

# NIUSPEPA BILONG APNG ASSOCIATION

DECEMBER 2013 EDITION

## EDITORIAL

Hi folks,

Papua New Guinea's Prime Minister, Peter O'Neill should feel pride with most of his efforts for governance for the 2013 year but it was apparent the collaboration from certain high-profile countrymen is wanting with his attack on crime and corruption not really bearing the fruits that he expected.

The enormity of missing grant money by corrupt officials and the guile and strategies used by criminals to plan robberies and escape routes would tend to indicate a master criminal accomplice that has so far been unidentified.

Kapris (himself), before being shot dead, always indicated that a person of political influence was aiding and abetting his career, would seem to be an undiscovered reality.

One can only hope that Prime Minister O'Neill doesn't lose the temp with his attack on corruption.

Prime Minister O'Neill's other accomplishments are many and varied, particu-

larly in certain world affairs but (importantly) his efforts to implement a pension scheme for the old and infirm is very laudable.

We hope that honest and proud Papua New Guineans have a happy and Christian Christmas and a secure and safe 2014 year.

On the home front, 2013 was a mixed year for the Australia Papua New Guinea Association. Our Annual General Meeting was an exception, with a dinner and a 1955 movie: "Walk into Paradise", starring Chips Rafferty as a PNG patrol officer entertaining the guests.

Our attempts to garner a quality business breakfast speaker (before budget time) was off, on and eventually off, but the procuring of Nigel Parker in October was a giant reward for patience.

Our PNG Independence Golf Tournament was virtually cancelled by the Virginia club after they rescheduled our golf day program to fit in other persons—fifteen years of loyalty down the drain.



We are (at present) looking for a replacement club and secretary Hank would like to hear from you if you know of a city or near-city club that will not break the bank.

Season's greetings to all and we look forward to a safer and healthier 2014.

That's all folks.

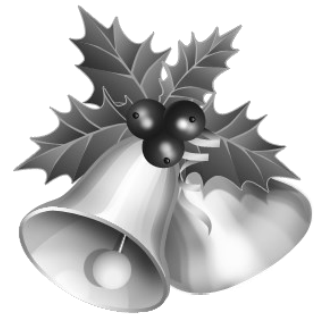
God bless

Hank

*Important Note: The views expressed in this article are not necessarily those of other members of the committee of the APNG Association.*

## SPECIAL POINTS OF INTEREST:

- *October's business breakfast*



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## HOW TO BREAK THE LAW—STUDY CONSEQUENCES OF BETELNUT BAN

We did not expect to see betelnut sellers plying their trade at popular locations around the city once the ban came into effect on the 1st October 2013.

But the urge by Papua New Guineans from all walks of life will compel the sellers to become innovative in how they can sell without detection.

It is likely the sellers will become more mobile and probably upgrade their services to taking phone orders only. This group could well be the big players in the betelnut trade, who will only sell in bulk and are able to absorb the costs associated with that kind of trade.

Ordinary Papua New Guinean men and women sellers will most likely throw in the towel, afraid of the risks and its cost to their health and security—they could end up in less noble trades and company and therein lies the problem.

It is for this reason we welcomed the announcement by the NCD Governor (Powes Parkop) to take a “soft approach” in order to enable the National Capital District Commission to put the mechanics in place for a full ban to be in place from the end of October.

The penalties are: vehicles caught bringing over two kilograms of betelnut into the NCD will be fined K1000 penalty fees, airline operators K10,000 while dinghies

will attract a fine of K1000, and an individual K300.

The delay in imposing a full ban with all the necessary penalties could have been a blessing in disguise for the various stakeholders (including the NCDC), enabling them to look at, and discuss the broader implications of the betelnut trade on families and ordinary Papua New Guineans.

We are yet to come across a comprehensive study on the trade, how much revenue is generated by the respective sellers and distributors, its impact (as a trade-able commodity) on their livelihood and ability to generate an income, and its place in the informal sector and the PNG economy.

This could be an opportunity for authorities to commission a study into the betelnut trade and its impact on the livelihood of Papua New Guineans and the local economy. Approaching donor agencies for funding for a study could be a start.

While Mr Parkop already appears to have a roadmap in his bid to arrive at a cleaner and hygienic Port Moresby, there is a danger that the implementation of the ban could affect thousands of city families who rely on betelnut sales as a form of income. Is there an alternative income earning activity which these affected families can get into other than selling betelnut?

*Courtesy of Yutok, Post-Courier Online. Article reprinted in part.*



### DIARY DATES

No dates as yet but next year's program will include:

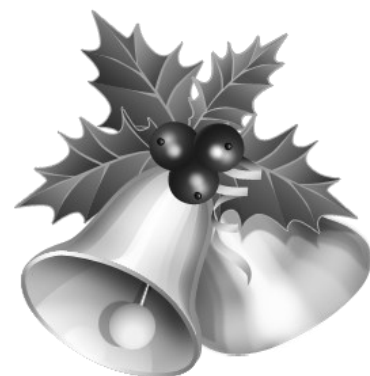
- a) AGM with dinner and a speaker.
- b) Business breakfast.
- c) PNG Independence Day golf tournament September.
- d) Business breakfast.

IMPORTANT

## MEMBERSHIPS

The 2014 annual memberships of the Australia Papua New Guinea Association (Inc) have been circulated by Treasurer Berry.

We look forward to early payment and thank you for your kind consideration.



## APNG OCTOBER BUSINESS BREAKFAST

The Australia Papua New Guinea Association's recent business breakfast, held at Tattersalls Club on October 29, attracted a capacity crowd of 220 mining and ancillary services personnel.

The invited speaker, Mr Nigel Parker, who is managing director and CEO of Ok Tedi Mining Ltd, welcomed the interest shown by the large audience in

the future program of Ok Tedi, despite the many problems associated with past mistakes and future ambitions.

The level of attendance and the quantity of mining company personnel, aided by the additional attraction of investment and recruiting bodies, presented a powerful message to the doubters that Australians are still interested in

PNG mining and the policy of putting quality before quantity by your APNG Association, bears fruit in a post-GFC atmosphere.

Well done, Nigel. We look forward to your next attendance on the dais for the outcome of some serious problems facing Ok Tedi (at the moment).



Above left to right: Guest speaker, Nigel Parker, APNG Association president, Gayle Carrick and secretary Hank Cosgrove.



Right: Attendees at the business breakfast engage in networking opportunities.

OTML MD AND  
CEO NIGEL  
PARKER SHARED  
HIS INSIGHTS  
INTO HOW THE  
HERCULEAN  
TASK OF  
SECURING A  
VIABLE FUTURE  
FOR OTML IS  
BEING TACKLED



### Change of address policy

Our mail out procedures become disrupted when letters are returned due to change of address or change of nominated company personnel.

Those disruptions can be avoided by:

1. Advising Treasurer Berry of any change of address.
2. Advising your mail room to monitor our envelopes and pass the mail to the present incumbent if the nominated person has left the business.

Thank-you!

## NEWS ROUNDUP



*The Papua New Guinea news roundup is compiled by Colin Gould and Hank Cosgrove from reports in the Post Courier and the National.*

*Please note that the Australia Papua New Guinea Association is non-political and the reports in this news summary are direct lift outs from the press and are published for the information of members.*

*The news items have been listed in sections of Business, Mining, Health, Crime and Corruption and General News.*

***The period of reporting covers October to December 2013.***

### Business

- AWAL Impex International Holdings from the United Arab Emirates will invest in the Manus free trade zone project. The Dubai company has been in negotiations with the Industrial Centres Development Corporation to inject US\$1 billion as an initial start up capital for the project.
- Export volumes of both coffee and cocoa were down over the four quarters to the June quarter of this year, the World Bank says. The bank said the low volumes combined with lower prices reduced the Kina value of coffee and copra exports by almost two-thirds, and cocoa exports by 40 per cent.
- Oro Governor Garry Juffa has called on the Government to immediately put strategies in place to check the continuing drop of the kina. He said the falling kina was going to see the increase in the prices of basic goods and services and this would add to the already difficult life that the people of PNG were facing daily.
- PNG has dropped five places from its 108 ranking in the 2013 World Bank Doing Business report to 113 among 189 economies in the world for 2014.
- Treasury Minister Don Polye has been appointed chairman of the World Bank and International Monetary Fund. Mr Polye said his appointment has raised PNG's profile in the world scene, including those from the Pacific and other fragile economies as a whole.
- A new Asian Development Bank report says PNG will account for 75.8 per cent of total primary energy demand in the Pacific by 2035. The bank highlighted the need for PNG to maintain its focus on hydro generation for electricity, rather than increasing fossil fuel electricity generation.
- The weighted average price of PNG's exports in the June quarter of 2013 declined by 8.3 per cent, compared to the corresponding quarter of 2012 says Bank of PNG. There was a 7.5 per cent decline in the weighted average price of all mineral exports. For the agricultural, logs and marine product exports, the weighted average price declined by 11.2 per cent and was attributed to lower prices of all agricultural exports.
- A team of experts from the International Trade Centre based in Geneva, Switzerland travelled to PNG for consultation with PNG stakeholders for a bilum commercialization project.
- Unlocking the financial potential of public-private partnership is a way forward for Commonwealth nations to address development. Treasurer Don Polye said this when addressing a Commonwealth finance ministers and senior financial officials meeting in Washington DC.
- PM Peter O'Neill says the greatest challenge for PNG now was to get the balance right when focusing on economic growth to meet the needs of the Asian Century. The PM addressed the Australian business community and said the National Government must do some of the initial "heavy lifting" to create the right environment.

TREASURY  
MINISTER DON  
POLYE HAS BEEN  
APPOINTED  
CHAIRMAN OF  
THE WORLD  
BANK AND  
INTERNATIONAL  
MONETARY  
FUND.

## NEWS ROUNDUP CONTINUED

### Mining

- Former Mining Minister Sam Akoitai says the Ok Tedi mine should be closed by now if the previous agreements were adhered to. He said the government should shut the mine now so that the Western Province people can benefit from the funding that is parked with the PNG Sustainable Development Program.
- Interoil Corporation has announced a net loss of \$6.3 million for the third quarter compared to a profit of \$5.3 million for the same period in 2012.
- Parties should not rush into any new agreements regarding the Ok Tedi mine because of the 2006/07 memorandum of agreement is still binding-although not satisfactory-says land-owners.
- The Tinofi clan of Goroka went to Port Moresby to meet with government authorities and to seek investors for what they believe is a major oil find which will boost the Eastern Highlands economy.
- Esso Highlands Limited, a subsidiary of ExxonMobil Corporation and operator of the PNG LNG Project, has secured an additional US\$1.5 billion to finance its US\$19 billion gas project in PNG.



### Health

- The PNG Medical Society predicts a massive health crisis is at their doorsteps with most hospitals and health centres forced to close in the next few years due to no staff available.
- A good pair of shoes and silicone rubber band watches are part of a new uniform for the nurses in the Port Moresby General Hospital due to arrive soon. New uniforms for nurses is also part of a big plan to improve nursing care, and the big improvement program currently going on at the hospital that was plagued with problems for years.
- Port Moresby General Hospital will become a statutory organization starting next year, which means it will have a budget of its own, says PM Peter O'Neill.
- A state of emergency has been declared for Angau Memorial Hospital in Lae for major repair and maintenance work to be carried out. K15 million parked in a health trust account will be released for the works to happen.
- PNG's HIV infection rate has moved from a generalized epidemic to cluster groups, says the chairman of the national AIDS Council Dr Banare Bun. Speaking recently in Lae, Morobe Province, Dr Bun said the high risk populations included female sex workers, men having sex with men and transgender. "These cluster groups are hidden in our society because of stigma and discrimination," he said and indicated that the council would allocate resources over a five-year period in a bid to contain the spread of HIV in the high risk population.
- The Lae International Hospital treated the victims of the Black Cat Trail attack on humanitarian grounds and wanted to see that they fully recover from the horrific injuries they had sustained. Director of the hospital, Chris Thompson told Post-Courier that they had no other motives and no connections with the survivors, the tourist tour company or the local landowners.

ANGAU  
MEMORIAL  
HOSPITAL  
DECLARED A  
STATE OF  
EMERGENCY TO  
ALLOW REPAIRS  
AND  
MAINTENANCE

## NEWS ROUNDUP CONTINUED



30 AUSTRALIAN  
FEDERAL POLICE  
DEPLOYED TO  
PNG UNDER  
EXPANDED  
POLICE  
ARRANGEMENTS  
WITH PNG

### Crime and corruption

- NCD Metropolitan Superintendent Andy Bawa has issued a general reminder for the public to take precautions in the weeks leading up to the festive season. He issued the reminder following an increase in reports of criminal activities, especially carjacking in the nation's capital.
- Politicians are protecting and involved with foreign nationals with double identities, PM Peter O'Neill told Parliament. The PM, also the Police Minister, said the police commissioner and the Royal PNG Constabulary top brass are aware of foreign nationals currently residing in the country with different passports.
- The Lae City Council is highly corrupt and bankrupt, claims senior provincial government officials after more than 300 employees were not paid their fortnightly salaries in November.
- Police Commissioner Tom Kulunga is reassuring members of the Royal PNG Constabulary that the Australia Federal Police officers will not be taking over jobs or displacing any

member of the force.

- PNG welcomed the arrival of the first 30 Australian Federal Police officers deployed to PNG under the expanded police arrangement between the two countries.
- The Lae City Council will ban street vendors from selling betelnut and cigarettes in the public areas of the city.
- A total of K50 million allocated in the 2010 supplementary budget for Lae City roads was hijacked and used without the involvement and knowledge of the Dept of Works, says Minister Francis Awesa.
- It appears illegal land grabbing has continued unabated and sadly with the full consent of government entities, if the revelations in the National Parliament are any indication. Port Moresby residents heard that another piece of state-owned prime land in the National Capital District was "sold" for a mere K4.0 million, which was K26 million less than its commercial value.
- More than 75 per cent of the taxis and public transport running in the nation's capital, Port Moresby, are unroadworthy and illegal. And the National Road Safety Council, in partnership with Dept of Transport, the Motor Vehicle Insurance Limited and police are working tirelessly to rectify the problem before the 2015 Pacific Games and 2018 APEC Summit.
- The principal of one of the country's most prominent law firms, Paul Paraka, has been arrested and charged over multiple counts of fraud.
- The government has slammed the EU, United Kingdom and France for being critical of its push to implement the death penalty.
- An Asian wholesale company which opened its doors in Arawa was looted and left with nothing but the bare building. Cargo worth thousands of kina were shouldered home by the public.
- Two Chinese nationals have been murdered, a substantial amount of cash and their trade store looted by villagers in the LNG gas project area in the Hela Province. Two key suspects have been apprehended.
- K6 million was stolen, allegedly by security guards; the biggest theft in the country.

## NEWS ROUNDUP CONTINUED

### General news

- World and Pacific economic leaders have praised PNG's 2014 budget.
- National Planning Minister Charles Abel has announced the government's determination to re-structure the current "top heavy" public service.
- PNG has become a "dumping ground" for low quality poultry products which is threatening the livelihood of village farmers. The imported products— mostly from Australia and New Zealand—are primarily low quality, high fat and dark meat portions.
- The elderly and disabled population will be the first groups to benefit from a social security system which will come into effect next year.
- The government is moving to save \$200 million it spends on rentals every year to private companies that house government departments and agencies by moving all public service offices back to Waigani.
- PM Peter O'Neill has commended China for its continued assistance and for encouraging social and economic development in the Pacific region.
- Bank of PNG Governor Loi Bakani has assured Papua New Guineans that they should not be worried about the value of the falling kina. He said the economy was sound.
- The O'Neill Government is on track to fulfil a major policy platform when it introduced the Independent Commission Against Corruption bill in the National Parliament.
- Revelations of the misappropriation of over K500 million earmarked for infrastructure in the LNG-affected areas in the Highlands region marks a black day in the history of PNG.
- The Supreme Court has confirmed a decision of the Morobe Provincial Land Court that the 14 clans of Butibum and Kamkumung are the customary landowners of Lae City and not the Kawa Tribe.
- The PNG government has moved to limit the operations of foreign companies and individuals in its economy. It has amended the Takeovers Code to include a new, undefined "national interest" test that the Independent Consumer Competition Commission must apply to the acquisition of any shares.
- PM Peter O'Neill says the national government is committed to building infrastructure to cater for tourism in the country. After flying into Kiriwina, on the Islands of Love, he made the statement as he opened a new cruise ship jetty in Kebola village.
- PNG has been urged by Dr Gerd Rucker, senior scientist officer at the German Aerospace centre, to identify and promote various strategic opportunities of dual benefit with European countries regarding agriculture.
- Port Moresby's sewerage facilities cannot cope with the city's increasing population and has been rendered obsolete according to a confidential report.
- Quality coffee produced by a local coffee producer was ranked third in an international coffee cupping competition in the USA. The Sihereni coffee estate is owned and operated by David Orimarie in the Kwonghi area of Upper Asaro.



LOCAL COFFEE  
PRODUCER  
RANKED THIRD  
IN  
INTERNATIONAL  
COFFEE CUPPING  
COMPETITION

# Merry Christmas and Happy New Year from your executive committee!



Rebecca Cowie



Noela McCormick



Jon White



Fran Leddick



Professor Robin Cooke



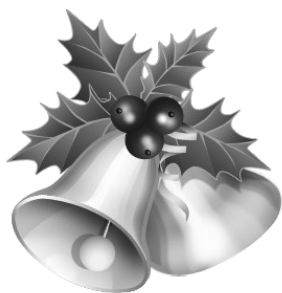
Sheryl Guthrie



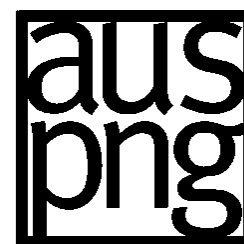
Sue Krone



Gayle & Malcolm Carrick with  
grand daughters Emily & Ashleigh



Hank, Berry & Beverley Cosgrove



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