. A great joined up effort under PNG Leadership. The redevelopment of ANGAU Hospital is another example.

Similarly, initiatives focused on **gender equality** are front and centre in our engagement. We know that when women and girls are empowered, families and communities can thrive.

There is no better example of Australia's development partnership with Papua New Guinea as an enabler of growth than our investments in **infrastructure** – roads, ports, energy and telecommunications. Australia welcomes Papua New Guinea's clear expectation that partners will achieve a minimum 50 percent infrastructure spend across their programs and we are responding accordingly.

Last month, Prime Minister Marape and Prime Minister Morrison announced we will jointly deliver a suite of new investments in Papua New Guinea's energy sector, valued at up to \$250 million.

This investment builds on the **PNG Electrification Partnership** announced at **APEC 2018** which is already delivering results – this year we collaborated with New Zealand to extend electricity transmission and distribution lines in the Tsak Valley, Enga Province and connected 30,000 people to reliable power for the first time. Importantly this partnership is building Papua New Guinea’s **climate resilience**, through investment in renewable energy sources.

Australia’s collaboration with Papua New Guinea to build the **Coral Sea Cable System** from Port Moresby to Sydney is on track and will be completed later this year. This new infrastructure will effectively make the internet 800 times faster. This investment is an enabler of growth – it will have a multiplier effect in improving service delivery and business productivity. It will give Papua New Guinea a much greater opportunity to adapt to our rapidly changing digital future.

Our new CSEP arrangement will see Papua New Guinea and Australia forge ahead in traditional areas of strength for our bilateral relationship. In July, Prime Minister Marape and Prime Minister Morrison announced we would deepen our security partnership with a new \$20 million package of initiatives, including for military aviation and maritime security. This builds on the announcement of our **Joint Initiative at Lombrum Naval Base** in November 2018.

The two Prime Ministers also announced a new \$9.5 million **Secondary Schools Initiative** to twin 12 secondary schools in Papua New Guinea with 12 partner schools in Australia and to strengthen links between teachers and students in both countries. It was a pleasure to join Mr & Mrs Marape at Cherrybrook High in Western Sydney. Cherrybrook will partner with Sogeri High School.

So much of the substance of the relationship between Papua New Guinea and Australia is about **connections between people** and institutions across both countries. From customary fishing access across the Torres Strait to modern partnerships between sporting, religious and educational organisations.

In July, I was pleased to host the Vice Chancellor of the University of Queensland, one of Australia's top universities, who brought a large delegation to explore further opportunities for partnership with Papua New Guinea. This is the first Australian university initiative of this sort and just one of many institutional links – old and new – between our two countries.

These connections however will not be established or sustained according to the timetable of our new CSEP. Governments can help to foster these links, but when organic and spontaneous exchanges take over, that is actually what success looks like.

In some ways the CSEP is the culmination of an evolution in Papua New Guinea and Australia's relationship over a number of years. We have moved away from an outmoded donor-recipient relationship and towards a contemporary strategic and economic partnership. I have personally witnessed this evolution over my four years as Australian High Commissioner.

But we must sustain the momentum – we must listen clearly to Papua New Guinea. We must be forever looking for ways to enhance the relationship – and be able to legitimately say Papua New Guinea and Australia are more than neighbours, more than friends: 'yumi em wantok'.

Thank you.