

## **PRIME MINISTERS STATEMENT DURING THE RECEPTION HOSTED BY THE PNG HIGH COMMISSIONER TO AUSTRALIA**

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(Salutations)

Let me at the outset say that I had very constructive discussions with Prime Minister Rudd this morning on our bilateral relations and how we intend to move the relationship forward.

Papua New Guinea and Australia are **true friends**. And I say **FRIENDS** - in every sense of the word.

Our partnership has withstood the test of time. Over the years this partnership has grown and matured.

Papua New Guinea's official, business and people to people links with Australia are the most extensive of all the links that we have with other countries.

Australia is still Papua New Guinea's largest trading partner and main source of investment.

Papua New Guinea continues to receive a large share of Australia's official development assistance.

Australian educational institutions continue to host an increasing number of Papua New Guineans each year.

Anecdotal evidence suggests that Papua New Guineans continue to choose Australia over other countries to seek specialist medical attention.

Large numbers of Papua New Guineans continue to travel to Australia for holiday and tourism purposes.

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Our sporting links, not to mention the National Rugby League (NRL) following in Papua New Guinea, continues to grow every year.

Our two countries are implementing joint programmes in areas such as climate change, defence, police, HIV/Aids, customs, etc.

Ladies and Gentlemen

I make these observations to underscore the **DEPTH OF THE RELATIONSHIP** between Papua New Guinea and Australia.

But of particular interest and importance to me is the **WARMTH OF THE RELATIONSHIP** - an aspect, very often overshadowed by the negative reporting in the media.

At the risk of stating the obvious, let me just point out that we are standing on a piece of Papua New Guinea territory on Australian soil.

The Kamasan that stands on this site symbolizes Papua New Guinea's **DEEP ROOTED COMMITMENT** to its relations with Australia. We are also in the process of re-opening our Sydney and Cairns posts.

And, we are grateful to the Australian Government and people for accepting us in their midst.

With your kind indulgence, let me just dwell on the warmth of the relationship between our two countries a while longer.

Too often, differences in policy choices in Papua New Guinea, critical views expressed by individuals in our two countries on certain Government actions, and isolated incidents relating to overzealous implementation of regulations by officials have given rise to the notion that the warmth in the relationship has gone.

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Nothing can be further from the truth.

Just a few days ago, Papua New Guineans celebrated ANZAC day as if we were there at Gallipoli on 25 April 1915. That is a measure of the warmth of friendship we share with Australians – as well as with New Zealanders.

For many of us, the ANZAC occasion presents us an opportunity to remember the sacrifices of those brave men and women in all conflicts to guarantee us the freedoms we often take for granted.

Earlier today, we witnessed the official launch of the Fuzzy Wuzzy Angels Commemorative Medal to honour the partnership between Papua New Guineans and Australians during the Second World War – in particular along the Kokoda Track.

There is no better reminder of the warmth of friendship between our two peoples, and the lengths we will go to help each other, than the picture of George Withington being carried to safety by Raphael Oyimbari along the Kokoda Track.

Who will forget the outpouring of generosity from ordinary Papua New Guineans and Australians every time a disaster befalls each of our two countries. That is a measure of the warmth of our friendship.

Ladies and Gentlemen

Thanks to the foresight of Australian Leaders like Gough Whitlam, Bob Hawke and others in the Labour Party, Papua New Guinea gained independence without shedding a drop of blood.

On independence day, the Australian flag was lowered down in a dignified and respectful ceremony and handed over to the then Australian Governor General, Sir John Kerr, and not torn down in disdain. That is a measure of the warmth of our friendship and mutual respect.

It would be remiss of me not to acknowledge that the feelings of endearment towards Papua New Guinea cut across Australian political party lines.

During their times in Government, Liberal leaders like Malcolm Fraser and Andrew Peacock committed themselves to ensuring that Papua New Guinea developed into a viable independent sovereign nation.

Like a mother that gives birth to a child and watches over that child grow through the teen years with anxiety and then to full adulthood, Australia has played that difficult role admirably with Papua New Guinea.

Papua New Guinea is grateful for the continuing support we receive from Australia.

In the early years, we started with Australia giving predominantly direct budget support. As Papua New Guinea matured, we jointly agreed for that direct budget support to be gradually phased out and shifted to programmed aid.

**Now, all of Australia's support is directed towards identified sectors and projects mutually agreed to between our two Governments and embodied in the PNG/Australia Development Cooperation Strategy.**

I note with satisfaction that the Partnership for Development Agreement reaffirms the continuing commitment of the Australian Government to Papua New Guinea's development needs as defined by the Medium Term Development Strategy (MTDS).

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What is more pleasing is the fact that the **Partnership for Development Agreement affirms the principles of mutual respect** embodied in the Joint Declaration of Principles.

In addition, the **Partnership for Development Agreement introduces a new element of mutual responsibility** to the conduct of our relations.

Ladies and Gentlemen

When launching the Port Moresby Declaration, the Australian Government announced the beginning of a new era of cooperation with the island nations of the Pacific marked by mutual respect and mutual responsibility.

Consistent with the Port Moresby Declaration and the Partnership for Development Agreement, my Government has decided that the **time has come to assert and accept more responsibility over our national development.**

Papua New Guinea will also be **accepting more responsibility with respect to regional initiatives.**

After over 34 years, Papua New Guinea must forge a **new relationship of equitable partnership** with Australia. Our maturing relationship must be reflected in a new level of equality in our dealings at all levels encompassing political, social, trade and commerce.

That Papua New Guinea is able to now seek a more equitable partnership with Australia is a measure of Australia's success with its development assistance programme to Papua New Guinea over the years.

In this regard, I wish to announce that my Government has decided to instruct our officials and Ministers to liaise with their Australian counterparts to develop a responsible Aid Exit Strategy.

The intention is to further fine-tune and normalize the development support from Australia to meet our long term development objectives.

Resources will initially be redirected to identified sectors to achieve better development outcomes with a view to eventually phasing out the ODA.

For instance, in the first instance, I would like to see more resources taken away from consultancies and allocated towards enhancing private sector development, including better access to finance. This is in recognition of the role of the private sector in driving economic growth.

Likewise, I would like to see some more resources shifted from the public service and policy improvement programmes to fund infrastructure development in the transport, health, and education sectors.

To complement the goal of achieving quality, universal education, I would like to see more financial and personnel resources allocated towards vocational and technical education.

Within the Strongim Gavamani Programme (SGP), I would like to see more resources directed towards having **AUSTRALIAN JUDGES, DOCTORS, AND TEACHERS ACTUALLY DEPLOYED** around Papua New Guinea to work.

Details of this Aid Exit Strategy will be worked out between the officials of our two Governments. This will be done in ways that does not prejudice Papua New Guinea's development effort or without destabilizing our national budget.

In choosing to assert greater mutual responsibility for our national development, I wish to thank the Australian Government and people for the assistance they continue to provide to Papua New Guinea.

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I can assure you that **Papua New Guinea will remain a true friend of Australia.**

Ladies and Gentlemen

On that note, I wish you all the best and ENJOY the evening.

Thank you.