



PRIME MINISTER

SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP

**LUNCHEON FOR THE PRIME MINISTER OF PAPUA NEW GUINEA
THE RT HON PAIAS WINGTI
PARLIAMENT HOUSE, CANBERRA**

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(EMBARGOED AGAINST DELIVERY)

It is always a pleasure to welcome Papua New Guinea's Head of Government to Australia.

But it is a particular pleasure to welcome you, Mr Prime Minister, because so much of the tone of the modern relationship between our two countries has been set by your efforts.

During your last period as Prime Minister, you helped to develop the Joint Declaration of Principles, which sets out the basis for our relationship.

In that document, we each commit ourselves to conducting relations between us on the basis of certain fundamental principles - mutual respect for one another's independence, sovereignty and equality.

In the discussions we have just had, and during our earlier meeting on Nauru last year, it was clear that you and I have a very similar approach to this relationship.

It is a relationship which is important to each of us - anchored by geography, shaped by history, reinforced by mutual economic interests and by the shared experiences of tens of thousands of citizens from both countries over many years.

We already have a substantial and mutually rewarding economic relationship. Our two-way trade is worth \$2.1 billion and Papua New Guinea now enjoys a significant trade surplus with Australia. Thirty four per cent of Papua New Guinea's exports come to Australia, while you, in turn, are a particularly important market for Australian manufactures.

Australian investment in Papua New Guinea is around \$1.6 billion, making PNG the ninth-largest destination for Australian investment overseas.

Although this is a good record, you and I both believe that we can do more in this area.

I know that one of your aims on this visit is to have discussions with the Australian business community. In that regard it is good to be able to welcome a number of business people with long-standing interests in Papua New Guinea to this lunch today.

Visits like this help with the very important function of keeping open the channels of communication between government and business.

Papua New Guinea's task in building a modern, prosperous and peaceful nation is a huge enterprise. You have already faced many difficulties in your efforts to develop your country, and no doubt more lie ahead of you.

But the remarkable thing is how much has been accomplished.

Australia is committed to continuing our help for Papua New Guinea's development

Our development assistance program, worth about \$300 million a year, is designed to help the people of Papua New Guinea develop effective and long-lasting solutions to the challenges the country faces.

As we shift from budget support to jointly programmed aid by the year 2000, Australian assistance will be targeted in areas that you identify as priorities. These include education, health and, as we discussed today, law and order.

These form the bedrock on which national development can take place and I am pleased that Australia will be continuing to work on them with you into the next century.

But although our bilateral ties are important to us both, and will remain so, there is no doubt that the relationship between us is evolving, Mr Prime Minister.

We are beginning to see each other as part of a broader region of enormous promise and great economic dynamism. Your 'look north' policy has been one response to this. Our own deepening engagement with Asia is another.

So it is also a pleasure to welcome you here as a fellow member of APEC. Both of us have committed our countries to APEC's goal of securing an open regional economy in Asia and the Pacific, more integrated and open to trade than ever before.

Another key regional institution in which we both participate is the South Pacific Forum.

Papua New Guinea and Australia have been working with our colleagues to make the South Pacific's pre-eminent organisation as effective as possible in the post-Cold War environment. I look forward to the opportunity we will have to carry this job forward when we meet in Brisbane in August.

Mr Prime Minister,

Old hands in both our countries sometimes claim that we are drifting apart.

It is true that the relationship between us will never again be as intimate as it was when Australia was the administering power in PNG, a fact which neither of us need regret, particularly when - as you and I have discussed before - we reflect on some of the architectural legacy we bequeathed you.

And the efforts we have noted on both our parts to develop our links in the wider Asia-Pacific region mean that, relatively speaking, we may each loom less large for the other.

So I sympathise with those who think that we need to put more effort into promoting contacts, particularly between young people from both countries.

We need to take care, on both sides, not to take the relationship for granted. We need to talk to each other at all levels.

I am very conscious after our meeting today, and following our earlier discussion on Nauru, just how productive and interesting such contact can be, and how much of relevance we can learn from each other.

That is another good reason for welcoming you here today, Prime Minister.

I now call on the Leader of the Opposition, Dr Hewson, to join me in this task.