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SPEECH BY THE PRIME MINISTER ON THE OCCASION OF THE
SIGNING OF THE MEMORANDUM OF UNDERSTANDING ON AID
PORT MORESBY - 16 SEPTEMBER 1985

MR PRIME MINISTER, DISTINGUISHED GUESTS, LADIES &
GENTLEMEN.

THE AUSTRALIAN-PAPUA NEW GUINEA RELATIONSHIP HAS BEEN -
AND WILL CONTINUE TO BE - A MATTER OF GREAT IMPORTANCE
TO BOTH OUR COUNTRIES.

IT IS AN INTIMATE RELATIONSHIP - ONE MARKED BY MANY
SHARED POLITICAL, ECONOMIC AND OTHER INTERESTS. IT IS A
RELATIONSHIP WE CAN BE PROUD OF - ONE WHICH STANDS
COMPARISON WITH ANY ARRANGEMENT BETWEEN FOREIGN
COUNTRIES.

PAPUA NEW GUINEA HAS RECORDED IMPRESSIVE ACHIEVEMENTS
SINCE INDEPENDENCE. AUSTRALIA HAS BEEN PLEASED TO
ASSIST YOUR EFFORTS. THE AGREEMENT CONCLUDED TODAY
ESTABLISHES A MUTALLY AGREED FRAMEWORK TO CONTINUE THAT
ASSISTANCE.

OVER THE DECADE SINCE INDEPENDENCE SUCCESSIVE AUSTRALIAN
GOVERNMENTS HAVE ASSERTED AUSTRALIA'S PREPAREDNESS TO
COOPERATE IN THE DEVELOPMENT OF PAPUA NEW GUINEA.

IT HAS BEEN A LONG TERM COMMITMENT. IT IS ACCEPTED WITHOUT QUALIFICATION BY ALL POLITICAL PARTIES IN AUSTRALIA.

I REAFFIRM THIS COMMITMENT.

MR PRIME MINISTER

IN THE LAST TEN YEARS PAPUA NEW GUINEA HAS MADE SUBSTANTIAL PROGRESS TOWARDS ITS GOAL OF ECONOMIC SELF-RELIANCE. THIS MEMORANDUM OF UNDERSTANDING WILL CARRY THIS MUTUAL OBJECTIVE STEADILY FORWARD. AS OUR RECORD SHOWS, AUSTRALIA HAS NO NEO-COLONIALIST AMBITIONS IN PAPUA NEW GUINEA. WE WELCOME AND RESPECT PAPUA NEW GUINEA'S OWN COMMITMENTS TO SELF-RELIANCE. INDEED, WE LOOK FORWARD TO PAPUA NEW GUINEA DIVERSIFYING ITS SOURCES OF AID.

THE NEW ARRANGEMENT - WHICH IS THE THIRD AID AGREEMENT BETWEEN OUR TWO COUNTRIES - CONTINUES THE WELL ESTABLISHED PRINCIPLE THAT THE REAL LEVEL OF AUSTRALIAN AID TO PNG SHOULD FALL STEADILY AND, FOR YOU, AT A MANAGEABLE RATE EACH YEAR. THIS IS AN IMPORTANT PRINCIPLE WHICH REFLECTS THE CLEAR PREFERENCE AND MUTUAL INTEREST OF BOTH OUR COUNTRIES. IT WILL, I AM SURE, STRENGTHEN THE OVERALL RELATIONSHIP BETWEEN OUR TWO COUNTRIES.

AT THE SAME TIME, AUSTRALIA'S COMMITMENT IS SUBSTANTIAL - OVER ONE BILLION KINA, OR 1.4 BILLION AUSTRALIAN DOLLARS - IN THE NEXT FIVE YEARS. PAPUA NEW GUINEA STILL RECEIVES ABOUT A THIRD OF AUSTRALIA'S TOTAL AID AND THE NEW ARRANGEMENT CONFIRMS PNG'S PLACE IN THE AUSTRALIAN AID PROGRAM.

IT IS ~~IS~~ A GENEROUS - AND PROPERLY GENEROUS - COMMITMENT BY ANY STANDARDS.

THIS AGREEMENT IS BASED ON THE COMPLEMENTARY NATIONAL INTERESTS OF BOTH OUR COUNTRIES AND IT HAS BEEN ACCEPTED AS A FAIR AND REASONABLE ACCOMMODATION OF THE INTERESTS OF BOTH OUR GOVERNMENTS. IT IS THE CLEAREST POSSIBLE REFLECTION OF OUR WILL AND ABILITY TO REACH AGREEMENT AS MATURE AND INDEPENDENT SOVEREIGN PARTNERS.

AN IMPORTANT NEW DEVELOPMENT IN THIS THIRD AGREEMENT IS THE EXPANSION OF THAT PART OF THE AID PACKAGE WHICH WILL BE DIRECTED TO SPECIFIC PNG DEVELOPMENT PRIORITIES BY MEANS OTHER THAN BUDGET SUPPORT. INITIALLY THIS WILL INVOLVE ONLY SMALL CHANGES FROM ESTABLISHED ARRANGEMENTS, ALLOWING A GRADUAL SHIFT IN THE FORM OF AID AS THE TOTAL LEVEL OF AID FALLS OVER A LONG PERIOD. THIS WILL ENABLE AUSTRALIAN EXPERTISE TO BE APPLIED DIRECTLY TO PAPUA NEW GUINEA'S PRIORITY DEVELOPMENT NEEDS.

THIS FORM OF AID - PROVIDED BY WAY OF PROJECTS OR TECHNICAL ASSISTANCE - PRESENTS A SPECIAL CHALLENGE. OBVIOUSLY, WE WILL NEED TO WORK CLOSELY TOGETHER TO OPTIMIZE THE BENEFIT OF SUCH AID. WE NEED TO ENSURE THAT FUNDS ARE WISELY USED, AND THAT THEY GENUINELY CONTRIBUTE TO YOUR DEVELOPMENT REQUIREMENTS.

DURING THESE PAST 10 YEARS OUR RELATIONSHIP, MR PRIME MINISTER, HAS EXPANDED BEYOND FINANCIAL SUPPORT TO MANY AREAS WHERE BOTH OUR COUNTRIES REAP BENEFITS.

ONE AREA MUCH APPRECIATED HERE IN PAPUA NEW GUINEA HAS BEEN THE ACCESS AVAILABLE TO COUNTRIES OF THE SOUTH PACIFIC REGION TO AUSTRALIA'S SECONDARY EDUCATION SYSTEM. I AM PLEASED TO CONFIRM THAT WE INTEND MAINTAINING THAT ACCESS: PRIVATE STUDENTS FROM PAPUA NEW GUINEA AND THE SOUTH PACIFIC ISLAND STATES WILL BE EXEMPTED FROM RESTRICTIONS WHICH ARE TO BE APPLIED IN AUSTRALIA FROM 1987 TO ENTRY FOR JUNIOR SECONDARY EDUCATION.

TRADE AND COMMERCIAL RELATIONS HAVE ALSO GROWN BETWEEN US. THEY HAVE INDEED, BEEN ENHANCED UNDER THE PACTRA AGREEMENT WHICH HAS CONTRIBUTED TO THE MAINTENANCE OF REASONABLY OPEN TRADING ARRANGEMENTS BETWEEN OUR TWO COUNTRIES. CONTINUED PURSUIT BY BOTH OUR COUNTRIES OF THE OBJECTIVES OF THAT AGREEMENT IS IMPORTANT TO BOTH OF US.

MR PRIME MINISTER

BOTH PAPUA NEW GUINEA AND AUSTRALIA ALSO SHARE A COMMITMENT TO THE MAINTENANCE OF PEACE.

THE GEOGRAPHIC LOCATION OF THE COUNTRIES OF OUR NEIGHBOURHOOD EXPOSES US TO SIMILAR STRATEGIC CONSIDERATIONS AND SECURITY CONCERNS, COMPELLING CLOSE CO-OPERATION IN DEFENCE MATTERS.

AUSTRALIA AND PAPUA NEW GUINEA HAVE LONG BEEN WORKING TOGETHER TOWARDS REGIONAL SECURITY THROUGH OUR DEFENCE CO-OPERATION PROGRAMS.

WE ARE COOPERATING, TOO, WITH OTHER COUNTRIES IN OUR REGION TO ENSURE OUR CONTINUED PEACE AND GROWTH. WE ARE BOTH ACTIVE AND COMMITTED MEMBERS OF THE SOUTH PACIFIC FORUM WHICH, I BELIEVE, IS GROWING IN STATURE YEAR BY YEAR AS A MEANS OF ASSISTING REGIONAL COOPERATION, IDENTIFYING REGIONAL SOLUTIONS TO THE PROBLEMS WE FACE AND EXPRESSING VIEWS ON DEVELOPMENTS WHICH DIRECTLY AFFECT US ALL.

THIS YEAR'S FORUM AT RAROTONGA WAS, I THOUGHT, PARTICULARLY MEMORABLE. WE REITERATED OUR COMMITMENT TO INDEPENDENCE FOR NEW CALEDONIA AND OUR BELIEF THAT IN DUE COURSE IT MUST TAKE ITS PLACE AS A FREE AND EQUAL MEMBER OF OUR REGION.

THE FORUM'S ENDORSEMENT OF THE SOUTH PACIFIC NUCLEAR FREE ZONE TREATY WAS ALSO THE clearest possible expression of regional countries' aspirations for nuclear disarmament, our opposition to nuclear testing and nuclear dumping and our shared interest in a stable, peaceful world.

AUSTRALIA LOOKS FORWARD TO WORKING TOGETHER WITH PAPUA NEW GUINEA AND ITS NEIGHBOURS IN PURSUIT OF THESE COMMON GOALS.

MR PRIME MINISTER

TODAY IS AN IMPORTANT DAY IN PAPUA NEW GUINEA'S HISTORY.

THERE IS EVERY REASON TO CELEBRATE YOUR COUNTRY'S ACHIEVEMENTS OF THE PAST DECADE.

YOU HAVE ESTABLISHED VIABLE POLITICAL INSTITUTIONS AND ENSURED A DECADE OF DEMOCRATIC GOVERNMENT. YOU HAVE MADE IMPRESSIVE ECONOMIC PROGRESS AND THE NEW DEVELOPMENT STRATEGY UPON WHICH PAPUA NEW GUINEA IS ABOUT TO EMBARK HOLDS GREAT PROSPECTIVE BENEFITS FOR ALL OF YOUR PEOPLE.

AUSTRALIA AND PAPUA NEW GUINEA NOW ENJOY A DIVERSE AND MATURING RELATIONSHIP. THE MEMORANDUM OF UNDERSTANDING ON THE NEW ARRANGEMENTS IS AN IMPORTANT EXPRESSION OF

IN THE COMING DECADE, I AM CONFIDENT THAT WE SHALL
CONTINUE TO EXPAND THE MUTUAL UNDERSTANDING AND
FRIENDSHIP WE SHARE FOR THE BENEFIT OF BOTH OUR
COUNTRIES AND FOR THE PEACE AND PROSPERITY OF OUR
REGION.
