

Paradise

inflight with air niugini

VOL 4, 2005



Anniversary
1975 - 2005

30th

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Chairman's Message

September 16 is an important date in Papua New Guinea's national calendar. It marks the nation's independence anniversary.

September 2005 is of particular significance because it not only marks a 30-year milestone in Papua New Guinea's independence, but it represents a particular time in our existence to reflect on our performance as a nation over the past 30 years.

This special edition of PARADISE Inflight magazine has been produced in association with the Government of Papua New Guinea's National Events Council.

Air Niugini was established some two years before our nation's independence, 32 years ago, and to this day remains a key member of the airline industry in Papua New Guinea's social and economic development.

As with any other airline, Air Niugini over its 32 years of existence has experienced both good and bad times. In spite of these challenges, it has remained focussed on its primary responsibility of providing safe air travel to the nation.

Our continuing prudent financial and operational management has recently resulted in good financial results for 2003 and 2004. The financial results for 2004 in particular, show not only an after-tax profit of Kina 31.3 million, but the airline fully repaying a Government guaranteed Kina 42 million loan from the Bank of South Pacific.

This is no mean feat, given the challenges that Air Niugini, in common with airlines worldwide, is continuing to face with increasing fuel costs and other heavy costs stemming from obligatory and rigorous new international security arrangements.

These results are no mere chance. They represent the collaborative efforts of my fellow Board of Directors, Air Niugini management and staff in committing to implementing often unpopular but productive cost-saving strategies.

With the prospect of fuel prices facing an upward trend and expected to remain so at levels more than double those of some years back, and while the airline is on track to achieve budget financial targets for 2005, the company cannot be complacent and will endeavour to ensure Air Niugini operates as a profitable and progressive business.

Improvements to Papua New Guinea's economy over the last two years are indicative of emerging potential growth in sectors such as gas, oil, mining and such comparatively new industries as oil palm and tuna canning. We see these as windows of opportunities in our passenger and cargo business potential and with that will come investment in new aircraft.

An important industry with enormous growth potential is tourism. The airline over three decades has supported the various tourism products or adventures that Papua New Guinea is renowned for - diving, trekking, game fishing and cultural attractions. Visitor numbers into the country are visibly showing the value of these tourism products. Air Niugini, however, can only do so much.

Prospects for greater visitor inflows will depend very much on other associated services which contribute to the value of a tourist destination such as ground transport, accommodation, food and beverage, and so on.

To our visitors, I hope you will enjoy the sights and sounds of our country during your visit. And do join us in celebrating Papua New Guinea's 30 years of Independence.

Welcome Aboard!



Joseph Tauvasa
Chairman

75th ANNIVERSARY OF INVESTING IN PNG

Oil Search Limited was incorporated in PNG on January 17, 1929, and began a systematic search for oil and gas in the country.

Being severely capital constrained, Oil Search successfully introduced a number of large companies to the exploration effort, and in 1938, the Australasian Petroleum Company (APC) was born, comprising a joint venture between Oil Search, Standard Vacuum New Jersey (Mobil) and Anglo Iranian (BP), each group holding one third equity.

APC was the dominant explorer in PNG for almost 40 years. Oil Search's and APC's exploration activities through the 30s, 40s & 50s were unsuccessful, with a number of small gas discoveries made from an investment equivalent to hundreds of millions of dollars.

Activities centred on PNG's southern lowlands, known as the Foreland. The prospective Highlands fold belt, which displayed large surface anticlines, was practically inaccessible for drilling operations.

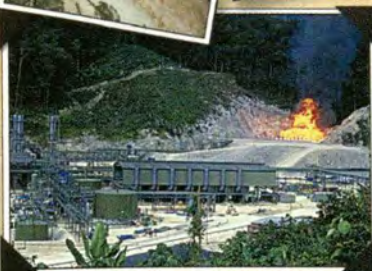
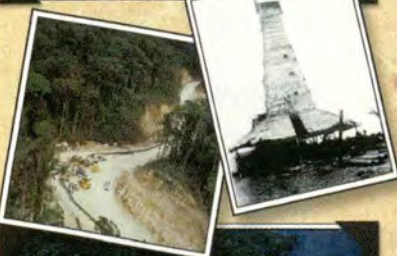
Using heavy lift helicopters in the late 1950s and 1960s opened up the area to more intrepid geologists.

The primary exploring group then, led by BP and Gulf/Chevron were close to ceasing activities when, following a major gas discovery at Hides; oil was discovered at Kutubu in 1986. This led to the development of the Kutubu oilfield.

Oil Search Limited's election as operator in 2003, and the acquisition of ChevronTexaco's PNG assets, together with the merger with Orogen Minerals in 2002, has taken the company full circle to where it once again has the dominant role in all major fields and prospects in PNG. We are responsible for PNG's oil production and export.

Oil Search now has the financial strength and the asset base - not thought possible by the original promoters in 1929.

Oil Search is now embarking on what will be the biggest resource project ever to occur in PNG - the PNG Gas Project which comprises the piping of gas from the PNG Highlands over 2,000 kilometres to markets in Australia, and is also looking at other initiatives to commercialise its vast gas resources.



2005



OIL SEARCH LIMITED

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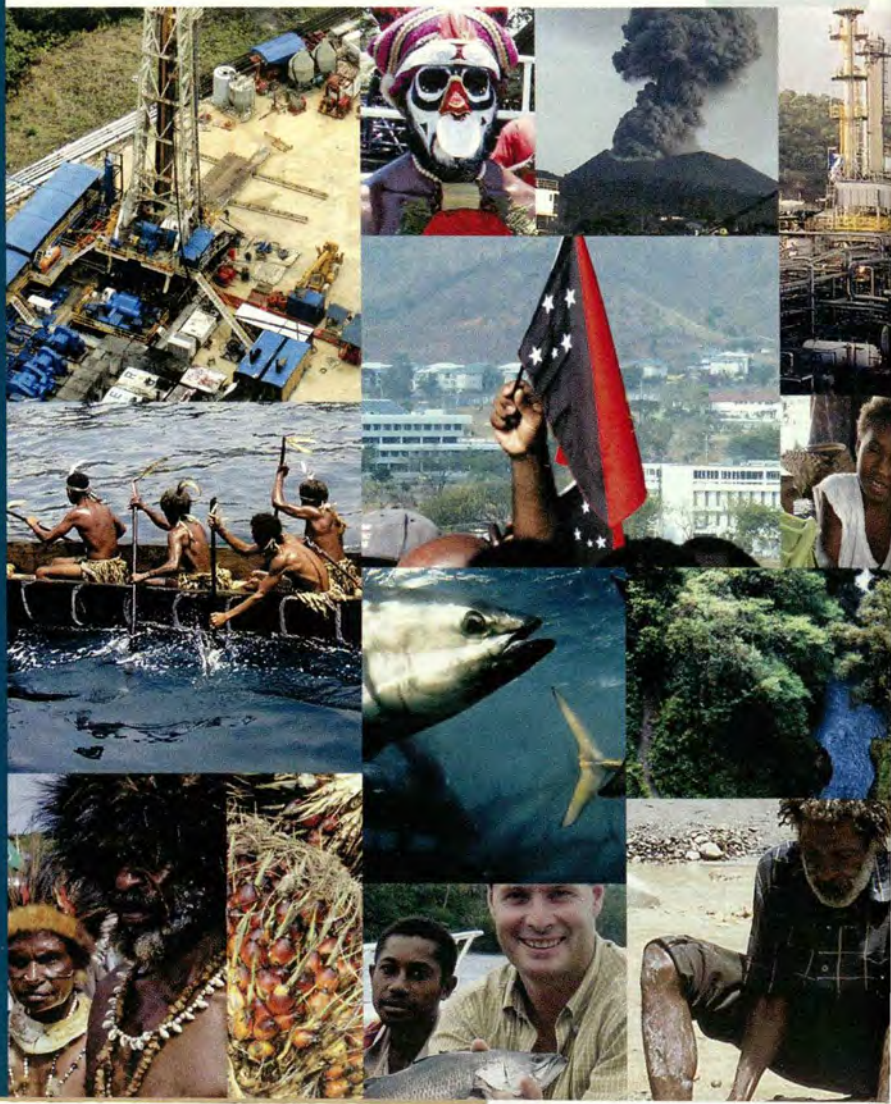
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Air Niugini Fleet

Nobody Knows Papua New Guinea like Air Niugini!



B767-319ER

Aircraft type	Length	Wing Span	Power Plant	Cruising Speed	Normal Altitude	Std Seating capacity	Range*
B767-319ER	59.94m	47.57m	2 General Electric	857kph	11,000 -12,000m	230 + bags	8100km

F100



Aircraft type	Length	Wing Span	Power Plant	Cruising Speed	Normal Altitude	Std Seating capacity	Range*
F100	35.528m	28.076m	2 Rolls Royce Tay 650	780kph	11,000m	98 Pax + Bags	3000km



F28-4000

Aircraft type	Length	Wing Span	Power Plant	Cruising Speed	Normal Altitude	Std Seating capacity	Range*
F28-4000	29.61m	25.07m	2 Rolls Royce	750kph	9,000m	74 + bags	1600km

DHC-8-202



Aircraft type	Length	Wing Span	Power Plant	Cruising Speed	Normal Altitude	Std Seating capacity	Range*
DHC-8-202	22.25m	25.89m	2 Pratt & Whitney	550kph	7600m	36 Pax + Bags	1700km

Welcome Aboard

We ask that you acquaint yourself with the following features of our service...

Takeoff and landing

Ensure that your seat is in the upright position during takeoff and landing. Folding tables must be returned to their original position in the seat back or the armrest.

Safety first

Your seatbelt must be securely fastened during takeoff and landing or whenever the seatbelt sign is on. When the seatbelt sign is off you may move about the cabin as necessary. However, while seated, keep your seatbelt fastened securely in case of unexpected turbulence.

Smoking

Smoking is not permitted on any Air Niugini flight.

Before you leave

Please check your seat pocket before you disembark to ensure you have not left any items of value.

Entertainment

A movie and a selection of music including classical, modern, country and local are available on international services. Programmes can be found in the inflight entertainment section of this magazine.

Hand luggage

Please ensure that your luggage is placed in the overhead locker or under the seat in front of you.

Pillows and blankets

On international flights, pillows and blankets are available on request from cabin attendants.

Children and babies

Our flight attendants will provide a Paradise Kit that includes a colouring book and pencils, games and puzzles. The flight attendants will also be pleased to assist in preparing your baby's food and bottle. Baby food and diapers are available on international flights.

Electronic equipment

Cellular telephones, TV receivers or radio controlled devices are not to be used at any time on board an aircraft. Electronic devices such as portable computers, compact discs or cassette players and video games can be used only when the seatbelt sign is switched off.



Medical information

In Flight Health Tips and Exercises

Your Health In-Flight

At Air Niugini we care about your comfort and safety. We have included the following information about your health in-flight that we hope you will find helpful and useful. When you are flying you can be seated and inactive for long periods of time. The environment can be low in humidity and pressurised up to an altitude of 2240 metres above sea level. Unlike other forms of transportation, air travel allows for rapid movement across many time zones, causing a disruption to the body's "biological clock". Although these unique factors do not pose a health or safety threat to most passengers, there are guidelines you can follow that will improve your comfort level, during and after a flight. We hope the following recommendations will help you have a more pleasant flight today and in the future.

Blood Circulation/Muscle Relaxation

When you're sitting upright in a stationary position for a long period of time, several things can happen:

- The central blood vessels in your legs can be compressed, making it more difficult for the blood to get back to your heart.
- The long inactivity of your body muscles in this position can result in muscle tension, back aches or a feeling of excessive fatigue during, or even after, your flight.
- A stationary position inhibits the normal body mechanism for returning fluid to your heart, and gravity can cause the fluid to collect in your feet. This results in swollen feet after a long flight.
- Studies have concluded that prolonged immobility may be a risk factor in the formation of clots in the legs (DVT - deep vein thrombosis). Particular medication and medical conditions may increase the risk of formation of clots if associated with prolonged immobility. Medical research indicates that factors which may give you an increased risk of blood clots in the legs include:
 - increasing age above 40 years
 - pregnancy
 - former or current malignant disease
 - blood disorders leading to increased clotting tendency
 - personal or family history of DVT
 - recent major surgery or injury, especially to lower limbs or abdomen
 - oestrogen hormone therapy, including oral contraceptives
 - immobilisation for a day or more

- dehydration
- heart failure
- trauma
- varicose veins
- obesity
- tobacco smoking

Recommendations:

- If you fall into any of these categories or you have any concern about your health and flying, Air Niugini recommends you seek medical advice before travelling.
- While in flight, move your legs and feet for three to four minutes per hour while seated and move about the cabin occasionally, if conditions allow.
- Doing light exercises as depicted in the sketches below may be effective in increasing the body's blood circulation and massaging the muscles.

Jetlag

The main cause of jetlag is travelling to different time zones without giving the body a chance to adjust to new night-day cycles. In general, the more time zones you cross during your flight, the more your biological clock is disturbed. The common symptoms are sleeplessness, tiredness, loss of appetite or appetite at odd hours.

We recommend that you:

- Get a good night's rest before your flight
- Arrive at your destination a day or two early, if possible, to give your body a chance to become more acclimatised to the new time zone.
- Fly direct to minimise flight time, when possible. This allows you to relax more upon arrival.
- Leave your watch on home time if you're staying at your destination less than 48 hours. Also try to eat and sleep according to your home time.
- Change your watch to the local time if your stay is longer than 48 hours, and try to eat and sleep in accordance with the local time.

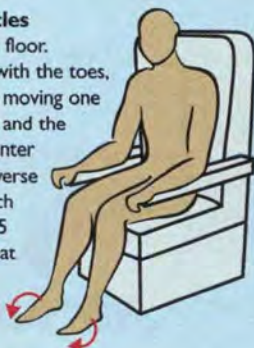
On longer stays, try to prepare in advance for your destination with its different time zone; adjust your meal and rest times to be closer to those of your destination.

In Flight Workout

These exercises are designed to encourage a safe way to enjoy movement and stretch certain muscle groups that can become stiff as a result of long periods sitting. They may be effective in increasing the body's blood circulation and massaging the muscles. We recommend you do these exercises for three or four minutes every hour and occasionally get out of your seat and walk down the aisles if conditions allow. Each exercise should be done with minimal disturbance to other passengers. None of the following should be performed if they cause pain or can not be done with ease.

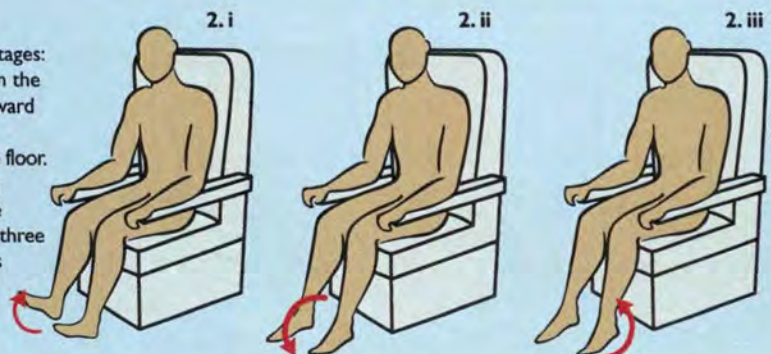
1. Ankle Circles

Lift feet off the floor. Draw a circle with the toes, simultaneously moving one foot clockwise and the other foot counter clockwise. Reverse circles. Do each direction for 15 seconds. Repeat if desired.



2. Foot Pumps

This exercise is in three stages:
(i) Start with both heels on the floor and point feet upward as high as you can.
(ii) Put both feet flat on the floor.
(iii) Lift heels high, keeping balls of the feet on the floor. Continue these three stages with continuous motion at 30 seconds intervals.



Medical information

In Flight Health Tips and Exercises

- Try some light exercise - go for a brisk walk, or do some reading if you can't sleep after arrival at your destination. It generally takes the body's biological clock approximately one day to adjust per time zone crossed.

Cabin Humidity/Dehydration

Humidity levels of less than 25 percent are common in the cabin. This is due to the extremely low humidity levels of outside air supplied to the cabin. The low humidity can cause drying of the nose, throat, eyes and it can irritate contact lens wearers.

We recommend that you:

- Drink water or juices frequently during the flight
- Drink coffee, tea and alcohol in moderation. These drinks act as diuretics, increasing the body's dehydration.
- Remove contact lenses and wear glasses if your eyes are irritated.

Use a skin moisturiser to refresh the skin.

Eating and Drinking

Proper eating and drinking will enhance your comfort both during and after your flight.

We recommend that you:

- Avoid overeating just prior to and during the flight. It is difficult to digest too much food when the body is inactive.
- Drink coffee, tea and alcohol in moderation. These drinks act as diuretics, increasing the body's dehydration.

Cabin Pressurisation

It is necessary to pressurise the outside air drawn into the cabin to a sufficient density for your comfort and health. Cabins are pressurised to a maximum cabin altitude of 2440 metres. It is the same air pressure as

if you were at an elevation of 2440 metres above sea level. The cabin pressure and normal rates of change in cabin pressure during climb and descent do not pose a problem for most passengers. However, if you suffer from upper respiratory or sinus infections, obstructive pulmonary diseases, anaemias or certain cardiovascular conditions, you could experience discomfort. Children and infants might experience some discomfort because of pressure change during climb

and descent.

If you are suffering from nasal congestion or allergies, use nasal sprays, decongestants and antihistamines 30 minutes prior to descent to help open up your ear and sinus passages. If you have a cold, flu or hayfever, your sinuses could be impaired. Swollen membranes in your nose could block your eustachian tubes - the tiny channels between your nasal passages and your middle ear chamber. This can cause discomfort during changes in cabin pressure, particularly during descent.

Recommendations:

- If you have a pre-existing medical condition that warrants supplemental oxygen, you can order from us. Please give at least seven days notice before travelling.
- To "clear" your ears try swallowing and/or yawning. These actions help open your eustachian tubes, equalising pressure between your middle ear chamber and your throat.
- When flying with an infant, feed or give your baby a dummy during descent. Sucking and swallowing will help infants equalise the pressure in their ears.

Motion Sickness

This ailment is caused by a conflict between the body's sense of vision and its sense of equilibrium. Air turbulence increases its likelihood because it can cause movement of the fluid in the vestibular apparatus of the inner ear. If you have good visual cues (keeping your eyes fixed on a non-moving object), motion sickness is less likely to occur.

Recommendations:

- When weather is clear and you can see the ground, sea or horizon, you are less susceptible to motion sickness.
- You can buy over the counter medications but we recommend that you consult your doctor about the appropriate medications.

With thanks to Qantas and the Boeing Corporation for allowing us to reproduce this material.

3. Knee Lifts

Lift leg with knee bent while contracting your thigh muscle. Alternate legs. Repeat 20-30 times for each leg.



4. Neck Roll

With shoulders relaxed, drop ear to shoulder and gently roll neck forward and back holding each position about five seconds. Repeat five times.



5. Knee to Chest

Bend forward slightly. Clasp hands around the left knee and hug it to your chest. Hold stretch for 15 seconds. Keeping hands around the knee, slowly let it down. Alternate legs. Repeat 10 times.



6. Forward Flex

With both feet on the floor and stomach held in, slowly bend forward and walk your hands down the front of your legs toward your ankles. Hold stretch for 15 seconds and slowly sit back up.



7. Shoulder Roll

Hunch shoulders forward, then upward, then backward, then downward, using a gentle circular motion.



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PUTTING PNG FIRST



Sir Peter Barter
Kt OBE MP

*Minister for Inter-Government Relations
Chairman, PNG Events Council*



On behalf of the Government of Papua New Guinea, it is my privilege to welcome all travellers and visitors to our country this month as we celebrate our 30th Independence Anniversary.



I hope that wherever you are in Papua New Guinea this month and the weeks leading into September 16, you will join in the variety of cultural programmes and other activities planned for the PNG Week.

Thirty years ago, our leaders took a big step in leading our country into the unknown territory of an independent sovereign nation, severing the lifeline to Australia, the nation tasked with preparing Papua New Guinea to take its place among the nations of the world as an independent nation.

The transition of a people of many languages and cultures to a global economy is in itself an achievement and testimony of the resilience of our people to accept change. Today, we have Papua New Guinean pilots flying Jumbo Jets in the Middle East, we have doctors working in hospitals in the Pacific and our engineers working alongside their peers in the USA. Papua New Guinea has come a long way indeed.

As we celebrate the 30 years of peaceful but challenging years, we reflect on our country's positive achievements as well as its shortcomings. With true Christian

spirit, we give thanks to God for blessing Papua New Guinea, a nation of 800 tribes and languages, united in our diversity and managing to stand together as one nation, one people, one country.

The message for this year's celebrations is Put PNG First, PNG Atoa Guna, Putim PNG I Go Pas. It is befitting that we take onboard this theme in our everyday activities in promoting the spirit of patriotism and pride in our country.

The theme also reflects our country's unique Melanesian spirit in acknowledging our right and that of our neighbours to exist peacefully, but also to take advantage of the economic opportunities available to improve the lifestyle of our people wherever they may be in their villages or the urban areas of our country.

On September 16, the flag of our nation will fly in every district, in every province throughout our country.

I wish you all a happy 30th Independence Anniversary wherever you may be in Papua New Guinea, or elsewhere in the world!



30 YEARS ON

What does the future hold?



By Robert Keith-Reid

September 16, 2005. The day for the celebration by an estimated 5.5 million Papua New Guineans of the 30th anniversary of their country's independence from Australia and, before that, briefer periods of British and German rule.

Thirty years ago there were less than half that number of rejoicing Papua New Guineans on Independence Day, 1975.

Does the doubling of its population double the number of challenges that confront Papua New Guinea's unique blend of 800 languages and cultures in the 21st century nation?

The challenges

There are many more challenges to meet. In 1975, the world, and certainly Papua New Guinea, were less

complicated places. But now Papua New Guineans cannot avoid the pressures of such new forces as globalisation, shifts in world market patterns, the play of international relations and the cascading advances by technology.

In the capital, Port Moresby, Lae and other main towns, some of what has changed in Papua New Guinea, either for the better or worse, since 1975 is obvious.

In Port Moresby, glittering multi-floor office buildings have climbed into the sky. In the city's suburbs, thousands of houses, from luxury villas and apartments to squatters' shacks, house about 400,000 people, according to the latest unofficial estimates.

That is about eight percent of Papua New Guinea's entire population. Port Moresby has

grown to become the South Pacific's largest urban conglomeration of people, buildings, businesses and human activity.

Last year, for the first time, more than one million young Papua New Guineans were enrolled in schools.

Across the harbour from Port Moresby, an oil refinery has just flared into production - a Pacific Islands first.

Up north, in the Islands region, exploration companies are planning what could be the world's first deep-sea mining enterprise.

Port Moresby is a town of increasing financial sophistication. The list of public companies listed on the Port Moresby Stock Exchange is a gradually lengthening one.

Achievements since independence

What is Papua New Guinea's greatest achievement as an independent nation? There's just one answer to that question. It remains a democracy, an exasperating but also exhilarating one.

Papua New Guinea's politics is volatile, controversial and can be scandalous. Many elected politicians, conscious that they are unlikely to be returned for a second five-year term in Parliament, have a regrettable tendency to put personal interests ahead of





those of their electorates and the nation.

Poor governance and corruption have cost the country dearly in retarded growth and development. But democracy does reign, no matter how robust the politics conducted in the country's dramatically beautiful Parliament building and behind the scenes.

Papua New Guinea boasts an impartial judiciary, a free and outspoken press.

Since independence, the country has had ten changes of government. It has one of the world's more formidable Ombudsman institutions.

These changes of government have been led by Sir Michael Somare (1975-80); Sir Julius Chan (1980-82); Sir Michael Somare (1982-85); Pias Wingti (1985-88); Sir Rabbie Namaliu (1988-92); Pias Wingti (1992-94); Sir Julius Chan (1994-95); Sir William Skate (1997-99); Sir Mekere Morauta (1999-2002); and Sir Michael Somare (2002-present).

Frequent changes of government, caused by the constant shifts of political allegiances, have caused considerable political instability.

Since 1999 the political system has been adjusted to improve stability. Motions of no

confidence can't be brought against a new government in its first 18 months of power or in the last 12 months preceding the next general election.

Members of Parliament now cannot swap party loyalties without losing their seats. A limited preferential voting system used for the first time in a 2004 by-election will be put to the full test in a general election due by June 2007.

The outlook for greater political stability looks hopeful. That means hope for a calmer environment in which Papua New Guinea's economy can be grown at a faster rate to match annual population growth of 2.7 percent.

In rural regions, where about 80 percent of the population lives, life since 1975 has not altered a great deal except in localities

THE LEADERS



Sir Michael Somare



Sir Julius Chan



Pias Wingti



Sir Rabbie Namaliu



Sir William Skate



Sir Mekere Morauta

Just Another Day in Paradise...



BEER OF PARADISE...



influenced by mining, logging, oil palm and other industrial and business activities.

In other ways, great social and industrial changes have happened.

The June 1974 annual report of the Bank of Papua New Guinea, the central bank established less than a year earlier, commented that "reforms were put in train that will produce systems of land tenure and legal arrangements which will more closely meet the needs of Papua New Guinea people."

The government was enjoying "an unexpectedly large income surge resulting from production by the Bougainville Copper Limited and very high prices for both copper and gold". There were "very high" prices for coffee, cocoa and tea.

As a result, Papua New Guinea had become "a net lender to the rest of the world". A setback, however, was the shock of the 1973/74 oil price increase crisis.

Some of these comments ring a little familiar. The country is reeling again under the impact of a new and startling round of international oil prices, even though it is now itself an oil producer and has an oil refinery.

Government spending rose for K190.8 million in 1970/71 to K400.3 million in 1974/75.

Imports rose from K148.2 million in 1968/69 to K228 million in 1973/74. Actual government spending in 2004 was K3705.5 million. Actual income and import taxes and other revenue including foreign grants totalled K3705.5 million.

Papua New Guinea is no longer a "net lender" to the rest of the world. External foreign public debt stood at K7485.3 million at the end of 2004, well up from K2961.2 million in 1994.

Exports of copra, coconut oil, coffee, tea, rubber, cocoa, timber and copper rose from K101.9 million in 1979/81 to K490.4 million in 1974/75.

2004 exports included agricultural and other exports worth K1688 million, logs and other forest products worth K459.5 million, fish worth K58.2 million, crude oil worth K1852.2 million, gold worth K2115.1 million, and copper





worth K1544.2 million. Total exports were valued at K6084.8 million.

Economic stresses

From the late 1980s economic stresses intensified. Budgets blew out, debt mounted, inflation roared, the value of the once formidably strong Kina sank from being roughly on par with the United States dollar and higher than the Australian dollar to about one-third of that value. Foreign reserves sank

to an alarming low of, in 1994, only K112.2 million or just one month of the cost of imports. Other stresses struck the country, some of them catastrophic ones.

In 1988, what became a long secessionist war began on the fertile island of Bougainville, at the time the source of much of Papua New Guinea's mineral, cocoa and coconut wealth.

Peace and stability was

restored, with the installation of an autonomous government in June, this year.

In 1994, an exploding volcano destroyed and partly buried much of the historic and beautiful East New Britain town of Rabaul. Local government and most businesses had to move to the now growing town of Kokopo, 30 kilometres away.

In 1997, up to 750,000 people in the highlands of Papua New Guinea suffered crop losses and were temporarily threatened with starvation by a combination of El Nino drought, severe frosts and bush fires.

In July 1998, a submarine landslide close offshore produced a run of tsunamis up to 15 metres high that attacked villages in the Sissano Lagoon region at Aitape, on the northern Papua New Guinea coast. More than 2000 people were killed and thousands more displaced.

The people of Manam Island, also off the northern coast near Madang, are living as refugees on the mainland as victims in recent months of eruptions by the volcano that dominates their island.

Malaria and tuberculosis remain great





old enemies, are now joined by such contemporary threats caused by lifestyle changes as diabetes, hypertension, heart disease and HIV-AIDS.

The prognosis for HIV-AIDS is grim. Since the first cases were reported in 1987, the number has grown to between an estimated 25,000 to 69,000. By 2003 an estimated monthly average of 150 new cases were being reported.

Papua New Guinea is now regarded by UNAIDS as having a generalised HIV epidemic. Experts warned the disease could overwhelm the country unless it is attacked with an intense campaign of education, publicity backed up with medical treatment and support driven with the help of a K80 million grant from Australia.

In the first few years of the 21st century, Papua New Guinea has embarked on reforms structured to respond to many of the hard lessons learnt during the first three decades of independence.

Turning for the better

The economy is now turning around for the better as greater discipline becomes attached to the management of government finances and policies.

Mike Manning, director of Papua New Guinea's Institute of National Affairs, which is supported by many of the country's business organisations, writes in a review of 30 years of independence: "Papua New Guinea has recently been able to restore

growth - albeit only in the range of 2-3 percent, which is only keeping abreast of population growth of 2-3 percent.

"But much more importantly, government has been able to post a fiscal surplus and control excessive government expenditure, which has been the main stimulant of inflation, excessive interest rates and the crowding out of private investment."

Merchant banker Pacific Capital managing director Neil McIntyre is bullish about the future.

"The government's finances are at last being brought under control, foreign reserves are up, and there is rising investment confidence. There is the prospect of a more stable government. The next big development in Papua New Guinea is gas. There is no doubt about that.

The government is sending clear signals that apart from a PNG-Queensland pipeline, they want downstreaming. They want to encourage the conversion of gas to liquid,

chemical and fertiliser production, and so on.

"If we can attract two or three of those sorts of developments into PNG, I think you will see a relative boom period. The gas project alone could add 30 percent to GNP. We have seen massive applications in, for example, exploration for petroleum and mining. We are seeing genuine players coming in, not just speculators, exploration companies who really want to do something.

What you will see over the next 12-18 month is a maturing of that, with these companies coming into the PNG market trying to raise money on the stock exchange.

"What I think we are heading into is potentially the best cycle I've seen. We believe the commodity cycle will continue for another two to four years for PNG to take advantage of."

In the following pages, **PARADISE**, Air Niugini's Inflight magazine edition, explores some of the experiences of 30 years of independence, and where they now may be taking the country.





The National Emblem or Crest adorns all official documents, stationery and even buildings.

It features a Raggiana Bird of Paradise, perhaps the most popular and distinctive bird of paradise known with its plumes in full display.

The Raggiana holds a kundu drum and a ceremonial spear.

The words Papua New Guinea are often inscribed in a shallow arc immediately below the emblem.

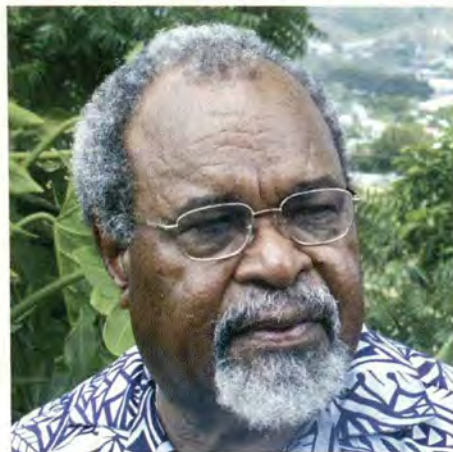
The emblem is described in the National Identity Ordinance of 1971.

It is representative of all parts of the country since the symbols on it are well known throughout all the regions of Papua New Guinea.

The emblem was designed under the direction of Hal Halmann, a senior designer for the Office of Information, during the years leading to Independence.

Mr Halmann's more recent works include the bust of Sir Michael Somare outside the entrance of Parliament and the metal sculpture of a Raggiana on Waigani Drive in the centre of the Holiday Inn roundabout.

Chief's Date with Destiny



By Malum Nalu

Chief Minister Michael Somare's first target date for Papua New Guinea's independence had been December 1974.

But half way through 1975, there was still no decision made.

At one stage Somare had hoped to set April 19, 1975 as the date for independence to coincide with the anniversary of the formation of the first elected coalition government in 1972.

But for some reason, many members argued that no date could be set until the organic law and related legislation had been passed. Nevertheless, the government still managed to commemorate the anniversary, for April 19 became Kina Day, the day when Papua New

'It took me just 7 years to achieve my aim'

Guinea's own currency was first introduced to the people.

Writing in his autobiography *Sana*, Somare said: "Frustration at the delay in settling the independence date grew and many people were beginning to say that independence wouldn't happen in 1975!

"Even the press began to play with it that way.

"One headline read: 'Somare angry - I Day in danger...An independence date in September may have to be ruled out.'"

April and May 1975 were difficult months for Somare with demonstrations by university students against his decision to have the Queen as the titular Head of State, as well as the National Pressure Group accusing him of trying to push the constitution through with undue haste.

Cabinet members in Wewak in January 1975: L-R are Julius Chan, John Poe, Iambakey Okuk, Sir Albert Maori Kiki, Ebia Olewale, Gavera Rea, Kai-belt Diria, Michael Somare, Reuben Taureka, John Guise, Sir Paul Lapun, Boyamo Sali, Thomas Kavali.



On top of this, Somare had the Bougainville issue on his hands.

“Leo Hannett, whom I once appointed as my personal advisor on Bougainville affairs, had started abusing me publicly on radio and in the press for not listening to the wishes of the Bougainvilleans and their provincial government,” he wrote in Sana.

“He forgot that I had been personally responsible for introducing the legislation that brought Bougainville’s provincial government into being.

“Father John Momis, the regional member for Bougainville and deputy chairman of the Constitutional Planning Committee, had always preached national unity, but now he began to join with Hannett.

“John Kaputin, the member for Rabaul, had also started attacking the government.

“The people encouraging secession were the very people who, in the past, had claimed to be champions of nationalism.

“With all the problems I was facing, I found it difficult to obtain support in the House.

“It was time to work out my tactical moves. I asked two of my senior ministers from the Highlands, Thomas Kavali, the member for Jimi Open, and minister for lands; and Iambakey Okuk, the member for Chimbu regional and minister for transport and civil aviation; to lobby for Highlands support.”

On May 25, 1975, Somare organised a barbecue picnic at 17-Mile, outside Port Moresby, to gauge the feelings of Members of the House of Assembly about independence.

Somare found that majority of the members of the house agreed to rescind the resolution that he moved on July 9, 1974 “that this house resolves that Papua New Guinea do move to independent nation status as soon as practicable after a constitution has been enacted by this house, and that any proposed date for independence is to be endorsed by this House”.

On Wednesday, June 18, 1975, Somare decided at his breakfast table to test his strength - to determine whether he still had the kind of support he had in the past.

He recalls that if he were to move the date, he would be given a good indication of support.

So he told his cabinet that he was going to prepare the date that day.

The threat of Bougainville secession gave him the ideal opportunity to make a quick move.



Somare and the late President of Fiji Ratu Sir Kamisese Mara.



Somare escorts Queen Elizabeth II and husband Prince Philip.



Somare meets a Mount Hagen clan leader.

Mount Hagen school children greet Somare.



Celebrating 30 Years Together



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The Australian flag is lowered for the last time.



Father John Momis hands back the Australian flag.

The clock was ticking away towards that momentous occasion in Papua New Guinea's history.

The House resumed at 2pm on that day, Wednesday, June 18, 1975. It dealt with government business until 3.30pm.

At that time, the Speaker called on him and Somare asked leave to make an important statement.

Leave was not granted so he immediately moved to suspend standing orders.

He received the support of 52

members.

Opposition leader Tei Abal tried to amend the motion but was unsuccessful, losing 52-13 when a division was called.

Somare moved that "the House do rescind the motion of 9 July 1974". He then introduced the most important and historic motion setting the date for independence.

Somare told the House of Assembly: "Mr Speaker, the time has come to make a firm decision on the date for independence.

"Our people everywhere are waiting for us to make up our minds, to take the initiative, to show we are not weak and indecisive.

"We are the nation's leaders. The time has come to lead. We have put this off for too long. Let us act now.

"I have said this many times and I say it again: Independence will bring strength and stability and unity.

"Some could not believe me and said 'giaman'. Now we all see the truth because of these events. When things happen that threaten our stability, when emergencies affect the well-being of our people, we must act and act quickly. That strength and authority will come when we are a truly independent nation.

"There are many things to be done and preparations made. Many nations or their representatives will be coming to join us at Independence Day celebrations.

"These important visitors must make their plans and preparations months in advance. It is very important we let them know as soon as possible.

"I am asking every member of the house to support me so that we can join together to decide on this date and make this day of independence a time that will bring us all great rejoicing - a day that our children and their children will always remember."

Somare's motion calling for independence on September 16, 1975, was debated and adopted by the House

on the voices. It took exactly 45 minutes!

Kaputin and Josephine Abaijah, who had screamed about independence, walked out of the chamber before it was put to the vote. Father Momis was not there to vote.

Somare reflects: "It took me months to get the self-government date of December 1, 1973, passed by the House of Assembly, but only 45 minutes to set the date for Papua New Guinea's independence.

"It was one of the happiest days of my life. With some of my colleagues, I had laboured for three years to effect the constitutional changes necessary to bring Papua New Guinea to nationhood.

"When I decided to go into politics in early 1967, the one purpose I had in mind was to be instrumental in bringing the country to self-government and eventual independence.

"An Australian minister for external territories, C E Barnes, said in 1968 that it would be 50 years before Papua New Guinea became independent.

"At a Pangu Pati convention rally in 1971, I said it was my aim to bring Papua New Guinea to independence during my term in parliament.

"I am happy that in the face of Barnes' gloomy prediction, it took me just seven years to achieve my aim."



The pen that was used for the signing of documents during the Independence of Papua New Guinea on 16 September, 1975.



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how PNG got its FLAG



*Susan Karike Huhume...designed
the PNG flag.*

Thirty-four years ago in 1971, with independence approaching, the people of Papua New Guinea were invited by the government to submit their designs for a competition to find a Papua New Guinea flag.

The government needed one outstanding design for a flag which would symbolise independence and the birth of a new nation.

A committee of parliamentarians from the Papua New Guinea House of Assembly toured the country inspecting designs, hoping to find one they liked.

Many designs were submitted, most of them featuring a bird of paradise.

Susan Karike became a household name when at the age of 15 as a student attending Sacred Heart Mission School on Yule Island, her simple design for the PNG flag won the approval of many Papua New Guineans, including members of the then House of Assembly who voted in favour of it.

Susan (now Mrs Huhume), from Meii village near Kerema in the Gulf province, designed the flag in 1971 after she was approached by Sister Joseph Mary, her art teacher.

Sister Mary had asked Susan, who was her best student at the time, to

THE FLAG

The flag of Papua New Guinea consists of two diagonal triangular sections - the left section is black and the right section is red. Five, five-pointed white stars representing the Southern Cross are in the black portion of the flag; while a yellow bird of paradise is in the red section.

ITS MEANING

Black, red and yellow are traditional colours in Papua New Guinean art and clothing. The yellow bird, a stylised bird of paradise, is culturally significant to Papua New Guineans. In full flight it represents freedom and the country's birth as an independent nation. The five stars symbolise the Southern Cross, representing the stars Alpha, Beta, Gamma, Delta and Epsilon, which is smaller because it doesn't shine as brightly as the other stars. The Southern Cross represents the country's geographical position in the world and its link to Australia, which also incorporates the Southern Cross on its flag.



design a flag after she heard of the competition.

Susan chose to design her flag mainly in black and red because they are popular colours in Papua New Guinea.

At the bottom left hand corner, she put five stars to represent the Southern Cross, and drew a yellow bird of paradise in the opposite corner.

A vote was taken by members of the House of Assembly for Susan's design to become the national flag and the count was tied - 31 in favour and 31 against.

Speaker Dr John Guise (later Sir John) cast the deciding vote for Susan's design to become the national flag.

It wasn't until July 1, 1971 that the decision to adopt Susan's design for the new PNG Flag became official when it was published in the Government Gazette.

A flag in the proportion of 3:4 was then designed.

At one minute past midnight on Tuesday, September 16, 1975, Governor-General Sir John Guise declared Papua New Guinea's independence over the radio. Later that morning at 10.25, the

new flag - held at each corner by representatives of the armed services - was marched and raised at the Independence Hill at Waigani in Port Moresby.

People in traditional dress surrounded the flagpole.

As the flag was raised, they beat kundus (drums) and a mighty cheer went up from 20,000 people who were there to witness the historic event.

Prince Charles of Great Britain unveiled a plaque to mark the site of the new Parliament House and, in salute, 11 planes flew overhead in formation.

Dancers entertained the crowd and later there were canoe races off Ela Beach.

During independence the Papua New Guinea flag was seen flying alongside the Australian flag on some official ceremonies, and Susan was invited to raise the flag on such occasions or other important occasions which took place after independence.

For Susan, her proudest moment was when the flag she designed was raised at Independence Hill to mark the birth of the new nation.





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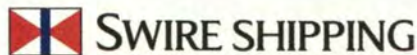
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SO LET'S SING

the National Anthem



Geoffrey Baskett (left)...composer of the song 'Papua New Guinea'.

By *Malum Nalu*

Come September 16, 2005, Papua New Guineans will join together to celebrate our 30th anniversary of independence, linking hands to the refrain of "Oh Arise All You Sons".

As we all join hands, spare a thought for other unity songs of that eventful period of PNG's history, which did so much to bring together the many different tribes of this country.

'Oh Arise All You Sons' - the National Anthem - was composed by Tom Shacklady, the bandmaster of the Royal PNG Constabulary Band, and won a competition for a new anthem in the period just before independence.

It is interesting to note that when the competition was on, the song 'Papua New Guinea' - composed by the remarkable Geoffrey Baskett - was proposed by many people.

*Papua New Guinea
Our land is the island of high mountains,
Of sunlit palms and coral sea,
Where our people sing while the drums are beating,
For our land is strong and free.
Papua..... New Guinea.....*

*Papua New Guinea our Motherland
Every tribe and race, let us work together,
United we shall stand*

*There's a bright new day dawning for our land
As every tribe and race unite
Sons and daughters arise, we'll advance together
With God to guide us in the right.
Papua..... New Guinea.....*

*Papua New Guinea our Motherland
Every tribe and race, let us work together
United we shall stand.*

Baskett, the founder of Lae-based Kristen Redio, also wrote three other songs which are printed in a hymn book that is in wide use in PNG.

Two of these songs - 'Islands and Mountains' and 'We Are Free' - reflect his great love of a country he spent nearly 60 years in and for which he was awarded the MBE in 1990.

Baskett was born at Kohat in the Himalayan mountains of India and lived a fascinating life, one which every schoolboy dreams of.

As a teenager, he left Sydney for a six-week visit to Kwato, an island off the southeast coast of Papua New Guinea. That visit turned into nearly 60 years of service to the nation of PNG.

Baskett first came to PNG in 1933 and worked day and night shifts on tractors and a gold dredge on the Bulolo goldfields. He served on the islands and mainland with the Australia New Guinea Administrative Unit (ANGAU) during World War 11 when he rose through the ranks from private to captain.

He also worked in various capacities at the well-known Kwato Mission and founded a complex for the production of Christian radio programmes for 19 radio stations before his "retirement" to Australia.

Baskett tells of the songs he wrote and his love for PNG in his autobiography 'Islands and Mountains'.

"Four songs I have written are now printed in a hymn book that is in wide use in Papua New Guinea. I have often thought that these songs have contributed more to this nation than any book I could have written," he writes in the book.

"After all, a book once it has been read is usually put away on a shelf for a very long time before it is read again, whereas a song, usually a hymn, is used time and time again, often long after the death of the composer.

"One of the songs in the hymn book is called 'Islands and Mountains'...the first verse reads:

*Islands and mountains, sunshine and breeze,
Flowers and moonlight, swaying palm trees,
Jungles and rivers, white coral sand.
This is my country, this is my land.*

"I wrote that for a children's concert at Kwato, making up a tune with a suitable waltz-like rhythm.

"As it was often sung to visiting tourists, it became quite popular, especially among the Scouts and Guides.

"When some Guides sang it at a gathering in Port Moresby, it was learned by a group of Australian Guides who then took it back with them.

"Soon afterwards, I was asked if it could be printed in their Australian Guides' song book and I of course gave them permission.

"It is now known through international Guides' circles as the 'Song of Kwato'."

Such was the impact of the song that a tobacco firm in Australia plagiarised its words and used them to promote its cigarette sales in Fiji.

Baskett reveals: "There is an interesting story about this song.

"A friend of mine was working for a firm in Australia which makes 'floppy' disks for gramophones.

"These were made by the thousands and given away as advertisements by various firms.

"One day, I received a phone call from him asking me if I knew that a tobacco firm in Australia was using my song commercially to boost their sales in Fiji.

"It appeared that he was working on the production of several thousands of disks which would be enclosed in a Fijian newspaper.

"The firm had used my tune but altered the words of some of the verses to fit the Fijian scene and my friend had already printed hundreds of the disks before he thought of phoning me.

"The words were also printed on an enclosed brochure extolling the firm's cigarettes and this was put in every newspaper to make sure people got the message.

"I wasn't particularly happy with the idea of my song being used to promote tobacco sales - being a non-smoker. But as two of the lines said, 'we'll build Fiji now as God has planned, make this his country, make this his land', I was very much in favour of that idea spreading through their nation.

"So on that basis, I wrote to the manager of the firm and told him that they should have asked for my permission before printing my song and going ahead with their advertising venture.

"However, as they had already spent a great deal of money on the advertisement, it would be in order for them to proceed. The manager answered very apologetically and sent me a cheque for A\$100 so that settled that!

"But I always felt that it was more than just coincidence that of the millions of men in Australia, the one who had been given the job of printing the floppy discs should have been a personal friend of mine who knew the tune I had composed."

'Papua New Guinea' was composed when Baskett was working with the Department of Information.

He recalls the director calling him up one day and said that the team going to the South Pacific Games was looking for an anthem to sing, and as PNG at that time did not have a national anthem, could he do something about it for them?

"I had always enjoyed the tune which is very widely known around Port Moresby 'Papua e, oi natumu



Tom Shacklady...composer of PNG's national anthem.

ahaodia...!' and I thought of using this and putting the new words in English to make it suitable for the occasion," Baskett writes in 'Islands and Mountains'.

"As the song was always sung in Motu, it was not widely known throughout the country. I thought it would be a good chance to teach others this most attractive melody.

"Later, it was written out for the Police Band, and in time the tune was known nationwide.

"When there was a competition for a new National Anthem, this song was proposed by many people. But the one that was written by the bandmaster at that time 'Arise

All You Sons' was chosen and is now the PNG National Anthem.

'Papua New Guinea' has become a popular national song and is often heard on radio.

"The same song was sung by a group of students during a visit by Sir Paul Hasluck, who later became Governor-General of Australia," Baskett recalls.

"After listening to the song, which speaks to us about uniting to build our nation, Sir Paul said, 'well there is no need to make my speech now, you have sung all that I planned to say out!'"

Also at the time of independence, Baskett entered a song, which won first prize in the solo section, although he did not sing the solo.

Entitled "We Are Free", it is now played on radio each year during Independence Day broadcasts.

"So, as I said, I think there is more value in composing a song that is known to many thousands of people than in writing a book that is read by a few people," Baskett says.

We Are Free

*Like the birds as they fly over high mountains,
Like the fish as they swim in the sea,
Like the clouds as they float in the clear blue sky,
We are free! We are free! We are free!
Like the songs of a bird at the break of day,
Like the wind in the leaves of a tree,
Like the waves as they break on a coral shore,
We are free! We are free! We are free!
Independence has come, now we all must work
To unite Papua New Guinea,
We shall build our new nation in peace and love,
We are free! We are free! We are free!
We are free! We are free! We are free!*



PAPUA NEW GUINEA

THE LAND OF THE UNEXPECTED



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30 YEARS IS a mere whisper

At midnight on December 31, 2000, we watched the fireworks shooting up from Ela Beach in Port Moresby with bated breath and with not a little trepidation.

It was the night we had been geared to prepare, when computer systems throughout the world might be hit with the millennium bug and crash.

It was also the night we had heard elsewhere, when the world might come to a crashing end, the end of the ages as it were. For many, both religious and worldly-wise individuals, there was talk the world might come to an abrupt and disruptive end.

So when the fireworks began off Ela Beach, I reflected rather grimly that apocalypse should begin with such bursts of splendid colours.

The clock ticked by one second past the hour. Nothing. Then a minute, and eventually a full hour. Nothing happened. A full day passed by and then weeks, months and soon a year. Still nothing.

The year 2000 passed with no apocalypse and no millennium



By Frank Kolma



bug-induced chaos. Four years have passed since.

On the human calendar, another 1000 years had ticked by. These are but a soft whisper in the march of time. The wheel of time keeps turning ceaselessly through the ages. It stops for nothing and nobody.

Ages, seasons, events and lives are carried along in its torrid currents and shaped by it. All things we know from molecules to galaxies are time travellers.

Mother earth itself, believed by some scientists to be 50 billion years old, is a mere child of time.

The beauty and the rich resources of Papua New Guinea were shaped, so the promulgators of plate tectonics assert, by the primeval and elemental forces of time about 25 million years ago when a gigantic northward moving subterranean tectonic plate from Australia crashed with cataclysmic results into a westward moving Pacific plate.

The spectacular limestone cliffs which mark much of Papua New Guinea's Highlands provinces were lifted from the seabed by many such collisions over several million years. The process continues under you as you read this, moving the entire landmass we are on along at about 100 millimetres a year.

These gigantic subterranean forces working with dead flora and fauna of

millenniums caused mineralisation of soil, rocks and limestone which blessed the nation with mineral, oil and gas deposits and exposed it to the periodic calamities brought on by earthquakes, volcanic eruptions, landslides and tsunamis.

Other elemental forces of time - wind, water, earth tremors and volcanoes - have carved up the majestic mountains and hewed out the beautiful valleys. They enriched the soil to accept all manner of plants and the plants became food and shelter for all manner of animals.

Man intruded on this paradise to our knowledge some 45,000 years ago. And they have been planting taro, yams, banana, sugar cane, wing beans and leafy greens for the last 9,000 years.

If this evidence gathered at the popular Kuk Swamp archeological site in the Western Highlands Province is true, Papua New Guineans have to be the oldest agriculturalists on earth. Elsewhere, people were just emerging from caves.

Why our ancestors never emerged from agriculture to development of technologies to cities and states with governments remains very much a mystery, but it most likely has to do with the climatic and social conditions.

As it turned out, the ancestor of one of those who emerged from the caves

while our ancestors were tending gardens, a Portuguese navigator and Governor of the Moluccas, landed on the northwest coast of the island naming it Ilhas dos Papuas in 1526. Papua, a Malayan word, means "fuzzy hair".

In 1545, a Spanish explorer called Ortiz de Retes rechristened the island New Guinea, perhaps because the land and its people resembled African Guinea.

From that point on Europeans from Spain, Portugal, France, Germany, the Netherlands, England and Australia tramped through the new territory in search of riches and glory for self, king and country; for adventure and for lost souls.

In 1828, Holland formally took control of one half of the island of New Guinea and relinquished that control more than a century later in 1962. It became the Indonesian province of West Irian.

On November 3, 1884 the German flag was raised over the northern half of the island and its outer islands of New Britain, New Ireland, Manus and Bougainville. Three days later, the southern half of Papua was declared a British Protectorate.

The island of New Guinea was thus divided and what was later to be declared Papua New Guinea on September 16, 1975 was from 1884 formalised as colonies of two European powers.

What PNG is today has been shaped very much by this jostling for glory, power and wealth by these outside forces.

Yet in another sense, PNG was little touched except by the major events of the last century.

Both world wars, the depression of 1929, the formation of the League of Nations in 1918 and later the United Nations were among the big events which left their indelible imprint on Papua New Guinea. Otherwise, much of the technological advancements occurring in other parts of the world passed it by.

Political awareness and developments started getting serious in the last four decades. Basic local governments started around 1948, but it was not until 1964 that the first House of Assembly emerged which also saw the first general election.

The public service was formally established in 1957. The first

indigenous political party, Papua and New Guinea United Pati (Pangu), was launched in 1967 and in the same year the University of PNG was born.

Self-governing status was attained in 1973. The Bougainville Copper agreement was signed in 1974.

On August 15, 1975 the Constituent Assembly adopted the Constitution of Papua New Guinea. One month later, on September 16, 1975, Papua New Guinea achieved Independence.

When seen on that scale some of the problems PNG faces today can be explained away.

Thirty years of independence seems half a lifetime, but they are a mere blink of an eye on the wider global time scale.

Sometimes it is good to take a look at the bigger picture, to take in the grandeur of the landscape rather than be bothered by the gullies, the

rocks and the pebbles in our path.

How can we expect a people who have no history, no expertise and no culture of the Westminster type government to, in forty years, know all the tricks of governing or running a civil service and to do so using an adopted language?

The grass skirts and bark-clad people who were rudely awakened in the 1870s and introduced to English, math, cricket and to Jesus Christ contrast sharply with the smooth-talking Harvard law graduate diplomat such as Maggie Taylor, or Captain James Makop flying a Boeing jet for the United Arab Emirates.

A modern financial and economic system struggles to keep its head above waters in today's cut throat world. It is surely centuries from the barter system of old.

Cannibalism which existed at the turn of the century is abhorrent today. Much of the highlands region



was only seriously explored in the 1930s, yet today it is a thriving region for business. PNG has a thriving democratically representative government, a first class judiciary and much (perhaps too much) freedom. So in the big picture the past 100 years of wandering through a maelstrom of confusion, conflict, suppression and introduced concepts, the by-products of this process - crime, unemployment, urban drift, drugs, prostitution and other undesirable practices - fade significantly besides our greatest achievement, which is to have kept our sanity.

Generations of history and culture have been beaten out of the Papua New Guinean. When the inspired direction to "remember Papua New Guinean ways" was written into the PNG Constitution in 1974, those ancient ways were almost all forgotten.

Worse, a new generation of Papua New Guineans did not wish to know

about those ways.

So as Papua New Guineans embrace a new century and enter the third decade of their Independence, they have almost lost the claim to be the "ancient peoples" the Constitution proudly asserts is their heritage. The 1900s have sailed into history.

A new century is here and along with the old problems, new problems assert themselves. HIV/AIDS, multi-national crime and global terrorism are here to stay.


They, together with our old diseases and practices, form formidable enemies against which time and scarce resources must be applied.

At the same time new technology is here for man to play God and reproduce an exact copy of himself outside the natural reproductive process.

All of these are a product of time. They can be formed over

millenniums by the slow weathering process or with a bang.

The difference is that men, unlike other creations, have the power to control their destiny and even to shape it.

Such power rests with each one of us as we advance into year 30, middle age for a person but adolescence as a nation. It behoves all to wield such power responsibly and wisely. 

• Frank Kolma is one of Papua New Guinea's leading journalists. Until recently he was editor of The National daily newspaper. He's written for many overseas journals, and is now managing editor of Star, a new regional news magazine, published at Lae. Writing now for PARADISE, he reflects on 30 years of independence.





BOUGAINVILLE

reborn

Elections over, new govt in place



Prime Minister Sir Michael Somare and Bougainville's President Joseph Kabui.

Peace has returned to the big island of Bougainville.

The United Nations peacekeepers who went there have gone home.

This year's cocoa crop will be back to near normal. Bougainville's tourist office is ready to greet visitors.

On June, after the elections, Bougainville's new autonomous government was sworn in and took office before an audience led by Prime Minister Sir Michael Somare and his government.

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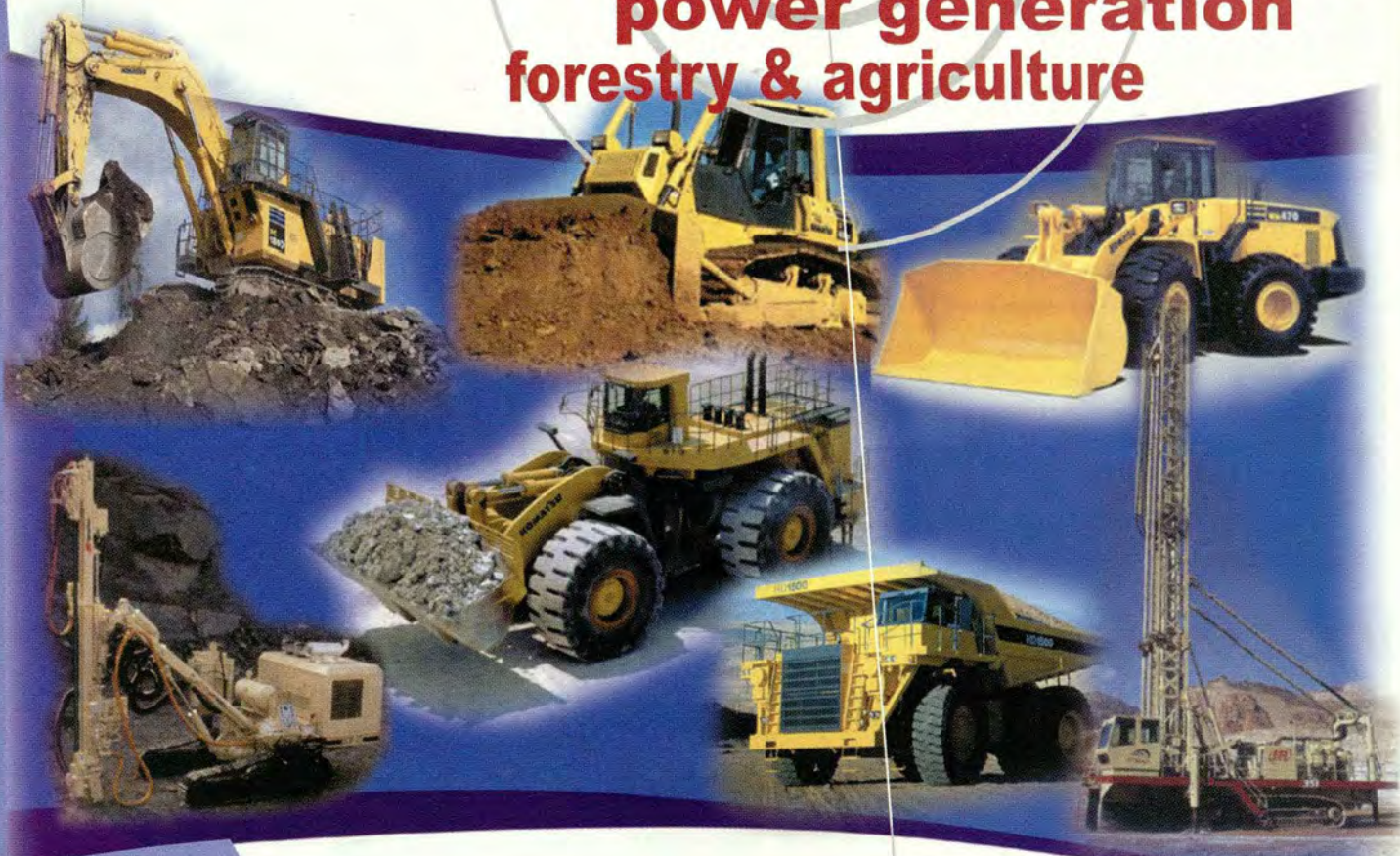
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After 1989, when unrest began with the closure by landowners of the huge copper mine at Panguna, Bougainville became the unhappiest place in Papua New Guinea's post-colonial history.

Now, all the smiles are back.

Trouble in Bougainville between the Papua New Guinea army and the secessionist Bougainville Revolutionary Army (BRA) took a heavy toll of lives. Many of them were lost because of the collapse of health services. Nearly all the island's infrastructure was wrecked.

How peace was made, according to lawyer Tony Regen, is a story so remarkable that it has attracted the attention of peacemakers in the trouble British province of Northern Ireland and elsewhere, as a possible model for them.

Bougainville is the easternmost part of Papua New Guinea's outer islands region.

With an area of 9384 square miles and nearly 200,000

people, it became one of Papua New Guinea's greatest producers of cocoa and copra.

The mine that opened in 1972, at the time the world's largest open cut copper mine, became Papua New Guinea's greatest money-maker.

Between 1972-1986 it earned nearly half of Papua New Guinea's export earnings. It was the government's greatest source of revenue.

But landowners became unhappy with their share of the mine's wealth and the pollution it causes. Their resistance turned into a violent campaign, with rebels demanding the independence of Bougainville from Papua New Guinea.



Peace talks began in 1990 but broke down. More peace talks began in 1994 and formal talks began in New Zealand in 1998.

In that year the United Nations arrived to help with peace making between rebels and the government.

In 1991, an agreement on self-government for Bougainville was reached and in 1994 a constitution for the island was accepted by the national government.

In the years that followed, weapons were handed in, details of self-government settled, and the restoration of the island's infrastructure and economy begun.

It's been outstanding, one hardly emulated anywhere else in the world.

Tony Regen, a lawyer long experienced in Papua New Guinea's provincial administration system, helped draft Bougainville's constitution. He helped with Uganda's constitution too.

In a Radio Australia interview he said: "It's been a remarkable process. It's been regarded by many people as being one of the most successful processes in the world in the last 20 or 30 years.



"It has been a process where unusual solutions have been found to difficult problems, but where the real heart of the process rests with the people of Bougainville and the people of Papua New Guinea. They have a cultural disposition towards trying to resolve the conflict and reconcile.

"Much of what has happened and the compromises made don't normally happen in areas of conflict situations like Northern Ireland, Palestine, where people have deeply entrenched positions," he said.

"In Papua New Guinea, there is a cultural background where once people do enter into a process to resolve a conflict, they are willing to make compromises that are quite dramatic. It is something that is pretty admirable.

"This is the first time where a country, Papua New Guinea, in a post-colonial situation, has agreed to resolve a secessionist matter in this way.



The new Bougainville flag is about to be raised.



“Papua New Guinea and Bougainville have broken new grounds.”

The peace agreement had transferred responsibility for a wide range of matters from the national government to the new Bougainville government.

The national government retains responsibility for matters like defence, foreign affairs, currency, the central bank and management of Bougainville’s role in the national economy.

On June 15, Bougainville’s flag flew in public for the first time at a ceremony at which the first president of the provincial government, Joseph Kabui, took office with his cabinet.

The transfer of powers from the national government will be done in a step-by-step way at a rate the new administration can cope with.

“No other body in Papua New Guinea enjoys similar recognition,” Prime Minister Sir Michael Somare declared at the ceremony.

The autonomous Bougainville Government has been established under the Papua New Guinea Constitution and democratically elected.

In 10 to 15 years time, Bougainville is entitled to hold a referendum to decide whether to remain part of Papua New Guinea or move to full independence, he said.

One of the guests was Regen, who lived in Bougainville for two-and-a-half years, until April 2004.

“Now there is a tremendous sense of pride,” he said. “There is a feeling that Bougainville can move ahead.”



President Joseph Kabui...taking the nation forward.



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Mr Roots

The social conscience of PNG grassroots

You're well in the know about the flavours of Papua New Guinea when your tutor and guide is Mr Grass Roots.

Check him out living somewhere in one of Port Moresby's earthiest residential suburbs, Six Mile. Everyone there knows him. If you can't locate his rotund and bearded form, check the pages of Papua New Guinea's Post Courier, where he's the resident cartoon character.

You'll be gripped by Mr Roots and his philosophies

A great crowd of other fans have been since he first struck Papua New Guinea's national conscience 1980.

There is a Mrs Agnes Roots. She draws from her range of kitchen saucepans to make her own heavy impact on him. Mr Roots has a thick skull. He just carries on.

Since arriving from the pen of graphic artist Bob Browne, Mr Roots has elevated himself to secure an icon status.

He began life as a skinny bloke. Growing older and wiser, but never sadder in his T-shirt and ragged shorts (when aiming for high society he has been known to sport a suit), he cultivated a beer gut.

"He developed a huge following which surprised me," says his creator. "In the 1980s, especially when politicians were featured in the cartoon, I often got phone calls asking for enlarged copies for the



office wall."

Browne arrived in Papua New Guinea in 1971 as a British VSO worker. In 1973, he turned to help with the launching of the Creative Art Centre in Port Moresby that eventually became the Faculty of Creative Arts School at the University of Papua New Guinea.

He was asked to create a cartoon figure to help Isuzu vehicle sales. Later, the Post Courier asked for a cartoon. Mr Grass Roots generously offered to fill it. If he did so hoping for personal gain then, well, at least he has icon status to savour.

"The cartoon became a social commentary, having fun with politicians and all the goings on in parliament," Browne says.

"Roots provoked a few people, being a bit of an anarchist, a male chauvinist. I got comment and reaction and could always bounce back with cartoons in relation to what ordinary PNG people were saying.

"A lot of good fun came about during elections when I most enjoy Grass Roots. In 1982, we actually provided 'Vote Roots 82' posters for hanging on light posts and trees "

Roots stood for parliament in 1982 and 1988.

"He got one vote for himself by voting for himself. His wife and his best friend, Charlie, didn't vote for him."

Mr Roots took a long holiday during 1991-2001 while Browne turned his attention to lecturing in drawing at the arts faculty and then pastoring at the TCF Church in Tokarara, Port Moresby.

Mr Roots returned to social prominence in a weekly strip cartoon in 2001, quickly regaining the vital niche he's secured as the number one guide and analyst of things Papua New Guinean.

"He came back to a new generation, with the same looks and outlook and a few more bruises. Mrs Roots joined him as an icon"

Browne is now back drawing full-time after almost a year overseas and a short stint with the Port Moresby City Mission at the beginning of 2005.

"I've always tried to make people laugh, but when possible to make a social comment," he says. So Mr Roots carries on.

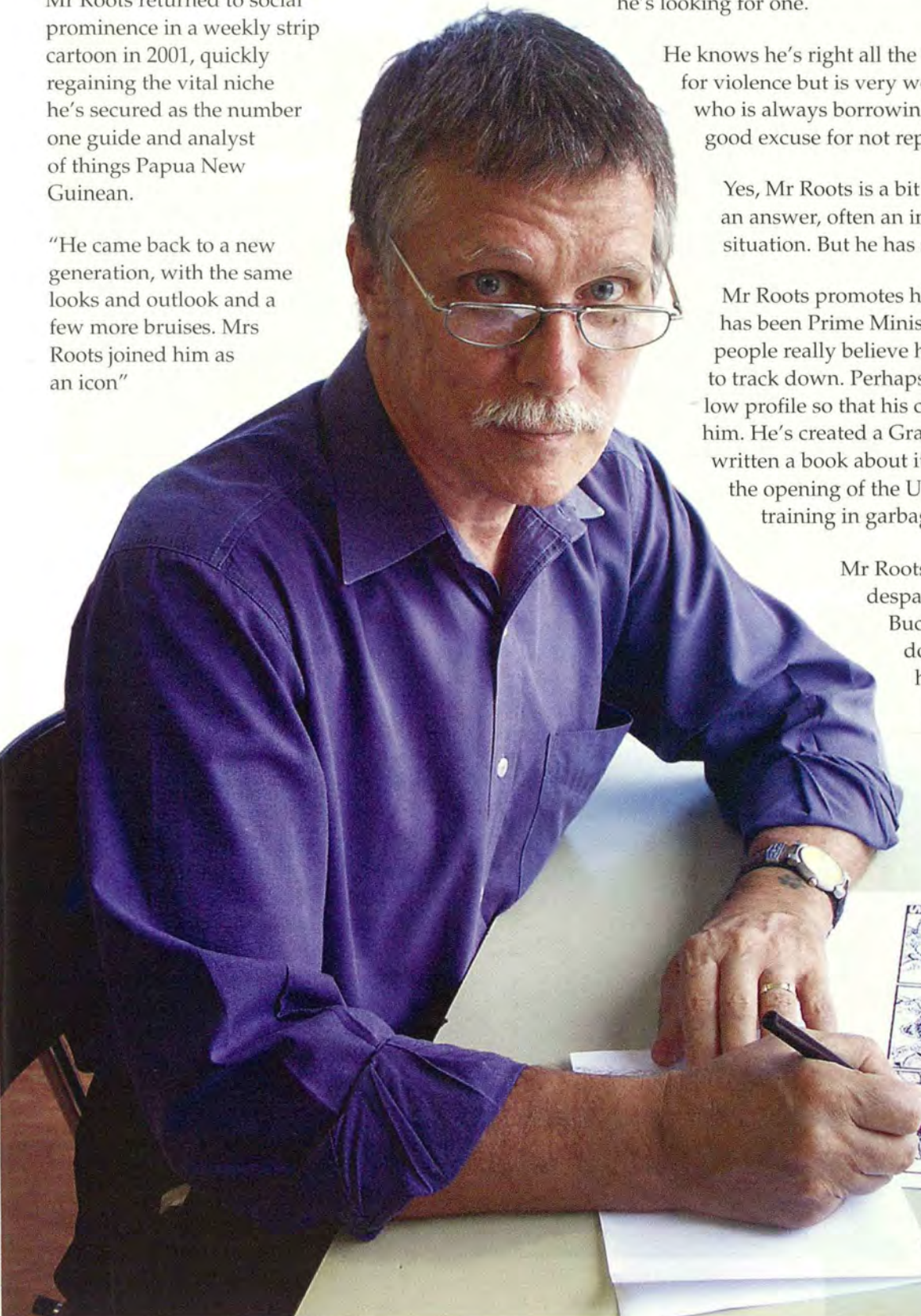
He does that by having no job that anyone knows of but looking like he has one somewhere, or trying to look like he's looking for one.

He knows he's right all the time. He is not known for violence but is very well-known as a bludger who is always borrowing money; he always has a good excuse for not repaying.

Yes, Mr Roots is a bit of a con-man with an answer, often an insightful one, for any situation. But he has style.

Mr Roots promotes himself constantly. He has been Prime Minister of Six Miles, where people really believe he lives, but he is difficult to track down. Perhaps he prefers moments of low profile so that his creditors can't hone in on him. He's created a Grass Roots language and written a book about it. He is a campaigner for the opening of the University of Six Miles for training in garbage collection.

Mr Roots despatches frequent despatches to Misis Kwin at Buckingham Palace. He doesn't understand why he hasn't been knighted for public service.



Bob Browne...his cartoon Mr Roots has developed a huge following.



WHERE
THE
FUTURE
LIES

Mining, the production of oil and now the prospect of exporting natural gas have been the greater drivers of the Papua New Guinea economy.

With a new burst of mineral exploration beginning, plus the opening of planned new mines and the extension of the lives of some existing ones, mineral production will remain a vital leg of the economy for decades to come.

Papua New Guinea's great social need is for tens of thousands more jobs and businesses. A steady job and pay packet is a great panacea for many social ills.

What activity can put cash incomes into the hands of the greatest number

and variety of people?

With 80 percent of its people still living in its rich and varied rural environment, Papua New Guinea's greatest hope for an evenly spread and sustainable growth lies in agriculture - in all its forms - and in the longer term, tourism.

Since independence some agricultural industries have been waxed. Others have waned.

Coffee and cocoa remain vital cash crops that generate incomes for tens of thousands of rural households. Coconut and copra production is faltering under the burden of such transport constraints as high shipping costs and fluctuating market prices.

Palm oil production is exploding. Papua New Guinea has great opportunities for beef, fruit, vegetable and spice production that are still barely yet tapped.

Fishing and the canning of fish are industries on the up and up, fed by a locality around its shores that has endowed Papua New Guinea with one of the world's most productive fisheries.

With less than 20,000 visitors a year, a small fraction of the number that half a dozen far smaller South Pacific neighbouring nations host, Papua New Guinea, with an unmatched range of attractions, has a tourist industry that is still virtually in its infancy.

In the sections that follow, PARADISE magazine explores where future growth lies.



AGRICULTURE:



PNG'S GREATEST HOPE

Papua New Guineans have some of the world's greenest fingers and the oldest green fingers at that.

Up in the cool of the Papua New Guinea highlands, farmers conjure the finest broccoli, lettuce, potatoes, apples, strawberries and other temperate climate fare many travellers would not expect to find grown well in the tropics.

Down in the lowlands, you'll find the stuff you expect to see in the tropics - bananas, pineapples, mangoes and a host of other fruit and vegetables - which visitors view as being exotic.

Highlanders are some of the world's oldest farmers. Archaeological evidence shows that they began farming as long as 9000 years ago

- way before it began in most other parts of the world.

About 87 percent of Papua New Guinea's 5.5 million people live in the rural area. Farming, whether at subsistence level or smaller holder commercial or plantation level, remains the country's most important industry.

Farming pumps more cash into the hands of grassroots people than any other industry by far.

The structure of the agricultural industry has changed quite markedly in the last 30 years.

Coffee, coconuts, cocoa were the dominant commercial crops at the time of independence. They're still





Far left: Dried copra ready for delivery.
Left: Copra workers take a break.
Below: Copra on its way to the mill.
Below left: Different varieties of PNG coffee on display.



key industries, but cocoa and coconut output has declined while the value of output from the new oil palm plantations replaced coffee as the number one crop in 2000.

All Papua New Guinea's growers suffer from seesaw world prices for coffee, cocoa and copra. Coffee was badly hit by a blight disease and tea and rubber production almost fizzled out, although rubber has begun to make a modest comeback, thanks to foreign investment in Central Province.

From the mid-1980s, there was a fall in agricultural output caused by such events as the 1994 devaluation of the Kina, the crash of cocoa and coconut production from Bougainville, a bad El Nino drought in 1997. This was compounded an economic crisis in Asia and the lack of rural credit.

The soaring cost of farm inputs and deteriorating rural roading

and market infrastructure are other obstacles that burden farmers, big and small.

The growth of the oil palm industry is nothing less than dramatic. Oil palm is now Papua New Guinea's brightest agricultural hope in terms of employment and export earnings.

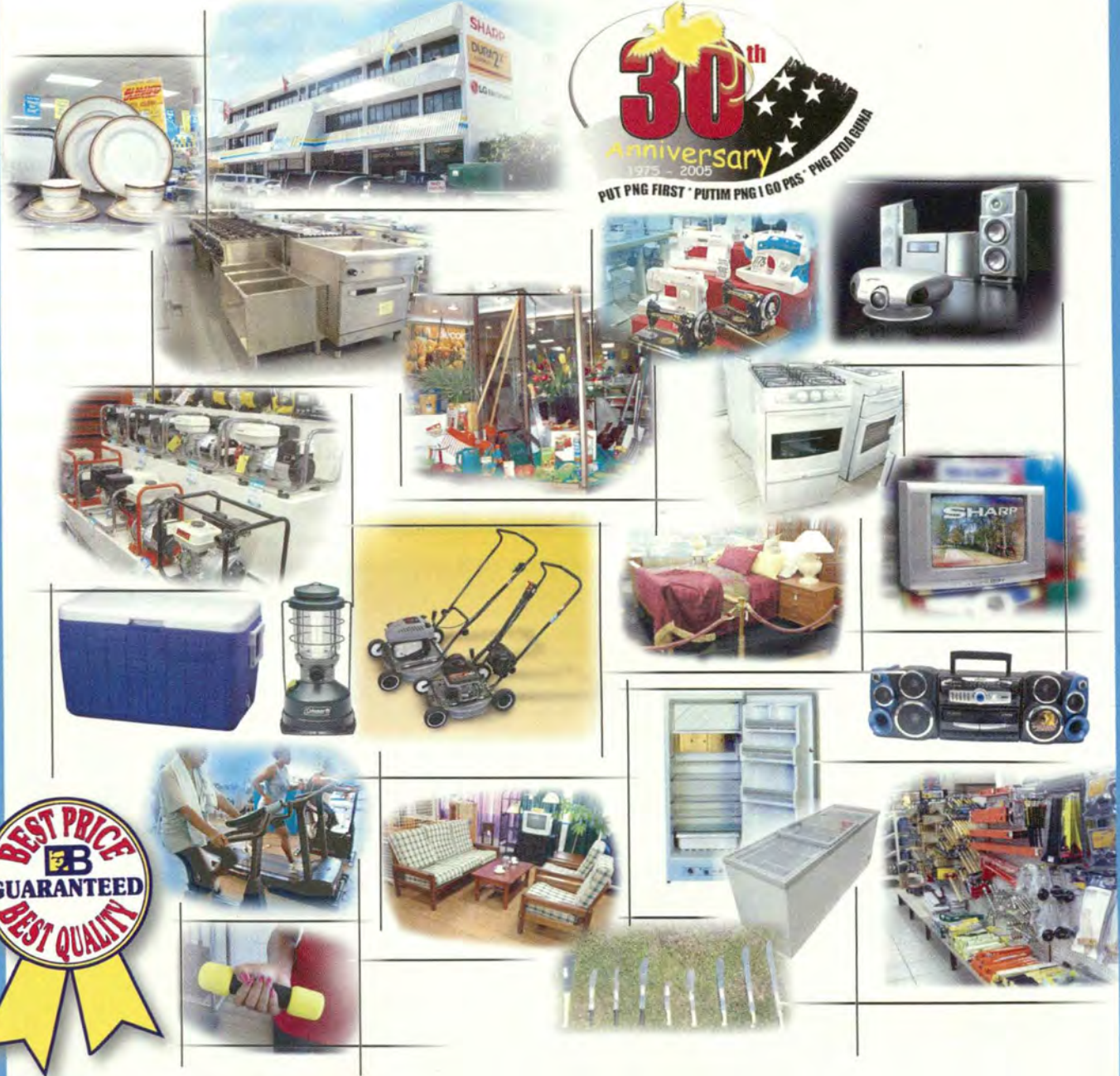
The industry comprises five milling companies, about 44 independent estates and 17,000 smallholder growers. Potential new areas for oil palm lie in Madang, East New Britain, Central, Gulf, Western provinces and West Sepik.

Coffee remains a vital crop, earning 250-300 million Kina annually. It is a cash earner for tens of thousands of rural households.

Since the coconut industry was deregulated in 2002, the output of copra - dried coconut meat crushed for oil - has plunged from an average

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of 135,000 to just over 60,000 tonnes in 2004. Coconut growers have been hit by the closure of local copra buying centres and rising shipping freight costs that have drastically cut grassroots' income from copra.

But while agriculture is hurting in some places, horizons are widening and diversifying.

Papua New Guinea could become a big beef producer. It has huge potential for spices and cashew nut, and cassava growing could become a big money-spinner, as could peanuts.

A Korean company has embarked on a US\$26 million investment in cassava growing that could earn US\$15 million a year and employ 5000 people. Another overseas investor is establishing a 29-hectare nucleus cashew nut plantation at Launakalana in the Central Province.

Papua New Guinea has an estimated 60,235 square kilometres of land suitable for agriculture. A great obstacle to using much of it is the country's customary land ownership system.

A particular plot of land, however great or small, may be owned or claimed by many people. Papua New Guineans entrepreneurs themselves may have great difficulty in winning the consent of all the perhaps scores of landowners having customary right to idle land that could become



Above left: Oil palm fruit harvest.

Above: Cocoa...ready for the markets.

Left: Beef farming...at Ramu Valley.

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commercially productive. Alienation of tribal land is forbidden by law. Lack of secure title creates such additional problems as security is needed to obtain loans.

Land ownership and use remains a matter of great controversy. Some academics claim that Papua New Guinea's custom-owned land - and nearly all land is custom-owned - should be converted to private ownership. This proposition has been hotly rejected by its critics as being unacceptable to custom owners.

There are other ways of bringing land under agriculture without infringing on customary land rights, says Mike Manning, director of Papua New Guinea's Institute of National Affairs.

He believes that a beef raising and marketing scheme run by Trukai Industries in Lae and the nucleus oil palm estate operated by New Britain

Palm Oil Ltd are successful ventures that can inspire other agricultural enterprises. They are happily embraced by customary landowners.

In the next few pages, PARADISE will explore the optimistic outlook for Papua New Guinea's greatest industry - agriculture.



Left: A young boy smiles for the camera on market day.

Below: Vanilla farmer in his plantation.

Bottom: The New Guinea Fruit Company stall.



OIL PALM



Oil palm mill in operation.

A ROSY FUTURE

Papua New Guinea's oil palm business is by far its greatest new agricultural industry.

Founded in the 1960s, it has so far directly created 20,000 jobs and indirectly more than 150,000 job opportunities.

Yet it is still just a "sleeping giant".

It's one that can draw customary landowners to become part of the industry by freeing their land for the plantation of oil palm.

Prime Minister Sir Michael Somare made those remarks in 2004 when he visited plantations managed at Kimbe, East New Britain, by New Britain Palm Oil Ltd (NBPOL).

They comprise 34,000 hectares of

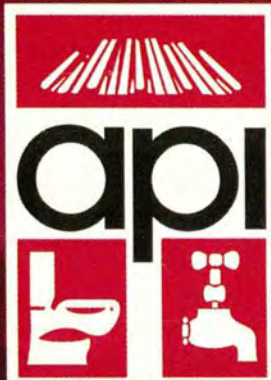
NBPOL estate and 24,000 hectares of smallholdings, averaging six hectares, run as family enterprises.

Originally established by a British company, NBPOL has been owned since 1997 and steadily expanded by Kulim (Malaysia) Berhad with the East New Britain provincial government as a 15 percent shareholder.

The West New Britain plantation, with its big nucleus estate and mill that buys fresh fruits from thousands of surrounding smallholder growers, has been described as a model rural development enterprise.

Last year, the company paid a record 61.9 million Kina to its growers, more than 40 million Kina in wages and 38 million Kina in tax.





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"It is a huge generator for the national economy and local one," says Nick Thomson, NBPOL's British managing director, who stayed with the company after it moved from British to Malaysian ownership.

A typical six-hectare plantation, that's the area that can be managed comfortably by a smallholder family, can earn around 12,600 Kina tax-free. Using fertiliser and working more intensively, a smallholder can earn double that income.

Oil palm comes into production three to four years after planting, thus generating a quick cash flow. It will produce fruit for decades, but the practical life is about 24 years, after which it becomes too tall to easily harvest.

Smallholders are encouraged to reserve a hectare for their own food supply needs. Some manage two and later four hectares of palm and then perhaps move to a full six hectares, although doing that hampers the growth of domestic food crops since cover by oil palm deprives them of



adequate sunlight. Additional cash income from higher production compensates for lost vegetable production.

NBPOL's input includes roading, planting material, credit, and advice. A research station it runs has an international reputation and supplies improved seedlings to overseas as well as local growers.

Thomson says the company is constantly approached by individual

landowners who want to become growers, although the assignment of custom land to them can be a problem if other owners object.

The company runs the plantations to the highest ISO 14001 standards.

"There are huge areas west of Kimbe that could be brought under oil palm," Thomson says.

Except for a short dip, world prices for oil palm have been stable at between US\$400 and US\$500 a ton for the last ten years.

"We survived a fall to US\$255 in 2000 but still managed to make a profit."

The oil is used mainly by the food industry for the manufacture of ice cream, bakery products, for frying, and for the manufacture of chemicals.

The outlook for the industry is bright as is its future as a key export commodity for Papua New Guinea. Climatically, the palm does well only with the region of 10 degrees either side of the Equator.



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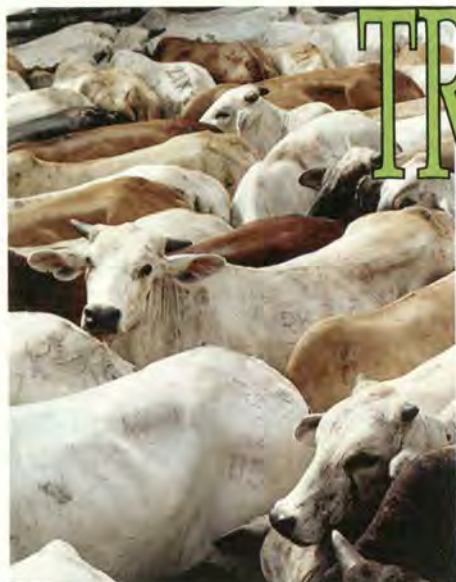
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TRUKAI BETS ON BEEF



The company's venture is a great boon for isolated cattle raisers who otherwise would have little or no hope of marketing their animals.

Geoff Fahey, Trukai's agribusiness manager, says the beauty of the business is that it overcomes land-use issues.

"We are not asking farmers to survey their land or get titles for lease back arrangements. It's their land, they have done their own fencing and they have their own herds of cattle. Another important point is that we don't contract them to grow for us. They are entitled to sell their stock to the highest bidder."

Trukai is well aware of the argument that Papua New Guinea should change its whole land ownership system to make agriculture work.

"Economically, this is an example of where you can make it work with things as they are," the company says.

Some of the cattle bought by the company from about 150 smallholders are passed on for slaughter for the local, fresh and canned beef market, or exported live to the Philippines. Others may be kept for 12 to 18 months for marketing.



Trukai has been working with the Australian Centre for International Agricultural Research, Ramu Sugar and PNG's National Agricultural Research Institute on peanut research.

Papua New Guinea was once a peanut exporter and even had a peanut butter factory. Now it imports them in tins and also peanut butter.

After three years of research, the project has moved into a second phase to deal with problems like aflatoxin, a poisonous mold that affects peanuts. Using varieties from India, the aim is to develop varieties that can be exported to the big international confectionery market.

When those objectives are achieved, Trukai hopes to embark on a smallholder peanut growing scheme in the Markam Valley to supply a big market in Australia, now reliant on supplies from such quarantine risk sources as India and China.

As with its cattle business, it sees a great opportunity becoming a centre for consolidating production from a large number of smallholder growers. By producing consistent supplies of quality nuts, Papua New Guinea can win premium prices in the market place, the company predicts.



There aren't many places in Papua New Guinea where you won't encounter the symbol of Lae's Trukai Industries.

Importing and packaging more than 150,000 tons of rice a year for sale locally and to the Solomon Islands and Kiribati, Trukai is owned by an Australian rice growers' association, Sunrice, with Melanesia Trust as a local partner.

But Trukai is significantly far more than a rice dealer.

Its role in Papua New Guinea's beef industry and perhaps next in peanut production, could turn out to be a landmark in the boosting of the country's agriculture.

In the Markam Valley, the company runs about 5500 head of cattle on a 2500-hectare property. It's not the biggest cattle rancher, but as a cattle dealer the spread of its business goes way behind the boundary fences of the ranch.

Using lorries and coastal barges Trukai buys cattle from up to 400-500 kilometres away from smallholders who may raise five or six head or up to a thousand. It also supplies company extension services and pregnancy diagnosis to avoid buying productive animals.

TONNES OF HOPE

IN FISHERIES



Papua New Guinea is endowed with one of the world's richest fishing grounds that contain one of the world's greatest tuna fisheries.

International law confers the country with a 3.2 million square kilometres exclusive economic zone around its shores. In this area, fleets of licenced mostly Asian fishing boats catch from 150,000 to 200,000 tonnes of tuna a year. It is estimated that the catch could be taken to as much as 300,000 tonnes without harming the tuna stocks.

In the early 1980s, the outlook for PNG's fisheries industry looked good. It had a growing prawn fisheries and a tuna industry worth US\$25 million.

Small pole-and-line fishing boats manned by 2000 Papua New Guineans landed more than 30,000 tonnes of tuna annually, with a peak catch of 48,900 tonnes. But then, for a

variety of reasons, the local industry fizzled to near insignificance. Most of the value of the tuna catch, worth hundreds of millions of kina, left the country as frozen fish destined for foreign canneries. PNG's take amounted to a tiny fraction of the value paid to it as fishing licence fees.

After a lacuna of nearly 20 years, the tuna industry is making a dramatic revival in terms of jobs and revenue for Papua New Guinea and added value for tuna exports.

Tuna canning began in 1995 with the opening of the Philippines-owned RD Tuna cannery at Madang. Most of its output is bound for the United States and Europe.

Taiwanese and American money is behind a tuna loining factory at Wewak with a 200 tonnes daily capacity for the United States and Europe.



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Wewak is expected to build up production to exports worth more than Kina 100 million a year.

In May, New Britain Resources Development, a Taiwanese company, broke ground for a Kina 134.7 million (US\$41.5 million) cannery at Ulaveo, East New Britain.

These three factories are creating thousands of jobs ashore and at sea aboard ships of the fishing fleet that supply them with fish.

PNG controls one-third of the tuna caught in the central and western Pacific. It is well positioned to attract more onshore investment in fishing, canning and processing factories. At least three or four more such ventures are in the pipeline. Additional to the canning business is the export of fresh fish for the Japanese and sashimi market.

Last year, the value of tuna and other seafood exports such as prawns, shrimps, crab and beche-de-mer exceeded US\$80 million.

Near Madang, Bismarck Barramundi Pty Ltd has made an aquaculture breakthrough in the raising of barramundi and is adding the culture of prawn to its business.

Despite these hopeful advances Papua New Guinea's fishing industry is relatively still in its infancy.

A fisheries expert told PARADISE: "The challenge is to bring the value of tuna ashore rather than to go to canneries in Thailand, the United States and Europe. That has taken off with the R.D Cannery at Madang.

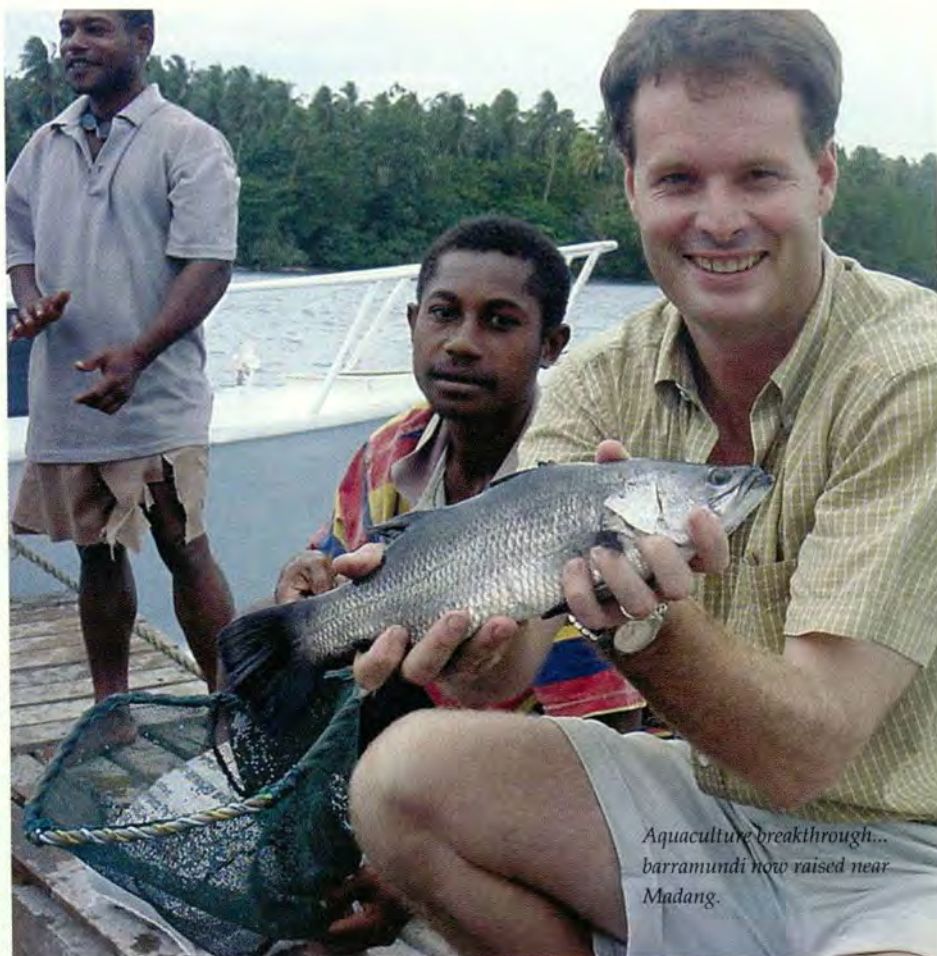
"They have moved from 100 to nearly 200 metric tonnes supplied by boats mainly owned and operated by the company with local crew.

"We now have purse seiner fishing vessels domesticated and registered in PNG.

"The size of the local fishing fleet

has gone up and down in my view. Long-lining originally took off very well with locally-owned fishing boats increasing. But the problem with the sashimi market is one in which you are competing with a whole lot of other countries. It is a very competitive market with rising high costs you can't avoid, like airfreight and fuel. This has put some longliners out of business or reduced their fishing effort.

"There is potential for other fisheries. One that should take off is deep-water fishing, particularly for snapper. What PNG needs to look at is building up not commercial coastal fisheries, but the local people who can sell to regional buyers with ice-making plants. Coastal fishing is something you have got to involve the local village people full-time so that they have a steady year-round income, instead of just fishing casually to make money for school fees or ceremonies."



Aquaculture breakthrough... barramundi now raised near Madang.

LOGGING:

BESET BY CONTROVERSY



In recent years, log exports have been fairly consistent at 1.6 million to 2 million metres. About 87 percent of timber exports go as logs to buyers in China, Japan, Korea, the Philippines, Taiwan and Hong Kong.

About 78 percent of Papua New Guinea's 462,000 square kilometres of land is forested. This resource is the world's third largest block of intact tropical forest.

Ecologically, the forests are some of the world's most diverse, harbour not just trees and an immense variety of other vegetations, but birds, animals and insects found nowhere else on Earth.

Since indigenous people own about 97 percent of the land, nearly all forest areas, except for some

government-owned plantations, are owned by land-owning clans. Concessions are issued through the government.

According to the forestry forum, log export volumes won't rise significantly in the next few years due to various market trends.

Estimates of the area of forest that can be logged at profits on a large scale range from 10 to 25 percent.

Bob Tate, of the PNG Forest Industry Association, says that as a business log exports are declining and likely to continue to do so.

"I would suggest that the markets are going except for very selected high demand species," he says. "Raw log export is a sunset industry."

Logs exports and other forest products bring Papua New Guinea about 300 million Kina a year.

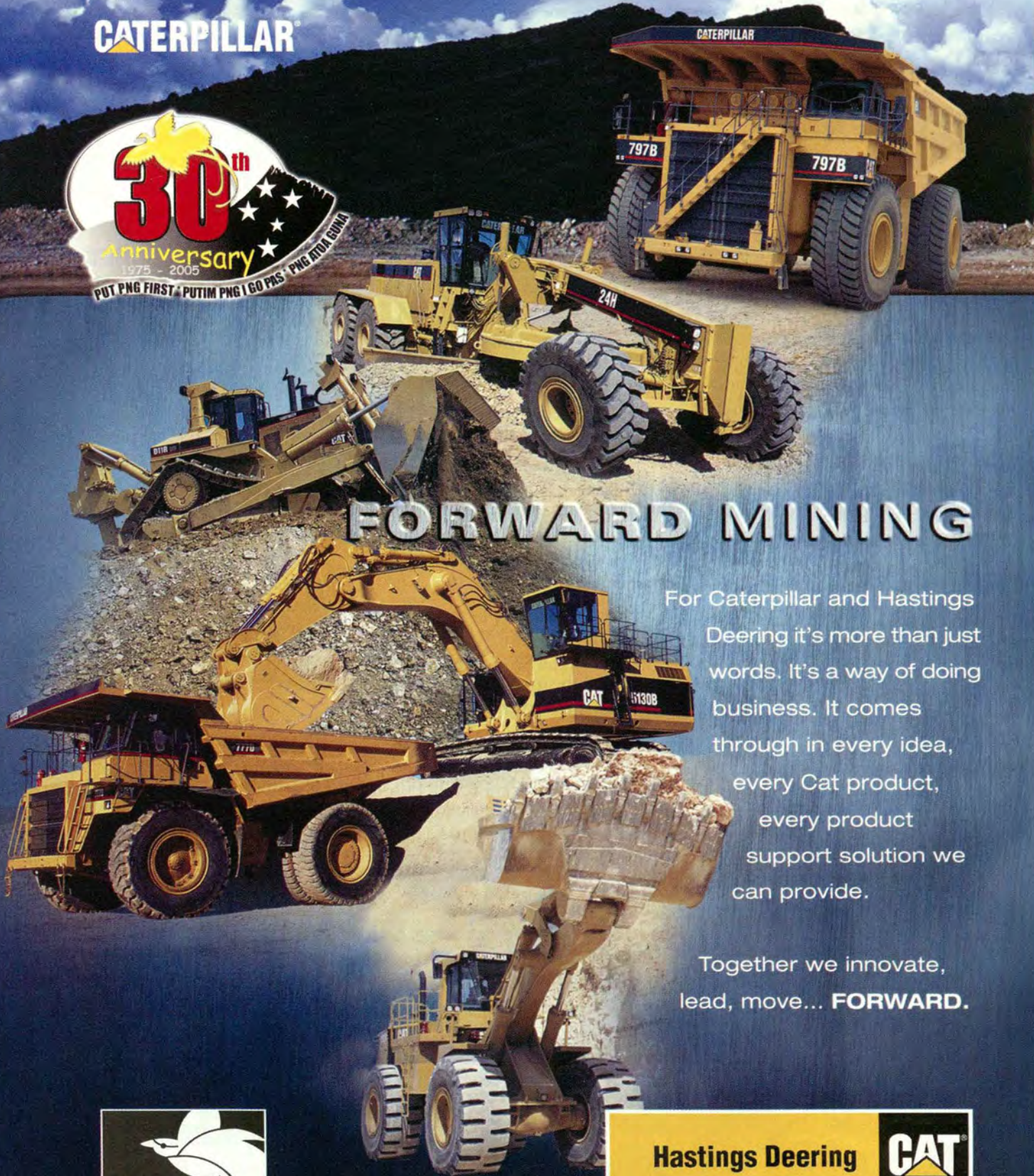
The forest industry employs about 10,000 people and puts millions of kina into the hands of landowners either as royalties or in wages and payments for services rendered to logging companies.

Logging is an industry beset by intense controversy. Conservation organisations claim that some logging companies ignore rules for the preservation and sustainability of logging concessions.

In mid-2004, according to the PNG Eco-Forestry Forum, 10 companies, almost all Malaysian-owned, held 29 large timber concessions ranging from 4000 to 420,000 hectares, and in total covering 3.5 million hectares.



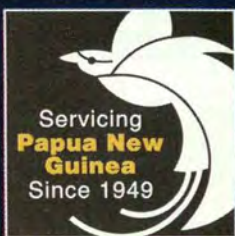
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Tate says 1993 was the "gold rush" year for log exports when prices hit US\$160 per cubic metre.

Now prices are down to US\$60 and the tropical hardwood market is being hit badly by cheap timber from temperate climate plantations, he says.

"World markets have changed. We face huge competition from low cost producers in temperate softwood producing countries. A lot of the traditional wood market has disappeared. There will always be log exports, but at a reducing level.

"The real success story - we regard it as a success - is the growth of the manufacturing industry in the last ten years."

More of Papua New Guinea's logs are being turned into higher value furniture, chip, veneers and plywood, he says.

At Lae, sawmiller Bob Sinclair has been making pre-cut do-it-yourself furniture for sale in Australia and the United States for four or five years.

At Madang, Jant, a Japanese company, exports chip for the pulp industry and has planted 10,000 hectares of forest. Rimbunan Hijau, the Malaysian owned giant of the industry, cutting an estimated 45 percent of the logs, recently opened a big integrated veneer, plywood sawmill.



"There are a lot of things like that," says Tate.

But the conversion of logs to higher value products is hindered in Papua New Guinea by high electricity and other production costs.

A factory in town is too far from the resource and a factory in a forest area means that the owner is burdened with high infrastructure costs, he says.

He says the association with 25 members or about 80 percent of the industry, is as concerned about conservation and standards as anyone else.

"Our approach is to use the Queensland logging standards; cut nothing less than 50 centimetres. In some concession areas, only three to four trees to the hectare are worth harvesting.

"It can cost \$50 a cubic metre to get maybe only 20 cubic metres to the hectare."

Tate reckons that there's a good future for hardwood plantation investment in Papua New Guinea provided "that people are prepared to expand their horizons".

There are government plantations, but these are "frozen."

Since independence, the private sector has met and surpassed expectations in terms of areas planted.

The government suspended the issue of new log concessions in 1991 amidst controversy about logging activity and policy.

Some areas of forest are being brought under protection or sustainable forestry projects by the World Wildlife Fund and other conservation agencies.

The Eco-Forestry Forum says of the 3,356,000 hectares of concession areas, more than 990,000 hectares will be logged out by the end of 2007. If the drop of exports by about 35 percent is to be averted, other concessions need to be brought into production, it says. The government has indicated its intention to allow in the immediate future the issue of four concessions with a loggable area of 618,000 hectares.

Photos: Courtesy WWF.



A BONANZA

OF OPPORTUNITIES

Making the most of its petroleum and mineral resources



By John Brooksbank

The exploitation and trade of petroleum and minerals has underpinned the economy of Papua New Guinea since prehistoric, "taim bilong tumbuna", times - stimulating trade, funding colonial coffers and providing government revenue from Independence until the present day.

The direct and indirect benefits derived from these resources will continue to provide a financial foundation for the country for many more decades to come.

For centuries the underground mining of stone in the Highlands and of obsidian in Cape Gloucester in West New Britain and Lou Island in Manus provided the raw materials for the manufacture of axe heads, spear points, scrapers and other tools.

These commodities were marketed through complex Melanesian trade networks that saw them end up in markets far away - Highlands axe heads in Fly River delta and Irian Jayan villages, Lou obsidian as far away as Fiji and Indonesia.

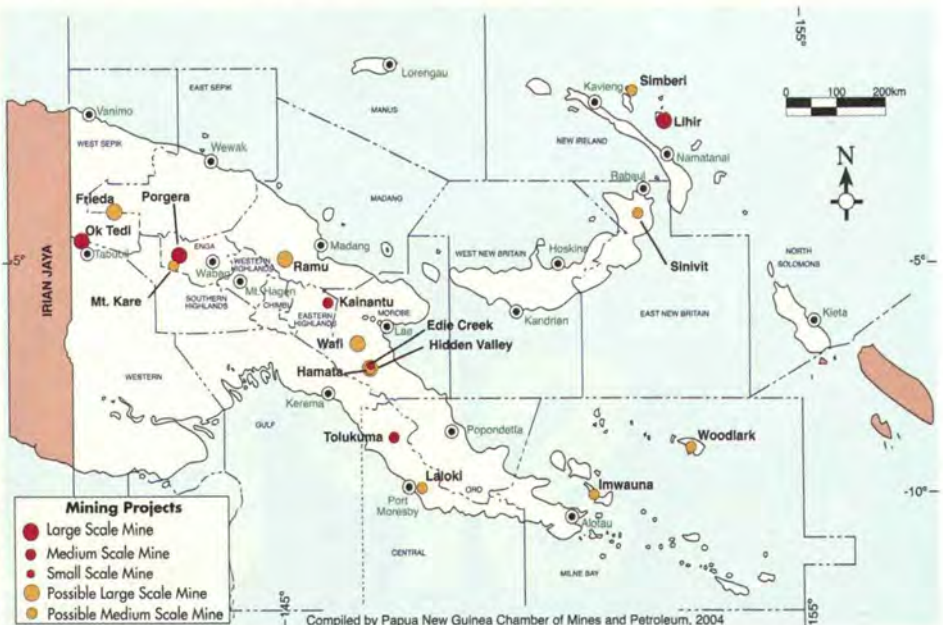
The presence of petroleum had also been known to local people in Papua New Guinea for millennia - in gas 'volcanoes' and surface oil seeps. Oil was collected for personal adornment and cooking and for trade - for example, tege mineral oil from Lake Kutubu found markets far away in other Highlands' population centres.

Colonial money spinner

The search for petroleum, spurred on by these elusive surface oil

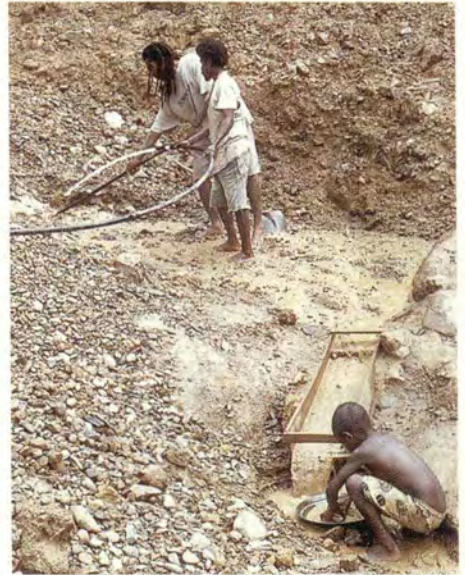
and gas occurrences, played an important part in stimulating the economy of Papua and New Guinea administrations. Exploration by a variety of companies from the 1920s employed many local people and

Panning for gold in the Keveri river.





Local miners at Mount Kare.



Sluicing for gold.

drove the need to establish airstrips, roads, wharfs and other associated infrastructure. For example, in its hey days in the 1950s, the sprawling Australasian Petroleum Company residential, workshop and office complex along Scratchley Road in Port Moresby was bigger than most Government offices of the time.

- The start of commercial mining in Papua New Guinea came after the discovery of gold on Sudest island in Milne Bay in 1888 and the subsequent rush to the district.
- After easily-won gold was depleted, avid prospectors island-hopped to gold finds on the nearby islands of Normanby, Woodlark and Misima

- before panning their way up rivers draining the Papuan Peninsula - finding limited-life goldfields including those on the Keveri, Gira, Yodda, Mambare, Lakekamu and Waria rivers.

- Gold mining was a factor in the establishment of banking in Papua

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- the Bank of New South Wales and Union Bank opening in 1910. Providing essential goods and services to the miners spurred the growth of shipping and merchandising companies, notably Burns Philp, and later Steamships. During this early colonial period, Papuan administration income generated by gold mining was considerably higher than its New Guinea counterpart, where the principal economic activity was agricultural in nature.

Development of the Morobe goldfield in the years after World War One had a widespread impact on the economy of the country. The initial gold rush, involving hundreds of individual prospectors, later consolidated as large-scale underground hard rock mining. The use of massive floating dredges to exploit the alluvial gold of the extensive Bulolo river flats resulted in the establishment of an aviation industry in Papua New Guinea, far in advance of other countries in the world at the time.

Even the gradual demise of the Morobe goldfield had positive benefits. As easily won surface alluvial depleted, enterprising small-scale miners were forced farther afield in their search for the precious metal. Expeditions were made into the Madang hinterland, the Sepik region and the then unexplored central part of the New Guinea mainland - opening up what is now universally known as the Highlands. This prospector-led exploration ultimately resulted in the involvement of the million plus inhabitants of the Highlands in commercial agriculture - the development of tea plantations and huge acreages of smallholder and plantation coffee. Small scale gold mining operations have continued right up until the present day in Kainantu and other parts of Eastern Highlands, Kuta and Koinambe in Western Highlands, Simbai in

Madang, Porgera and Mt Kare in Enga, as well as Green River, Kamberatoro, and elsewhere in East and West Sepik.

Bankrolling the new nation

At the time of Papua New Guinea's Independence in 1975, it was large-scale mining that established a financial base for the country.

Although small-scale gold mining continued post-Second World War, New Guinea Goldfields in Wau was the only large corporate mining operation. However, geologists then discovered a huge lode of copper, gold and silver at Panguna in central Bougainville, close to the small-scale gold mining site at Kupei.

In 1972, Bougainville Copper Limited (BCL) started operations and in the 16 years till it closed in 1989 due to local landowners unrest, the mine trained many Papua New Guineans, generated half of PNG's exports and a significant portion of government income.

Although the loss of revenue from the BCL closure was a blow to national government revenues, it was

largely replaced by income from the operations of Ok Tedi (from 1981), Misima (from 1989) and Porgera (from 1990). The Lihir gold mine, with a life of 20-30 years, started production in 1997 and has averaged an annual gold output of 600,000 ounces.

Whilst these gold and copper mines were coming into operation, an increase in world oil prices reinvigorated interest in oil exploration in remote parts of the Southern Highlands that in 1955 APC geologists Zehnder and Llewellyn had declared to be "part of a petroliferous province" - Iagifu, Hedinia, Agogo and Usano - ultimately resulting in the discovery of gas at Hides in 1987, used as the basis for the initially BP-operated Hides gas to electricity project that generates power reticulated to the Porgera gold mine.

Commercial oil was discovered in the Iagifu 2X well in 1986. The drilling of 33 more wells in the Kutubu area resulted in the granting of a petroleum development licence to a Chevron Niugini-led consortium, construction of processing facilities and a 267-

Aerial view of the current mine at Ok Tedi.



kilometre pipeline to the Kumul export terminal in the Papuan Gulf. Oil production commenced in 1992, initially at a rate of more than 140,000 barrels per day. The development of the Kutubu reserves led to the discovery of the nearby Moran and Gobe oil fields, all of which have collectively produced a total of more than 370 million barrels of oil.


During the thirty years since Independence, Papua New Guinea has relied heavily on income derived from mining and petroleum developments. Mining exports accounted for 40% of exports in 1984 and by 2001, mining and petroleum generated 80% of PNG's exports and contributed 30% of GDP.

The oil industry alone has provided the national government with an income of K3.6 billion, along with significant revenues and other benefits to landowners, provincial and local-level governments.

Some commentators might say that the 'windfall' revenues from resource developments have been misapplied or ineffectively used by government. Certainly, there appears little in the Southern Highlands and Gulf provinces to reflect the development revenue bonanza they have received during the last ten years or so. Today, mining and oil developments provide about 20% of Government's revenue, 80% of this from the oil

industry.

Bright economic future

In summary, the future appears more than bright for mining and petroleum in Papua New Guinea - maintaining export volumes and income, increasing GDP, providing employment, generating revenue for government to fund infrastructure and services and being a catalyst for further processing industries. 

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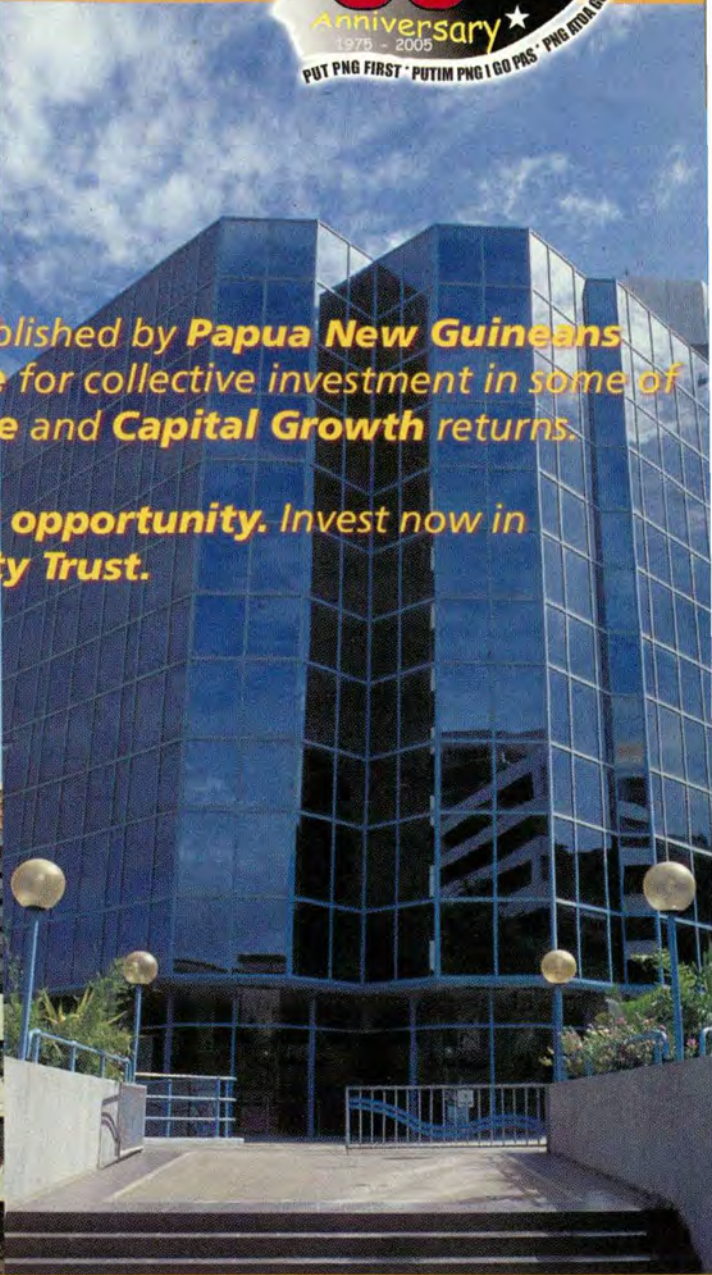
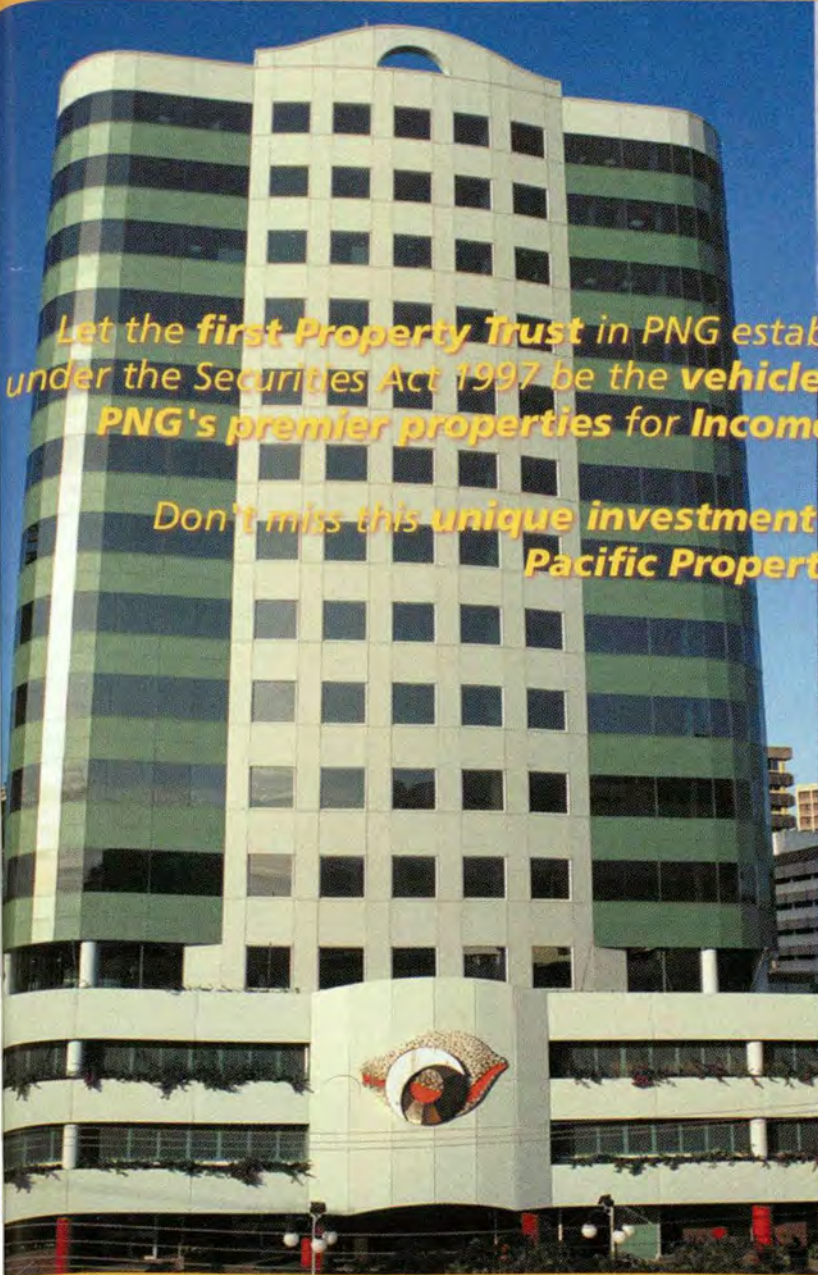


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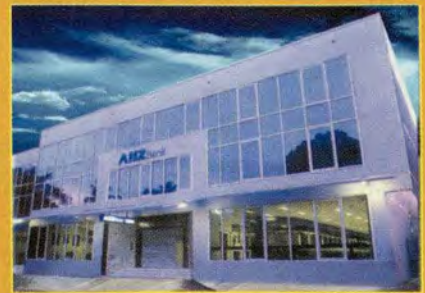
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The Highlands

A region to be reckoned with



By Euralia Paine

There's nothing in the world like the Highlands of Papua New Guinea. Akin to a beautiful woman in her prime, this portion of the country is spread out in its centre in all her glory, her abundance and her endowments. Yet, her flaws flow fast and furious like the mighty Waghi River itself.

White men were first attracted to her only as late as the 1930s by her untamed beauty, her

fertile undulating hills and her cool pleasant climate. Mountains, plateaus, valleys, gorges, ravines, savannah, rainforest, gardens and plantations, provide a spectrum hardly matched anywhere else in the country. Of unsurpassed grandeur, the highlands boasts as being the home of the highest mountain in PNG - Mt Wilhelm - which stands at about 14,000 feet.

In the last 30 years, the highlands has blossomed into a rich coffee, tea, pyrethrum, spice, fresh fruit and vegetable growing area. It has recently become a wine (from local fruits) producing area. In addition, locally produced wild fruit jam and honey are testimonies of her sweetness. But the sweetest crude that she produces is the oil in the Southern Highlands province.

Beneath the pristine beauty of the Southern Highlands lies the potential for a gas pipeline to Australia. Whether the pipeline becomes a reality in the next five years or not, the highlands will never cease to amaze the world with her potential.

It's no secret that gold runs through her veins. As the world stood and watched in the mid-1980s, a gold rush took place in the Mt Kare area of the Enga province. Most people flocked from the local area itself to set up make-shift camps and sifted through sticky muddy waters to find riches in nuggets. Only a handful of foreign individuals ever joined the gold rush but not for long. Most of them were not welcomed. Then the Porgera mine was established. Alluvial mining is still alive and well and can be found operating side by side with the Porgera mine.

The abundant resources of the highlands have made a few people wealthy. Landowners have grouped and have put forward claims for benefits to trickle down to their tribes, clans and communities. In most cases, they receive their share of royalties. So do the provincial governments, and the national government. The highlands is divided into five (5) provinces - Eastern Highlands, Chimbu, Western Highlands, Southern Highlands and Enga. Southern Highlands and Enga are beneficiaries of royalties emanating from their oil and gold resources. Western Highlands, Chimbu and Eastern Highlands are known for their coffee, tea and other agricultural products.

Their backbone is the Highlands Highway, which interconnects all the highlands provinces to the coastal port of Lae in the Morobe Province.

Over the years, the deteriorating condition of the highway has become a great hurdle in the development of the highlands. Coupled with that has been the continuous hold-ups by hooligans who have taken advantage of the state of the road to rob slow-moving vehicles and instil fear amongst travellers. In the last year or so, aid donors have supplemented the national and provincial governments budgets in funding the highway's restoration and upgrading.

Confidence is slowly returning and highway travellers are being beckoned again particularly to attend the famous Goroka and Mt Hagen Shows. Visitors from PNG and overseas attend these annual events to witness two days of cultural extravaganza with displays of traditional dances and art forms from the highlands and other parts of the country. Birds of Paradise plumes, cassowary feathers, cuscus fur and exotic arrays of decorations complement colourful body art of the dancers and show participants. Goroka and Mt Hagen Shows are events that should not to be missed by visitors with an avid interest in PNG. Despite such attractions, several factors that stunt the growth of the area are the exorbitant compensation demands, tribal fights, paybacks and burning and destruction of government and private properties. Tribal fights and damage to properties have closed some schools and health centres.

Violent crimes, particularly to women, are high and so are cases of HIV / AIDS. The use of women as commodities, and as payback activities has recently involved the use of women as payment for guns. The tendency for highlands men to have more than one wife is spurred on by the 'Big Men' image. That is, men in high places or in the political arena particularly, seem to think that the more





THE UNITED NATIONS - CELEBRATING Papua New Guinea's Country-tailored

The United Nations wishes to join in with Papua New Guinea in its celebrations marking 30 years since Independence. With a UN presence in-country since 1973, we have had the pleasure of witnessing the unfolding of the nation that Papua New Guinea represents today. We look forward to assisting with building an even more prosperous nation and believe Papua New Guinea's commitment to the Millennium Development Goals (MDGs) will provide an excellent framework to monitor its progress.

In 2000, all member states of the United Nations, including Papua New Guinea, adopted the Millennium Declaration which outlines a vision for the new century based on fundamental values of freedom, equality, solidarity, tolerance, health, respect for nature and shared responsibility. The Declaration focuses on to overcoming the key challenges facing humanity at the start of the 3rd millennium and formulates the required responses through nationally appropriate benchmarks. The core values of the Millennium Declaration formed the basis for the formulation of the Millennium Development Goals (MDG's). The MDGs also highlight and consolidate the goals and commitments set out in the various world summits and conferences of the 1990s.

There are eight MDGs that relate to:

- (i) Poverty; (ii) Primary Education; (iii) Gender Equity; (iv) Child Mortality; (v) Maternal Health; (vi) HIV/AIDS;

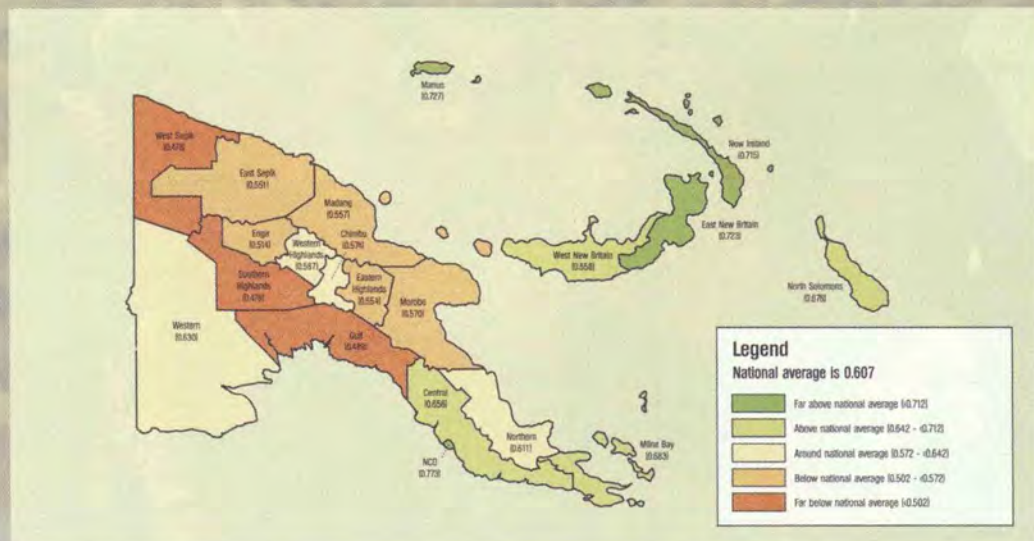
Malaria and other diseases; (vii) Environmental Sustainability; and (viii) Global Partnerships for Development.

The MDGs are time bound, recognize the interdependence between many development challenges, and place the responsibility of achieving these goals both on developed and developing countries. The MDGs represent an agenda that requires the participation and responsibility of all members of society. It is essential that in Papua New Guinea, the MDG's are embraced as a priority by all members of Government, down to the District Level, and that policies and programmes are put in place to facilitate it.

The United Nations in Papua New Guinea looks forward to working with Government on the development challenges ahead and is confident that with strong national leadership and commitment, Papua New Guinea will meet the country tailored MDG's it has set for itself by 2015.

The United Nations in Papua New Guinea comprises the United Nations Development Programme, United Nations Children's Fund, World Health Organisation, United Nations Fund for Population Activities, Joint United Nations Programme on HIV/AIDS, United Nations Higher Commission for Refugees, United Nations Volunteers, United Nations Education and Scientific and Cultural Organisation, International Labour Organisation and the Food and Agriculture Organisation.

Composite MDG Index for Papua New Guinea and it's Provinces.



PNG'S 30 YEARS OF INDEPENDENCE

Millennium Development Goals

MDG 1: ERADICATE EXTREME POVERTY AND HUNGER

Target 1:

Decrease the proportion of people below the poverty line by 10 % by 2015, using the 1996 national average figure of 30 % below the lower poverty line as the benchmark figure.



Target 2:

By 2015, increase by 10 % the total amount of agriculture commercially produced and by 34 % the amount of subsistence agriculture production. (Note: In accordance with the NPRS and the MTDS, for this target, 2003 and not 1990 as the base year.

MDG 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

Target 3:

Achieve a Gross Enrolment Rate of 85 % at the primary level by 2015.

Target 4:

Achieve a Cohort Retention Rate of 70 % at the primary level by 2015.

Target 5:

Achieve an (indirectly measured) Youth Literacy Rate of 70 % by 2015.



MDG 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Target 6:

Eliminate gender disparity at the primary and lower secondary level by 2015 and at the upper secondary level and above by 2030.

MDG 4: REDUCE CHILD MORTALITY

Target 7:

Reduce the Infant Mortality Rate to 44 per thousand by 2015.

Target 8:

Reduce the Under Five Mortality Rate to 72 per thousand by 2015.



MDG 5: IMPROVE MATERNAL HEALTH

Target 9:

Decrease the maternal mortality rate to 274 per 100,000 live births by 2015.



MDG 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

Target 10:

Have controlled by 2015, and stabilized the spread of HIV/AIDS by 2020.

Target 11:

Have controlled by 2015, and either stabilized or reversed the incidence of pneumonia, malaria and other major diseases by 2020.



MDG 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

Target 12:

Implement the principles of sustainable development through sector specific programs by 2010 and no later than 2015.

Target 13:

By 2020, increase commercial use of land and natural resources through improvements in environmentally friendly technologies and methods of production.

Target 14:

Increase to 60 % the number of households with access to safe water by 2010 and to 85 % by 2020 (as per definition from DOH)

Target 15:

By 2020, to have achieved a significant improvement in the lives of disadvantaged and vulnerable groups in urban areas.





wives they have help affirm their status in society.

Papua New Guinea is a land of contrasts and with its diverse cultures, traditions and language groups, goes the strong belief in regionalism. The greatest divide in regionalism is strongly felt between the highlanders and coastal people. The general attitude of the highlanders towards the coastal people has always been one of scorn and disdain. This is mainly because they feel the coastal people are unenterprising. Conversely, the coastal people think the highlanders are cocky, ambitious and domineering and want to move from their overpopulated region to take over the coastal towns.

Even though such regional divide exists, there are some pockets of acceptance. One of the things that has been quickly caught on by the highlanders and has made

some of them millionaires is areca or betelnut, which grows only in the coastal lowlands.

Betelnut is a mild drug that is chewed with lime and mustard to create red spittle. Enterprising highlanders have discovered the joys of betelnuts and some have made fortunes by selling the stuff in Goroka, Mt Hagen, Kundiawa, and other centres where the product is not grown. It is not uncommon to see highlands betelnut buyers travelling on boats between coastal provinces such as East Sepik, Morobe, Oro and Milne Bay to ship home bags of betelnuts.

Highlanders are audaciously spirited as epitomised by their origins. It stands them apart from the rest of PNG and drives home the fact that albeit her flaws, the highlands is a region to be reckoned with.



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doing business in PNG

The triumphs and tragedies



By Rowan Callick

The dramas - the triumphs and the tragedies - that most people recall during Papua New Guinea's 30 years have taken place in the theatre of politics, in clashes between the local and the national, in disasters both natural and man-made.

But daily life has been framed more substantially by jobs - or the lack of them - by growing and selling crops, by the goods and services people

buy, or would like to buy.

In this world, the private sector - the area of economic activity beyond government - has played a crucial, and often courageous and steadfast role in ensuring people's lives and hopes can go on whatever the dramas played out on the political stage.

Of course, this private sector too has not lacked drama. Some of the great corporate names that were also

household names for generations of Papua New Guineans have disappeared. All have changed owners. Others have emerged to take their place.

At independence, the phrase "Mi go long bipi" would have been heard in thousands of PNG households every day, "I'm going to Burns Philp" - to one of the stores owned by one of the great "octopuses" whose tentacles spread to and around almost every island in the Pacific.

Today, almost unbelievably, it has entirely vanished, its name not even to be found in the phone book.

At independence, Oil Search Ltd was a "penny dreadful" stock with a tiny staff, which had somehow survived since 1928, scrabbling around for funds to search for oil that a few true believers were convinced could be found and commercially tapped in PNG.

Among the believers was, fortunately, Frank Rickwood, who first came to PNG in 1946 after graduating from Sydney University. He explored in the then highly remote Southern Highlands and never forgot his hopes for PNG through his rise to become executive director at British Petroleum, responsible for global oil and gas exploration, development and production.

Not long after he retired from BP in 1980, he became chairman of Oil Search, and played a prominent role in attracting much bigger players, the world's oil majors, to join the hunt for oil. Soon enough the Kutubu field began to be developed, and in 1992, 64 years after its search began, Oil Search was part of the consortium that developed the Hides field, and oil started flowing - 64 years after the search began. Today, Oil Search is by far PNG's biggest company and is likely to continue to operate the PNG end of the great project of piping gas down from Hides, Kutubu and other fields to Queensland, Australia.

The other great success story is that of the development of Credit Corporation, founded by PNG's first Foreign Minister, Sir Albert Maori Kiki, who set an example rarely followed in cutting himself off from the political world once he had left it for commerce. No favours sought or obtained, just sound business sense. Today, the company, with its core of loyal executives



Sir Mekere Morauta and wife Lady Roslyn...have a substantial trawling business.

led by Noreo Beangke and Garth McIlwain, has spread to Fiji. Within PNG it has effectively taken control of the biggest bank, the former government owned PNG Banking Corp (PNGBC), which it merged with the Bank of South Pacific. Credit Corp had after complex manoeuvres involving, prominently, the Catholic Archdiocese of Port Moresby, gained control of the Bank of South Pacific in 1994 after its founder, the National Bank of Australia, decided to exit PNG.

The sale of the PNGBC has proved to be the country's most successful privatisation, driven by Sir Mekere Morauta, who was once managing director of the bank. Other privatisations - most obviously of Telikom and of Air Niugini - have however been frustrated in part because of fears about foreign ownership. But Beangke, son of an

Eastern Highlands coffee smallholder and a former Finance Secretary, who is today the biggest of the local players, stresses: "There is no Melanesian way of doing business. There is an international way. We have to join the world with its capital and its expertise."

After decades of contraction by most banks, they are now starting to expand again into the rural heartland of the country. ANZ Bank, for which PNG is the third most profitable operation in the world after its home Australasian markets, has recently begun to extend into new provinces. Another of Morauta's most important initiatives, also helping enable PNG to "join the world," was to legislate greater independence for the central bank, the Bank of PNG.

Successive PNG governments, starting with Paias Wingti's urged



Rimbunan Hijau...actively involved in logging and owns a local daily newspaper in PNG.

to "Look North," have sought to replace departing Australian capital and management with companies from the thriving economies of East Asia. But while Asian markets are buying ever increasing proportions of PNG's agricultural and mineral exports, the "Look North" take-up in terms of companies investing in PNG has been limited chiefly to those processing fish and harvesting timber.

Malaysian firm Rimbunan Hijau, the largest of the latter, also founded and runs the daily newspaper *The National*; its parent company operates other newspapers back in Malaysia and in Hong Kong. At the micro-business level, and even more controversial, a wave of Asian individuals and families has swept in to delocalise large sections of PNG's small stores and fast food outlets.

However, there are high hopes that big Chinese companies, especially those eager to obtain stable sources of raw materials needed to fuel the country's rapid growth, will soon start to become major players in PNG. In early 2004, Prime Minister Sir Michael Somare flew with a large group of officials and businesspeople to Beijing. A big range of projects was discussed, but the most promising is the proposal by the government-owned China Metallurgical Construction Corporation to buy for about Kina 1.8 billion, 70 percent of the long-delayed Ramu nickel project. This would at last provide the funds to build the mine in the mountains south of Madang. It also provides a potential precedent with which to attract further large scale investors since the Brisbane-based Highland Pacific, the operator of the project, has obtained from the PNG government a guarantee that its tax regime would remain stable for at least ten years.

Businesspeople have often complained through PNG's 30 years

about access to capital, with bank borrowing the only realistic source for most. For long periods, interest rates have run well into the double digits - though today they are at historic lows. The pension funds have invested widely, but until recently, they often did so at political direction. Today, after the semi-collapse of the National Provident Fund due to corruption, they are run in a considerably more independent and professional manner, led by the National Superannuation Fund and the Public Officers' Superannuation Fund.

firms - the highly successful New Britain Palm Oil, majority owned by Malaysia's Johor state and Ramu Sugar, which was for long the monopoly sugar producer but has more recently diversified, including into palm oil.

Another listed stock, Inter Oil, established by a father and son team from Houston, USA, operates a refinery in Port Moresby. Like some of the Asian canning factories and like Ramu Sugar, it was established in the first place because the government legislated to protect it.



Ramu cane harvester.

About 15 years after it was first proposed, a share market was eventually established in 1994 - the Port Moresby Stock Exchange, chaired in a distinguished manner by the late Sir Anthony Siaguru. Today, 13 companies are listed. The exchange's only index, the Kina Securities Share Index, has hit successive highs in 2005.

Half of the shares, led by Oil Search and also including Highland Pacific, are resource companies. But they also include a couple of agribusiness

Mining has continued to provide half the country's income through PNG's 30 years. Even after Bougainville Copper closed in 1989, at a stroke cutting 20 percent of the government's income, other mines essentially kept PNG solvent: Ok Tedi - which is today operating more profitably than ever, despite the environmental disasters that forced BHP to quit; Misima; Porgera; Lihir; Tolukuma; and the great democratic gold rush at Mt Kare which enriched adventurous Highlands' diggers by several hundred million kina.

The mining operators are becoming ever more involved with their local communities and people trained by them - starting with Bougainville Copper Ltd - can today be found in a great range of workplaces.

The distribution and transport sectors have always been the most

based trader Collins and Leahy joined the Hong Kong based Swire group (owner still today of Cathay Pacific airline) in ownership of the other great conglomerate in PNG, Steamships Trading.

Swire went on to buy control of Collins and Leahy too. Both

old rival, Steamships. Lae-based distribution company Sullivans has also disappeared. And 15 years ago, Sir Dennis Buchanan, the colourful owner of Talair, the sole major competitor to the government-owned Air Niugini, started to close his airline down. Air Niugini still has competition, but it has since then been more fragmented.



Tilling Ramu soil.

In 1993, Toyota lifted its stake in its joint venture Pacific-wide automobile distribution business with Burns Philp to 50 percent, and went on to buy the rest. Carpenters, the other great Pacific octopus, survives in PNG through its Highlands plantations, its ownership now in Asian hands. Steamships, Collins and Leahy, have also survived, but with narrower ranges of operations.

Australians have contributed heavily to the commercial scene in PNG, perhaps inevitably as the country's former colonial master and still a major trading partner.

visible in PNG, as elsewhere in the Pacific, and have attracted the most corporate action.

Burns Philp first sold off in 1987 its plantations, most of them acquired in 1926. The same year, Highlands-

Steamships and Collins and Leahy were listed on the Australian stock exchange. In 1996, the PNG government began an eventually fruitless bid to gain control. Five years later, Burns Philp sold its merchandising operations to its

Brian Bell is probably the best known businessman in PNG because his name and face are the selling points of his stores. His "Mister B" guarantee chorused in radio jingles for decades has thrived since arriving from Queensland 50 years ago.

The Oatley family, which developed

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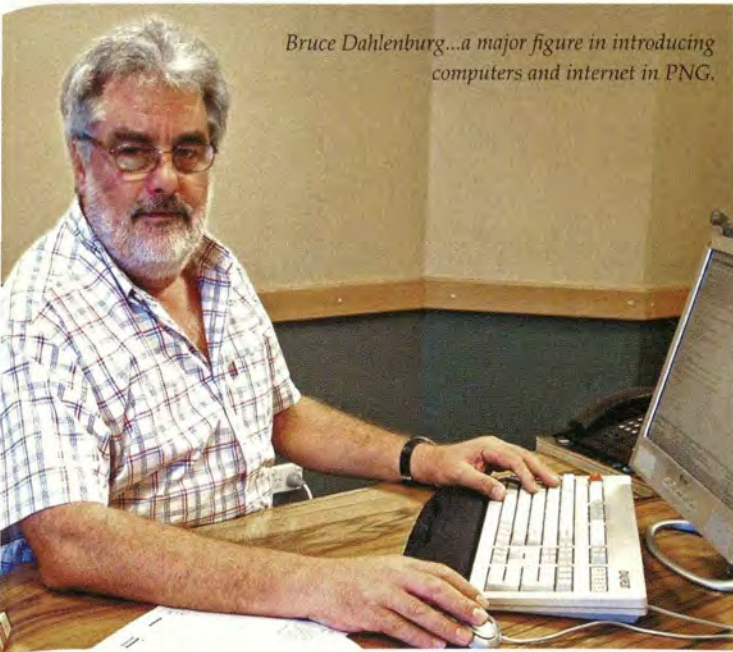
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the massive Rosemount winery which merged with Southcorp, made its first fortune from coffee in the Eastern Highlands.

Bruce Dahlenburg, through Daltron, has been a major figure in introducing Papua New Guineans to computers and the internet. And so on, in virtually every centre around the country, where business communities usually form the backbone of charitable, sporting and civic



Bruce Dahlenburg...a major figure in introducing computers and internet in PNG.

activities.

Through the 30 years, PNG's business community has developed a range of organisations for mutual support and principally, to lobby governments, both national and provincial - over constant policy and tax changes, for instance, and often - though not today - over unpaid government bills.

The PNG Business Council tends to represent the bigger companies, and the PNG Chamber of Mines and Petroleum and the regional Chambers of Commerce, which are also represented through a national chamber, also play crucial roles in representing private sector interests. Unlike many other countries, PNG has not seen the emergence of a political party with a uniquely powerful private sector policy thrust. All parties claim to be good for business. The number of genuine businesspeople - who have built their own companies - in parliament has increased, but they remain rare.

Sir Julius Chan, no longer an MP but still a successful businessman, and Sir Mekere Morauta, who developed with his wife Lady Roslyn a substantial trawling business, are among them.



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entering the carbon credit market

Papua New Guinea is moving into a futuristic market - the carbon credits trading business.

Its forests have brought the country hundreds of millions of kina from the trade in log and chip exports.

Now PNG is being positioned to earn millions of kina more by preserving parts of its forest cover from logging and by planting trees that also won't be logged.

Put simply, factories and power stations that pollute the atmosphere with carbon dioxide gas by burning coal, oil and other fossil fuels will pay for having the gas absorbed by Papua New Guinea's trees.

Trees do that naturally anyway. This ability is now being captured by the Kyoto climate change convention into a money-making opportunity.

Countries have agreed to cut their emission of polluting gases to 1990 levels by 2008-2012.

Those that fail, or can't reach the 1990 level in time, can buy carbon credits - they could also be called penalties - from countries like Papua New Guinea that don't cause much pollution.

There is still debate about whether carbon credit trading will really achieve much towards averting such climate change perils as sea rise by lowering the amount of industrial carbon gas releases into the atmosphere.

Neil McIntyre, managing director of PNG merchant banker Pacific Capital

Limited, says there's no doubt the business of carbon credit trading is already a well established reality. More than a billion dollars worth of credits were traded in 2004.

In June this year, credits were being sold on the London market for 19 Euros per metric ton.

PNG has potential for sales of "certainly" millions of tons worth of credits, McIntyre says.

"We hope to be in the market by the end of the year.

After undertaking the complex groundwork for trading, Pacific Capital has signed an agreement with the PNG Government under which a state carbon credit-trading agency will be established.

The business can bring revenue to landowners and government, while preserving and expanding forest areas, McIntyre says.

Trees naturally absorb large amounts of carbon. In carbon trade terms, a forest becomes a "carbon sink".

Industrial production releases huge amounts of excess carbon gas and other troublesome gases into the atmosphere annually. This, scientists say, is causing the atmosphere to heat up with potentially catastrophic climatic consequences for mankind.

The Kyoto convention requires countries to progressively lower their gas emissions. Highly industrialised countries such as Japan and those in Europe that fail or have trouble reaching their emission limits can buy

credits to offset their excess emissions.

A designated area of PNG forest calculated to absorb say 100,000 tons of carbon will yield 100,000 tons of credits for the market.

Hydro-electric generating stations and oil-burning powerhouses converted to burn natural gas are eligible for the scheme also.

Pacific Capital began investigating carbon credit trade in 2000. It won the support of the Morauta and later the Somare governments.

"At that time, it was not just Pacific Capital, we had a technical team including the Queensland Department of Natural Resources, the Boeing Corporation with satellite imagery and several other specialist firms," McIntyre says.

"55 countries had to sign the Kyoto Protocol to come into effect. It looked like a couple were about to jump aboard and get it all ratified.

"We formed a consultative committee with government, including all the line agencies, forestry, finance, and worked for 9-12 months on how to implement carbon trading. We came up with a good team to set it up and then countries about to sign the Kyoto Protocol stalled the talks, so we put it on hold.

"Lo and behold, in November 2004 Russia signed the protocol and there was a trigger of about 60 days before it came into effect. We went back to the government and we have signed a memorandum of agreement with it."



KPMG International Projects Group

The KPMG International Projects Group has been specifically set up to manage projects on an international level and work with governments and industry sectors in the Pacific region.

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How does carbon-trading work?

McIntyre explains. There are two Kyoto compliance credit mechanisms - the joint implementation and clean development mechanism and pure green credits, which is more about forest preservation.

The opportunity for PNG is mainly in the clean development mechanism, although there are some opportunities under the joint implementation scheme, which is to do with cleaning up dirty power stations.

The clean development mechanism has a requirement for "additionality."

There are no credits for preserving natural forest that would remain untouched anyway. The forest owner has to show that it was going to be used for something else - like logging - or that by management it gains credits by having its carbon sink capacity increased.

An independent board in Germany decides whether a proposed carbon sink is real, tangible, touchable and within the structure of the application for recognition. Verification by a second independent agency is also needed.

An area of forest offered for verification is assessed by a specialist technical firm. In 1990, carbon storage capacity is calculated and compared to the present one. The CO₂ uptake of the area is monitored at a number of monitoring points.

Satellite imagery is used and the area's preset credit value calculated based on carbon gas intake.

Only 30 or 40 percent of a forest area can be traded. The rest is kept in reserve to cover loss of capacity caused by damage by fire, pestilence or other destruction. An area can be managed to lift its credit value from 30 to 40 percent.

How much of PNG's forest can be traded?

"Our approach is for a national scheme essentially because of the nature of title and land in PNG,"

McIntyre says.

"It is easier to do a national approach rather than approach landowners in a concession area and say 'look instead of using that for logging, why not dedicate it for carbon? However, individual forestry companies will be able to put their plantations into the market.

"Another way is to say to government: 'There's large areas of natural land. You can pass encompassing legislation like the Oil and Gas Act and then dedicate large areas of natural forests that have no title issued on them.'

"It's a very intense process. You have to satisfy an umpire, you need grid references, an agency study has to be done on take-up and trees species mix, and you have to go into a lot of details.

"Some trees have more uptake than others. Old growth forests have less carbon because they are more mature and the actual carbon is locked inside trees. There's different measurements for different sorts of forest area.

"Government has some plantation areas and plantations like palm oil that can be used. Lihir has put in a geothermal power station, which positively accrues credits. We understand they're packaging those for sale.

"There's some interesting possibilities in PNG, but our view is that it has to be a national approach. There's an opportunity potentially for government for revenue and also for landowners to be involved."

The carbon credit scheme is designed to encourage plantation forestry.

"You can positively accrue credits by planting a grassland area. Forestry and credits can go together," McIntyre says.

"You can actually log in a way that earns credits. It's not anti-logging. It actually improved credits if you log properly. You replant and selectively

fell. The two are not mutually exclusive by any means; in fact they fit together well.

"There's very positive benefits for landowners who become effectively stewards of their own-forest rangers in their own areas.

"You actually encourage walkabout sawmill operators because they can clear trails and maintain their forest areas. Logs used as biofuel actually increase the credits you can take out of the area since thinning old trees increase the carbon uptake.

"There could be some overall strategy to clean up may be some dirty power stations, or you focus more on hydro-electricity and accrue positive credits there.

"Power stations that run on diesel could be run on gas when the gas pipe project begins and could accrue credits."

The first areas to be dedicated to the carbon credit market would be those that can be allocated quickly so as to bring revenue to the state, McIntyre says.

"They would have the least level of complications, areas that you want to preserve, very unusual forest areas and mountains areas too difficult to log."

After 2012 the requirement for lower emissions will become tougher; 15 percent more, down on the 1990 levels and then another 15 percent.

"It's accelerating towards the compliance period and there's a belief that people will panic, knowing that they are going to have to comply. The corporates of the world have made a decision to get into it regardless of whether Kyoto goes ahead or not.

"It's a seller's market at the moment. There are not enough credits. Our view is that within a few months, we would have a bank of orders.

"As long as we are compliant and pass the test, we think they'll be knocking on our doors."





Daniel McYano Waswas

Age: 31

Home Province: Southern Highlands

Marital Status/Children: Married, one child

Occupation: Professional artist

Professional Organisations: GalleryPNG, Member of Tautai Contemporary Art Association, New Zealand, Member Pacific Arts CreativeNZ

Where were you during Independence in 1975?

I was only a year old then. I guess, I must have been bothering my mum for breast feeding.

Briefly explain, what you are doing now. What are your achievements?

I am currently working as a freelance artist, creating art to embrace and represent the aesthetic qualities in our culture. I also have a small group called GalleryPNG. Its main aim is to provide an avenue for artists to earn a living through their artworks. GalleryPNG is a non-profit organisation facilitating the understanding of contemporary art to fellow PNG artists. It also acts as a point of communication for other major museums and art collectors abroad to reach individual artists in PNG.

The main achievement in my life is obtaining a Master's degree in Fine Arts (Honours) at Auckland University, New Zealand. I have represented Papua New Guinea at some International Art symposiums, exhibitions, conferences and artist residency programmes abroad. My records include:

- Paper titled "Contemporary Printmaking in PNG", Australian National Gallery, Canberra, Australia.
- The third Asia Pacific Triennial of Contemporary Art, Queensland Art Gallery, Australia.
- "Creating Together" South Pacific Indigenous Arts, residency at the Tjibaou Cultural Centre, Noumea, New Caledonia.
- Te Atinga, "Indigenous Art Gathering" Rotorua, New Zealand.

My art has been collected by major museums and art collections abroad:

- Australian National Gallery, Canberra, Australia.
- Tjibaou Cultural Centre, Noumea, New Caledonia.
- Museum of Ethnology, Frankfurt, Germany.
- Kings College Foundation, Auckland, New Zealand.
- Reef Shipping Ltd, Auckland, New Zealand.

After 30 years of Independence, what do you think of the state of the country right now?

Papua New Guinea is a young nation compared to the other developed countries. It is at the moment going through a learning curve as a young adult learning to adapt to the ever changing environment. When a person, or country, for that matter, is in the process of learning and finding its identity, adopting someone else's theory is often taught to be the most ideal form of concept, simply because we feel incompetent and inferior to whoever is proposing the idea from our previous experiences. Papua New Guinea needs to re-evaluate itself to find its own identity, especially in the learning process. We learn in group situations solving problems together and learning from trial and error. Our forefathers have taught us to fish, hunt, perform and dance, etc, in a group situation whilst learning from mistakes. If we can only embrace the best from the introduced ways of learning whilst maintaining our cultural way of working in group situations to solve problems it would be one of the most ideal forms of discovering our path again. Papua New Guinea is often compared to the West without really understanding the essence or the underlying facts before coming up with conclusions. This country is only 30 years old compared to western civilisations that have had centuries in which they have a lot to reflect upon and learn from in order to make their future a better one. The West for years since Papua New Guinea became a country has a tendency to compare itself based on its environment and level of understanding. I only hope the West can make an effort to know other cultures and many traditions that exist within before it can compare and judge. I believe Papua New Guinea is still placed in

a strategic location after 30 years. We still have vibrant cultures blessed with people of great spirit and hope for the future. Papua New Guineans are fun loving and caring to outside people. We have the instinct to feel and react openly to God when he calls for us. This is not a phenomenon but an inbuilt nature that God has blessed us with.

The outside world is now having difficulty trying to understand our relationship of spirit, as they have practically allowed knowledge to question and analyse everything on earth thus creating confusion in their mind. As for Papua New Guineans, although we are going through difficult times now, I believe in keeping faith and trusting in the good Lord, and surely we will rise above others.

What do you hope for the future?

My greatest hope for the future is to see Papua New Guinea become a God fearing nation, openly proclaiming Jesus as our Lord and living according to his word. When we learn to fear God, we will be blessed with wisdom and understanding. With the knowledge we receive from God, we can manage our country with high standing moral values and integrity. The word of God says that where there is righteousness, the people rejoice. We have for too long confounded our mind to the standards of this world. Ignorance and make-believe have literally

become our way of life, thus moving away from God the father (Father in Hebrew means the Source). God is the source of all things but we have relied on introduced theories that have led us to deeper problems. I hope we will come back to the source and use the knowledge from his word to serve Papua New Guinea's interest. We have developed an attitude in this country, whereby we blame someone else for our mistakes. We prefer not to accept blame or constructive criticism simply because it hurts our individual way of life and the programmed thinking process that we have acquired from our cultural background. It is written in the scripture; pride comes before a fall.

If only we can humble ourselves and learn to accept criticism and own up to our wrong doings, we will prosper both spiritually and financially. We need a paradigm mind shift to bring positive changes to our country.

In order to prosper and be blessed, I pray and hope that Papua New Guinea becomes a nation that generously gives a helping hand to other nations, or people in times of need. Having this in mind, I hope that we as Papua New Guineans will learn to share and work together to solve issues strategically with wisdom as our forefathers did in group situations. May God bless Papua New Guinea in its 30th anniversary.



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Super Info - Increase in mandatory contributions...

As part of the reforms to the Superannuation Industry in Papua New Guinea through the Superannuation (General Provisions) Act 2000, Private Sector mandatory contributions will increase as of 1st of January, 2005.

What this means is that Employers and Employees mandated to contribute to an Approved Superannuation Fund (ASF), Section 4(1) (a) and (b) under the Superannuation 2000 (General Provisions) Act, will be required to increase the Employer contributions from 7% to 7.7% and Employee contributions from 5% to 5.5%. Compulsory contributions will be further increased on the 1st of January 2008 to 8.4% Employer contributions and 6% Employee contributions.

The purpose of the incremental increases is to bring inline the disparity between Public Sector and Private Sector Contribution rates.

For more information on your superannuation, contact Aon on telephone (675) 320 2547 or email aonmastertrustpng@aon.com.pg.





Dr Mary Joku Ponifasio

Age: 42

Home Province: National Capital District

Marital Status/Children: Married with 2 children

Occupation: (ENT) Ear, Nose and Throat Surgeon

Professional Organisations: Medical Director - The Doctors Ltd, President - Women Doctors Association (PNG)

Where were you during Independence in 1975?

Living in Port Moresby as a Grade 7 student at Marianville High School. I marched with all the schools in Port Moresby and recited the National Oath and sang a selection of Independence songs.

Briefly explain, what you are doing now. What are your achievements?

I have been running a private specialist clinic for the care of ear, nose and throat in Port Moresby for the past 9 years. My biggest achievement, professionally, would be that I was the first woman in PNG to specialise as an ENT surgeon and also to go on and set up a privately-run ENT Clinic.

After 30 years of Independence, what do you think of the state of the country right now?

- 1) The number of educated people has increased but economic development has not matched the education level.
- 2) There is an imbalance in services between rural and urban areas.
- 3) Public services, health, transport and communications are struggling. They need support continually.

What do you hope for the future?

- 1) More Papua New Guineans to be running their own businesses and providing more job opportunities for young people.
- 2) Decentralisation of services into rural PNG.
- 3) Tourism industry to boom. Air services within PNG to improve. Open skies - allow other airlines to operate which may enable us to achieve this.
- 4) More PNG women in Parliament.



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TRAVELLING WITHIN PNG

Papua New Guinea's terrain - ruggedly mountainous, thickly forested, and with more than 1400 outlying islands - makes travel difficult in many parts of the country.

Some areas remain inaccessible except by foot, helicopter, or riverboat travel.

The capital, Port Moresby, where about 400,000 people now live, remains isolated from other parts of the country, except by air or coastal shipping.

The National Roads Authority has an ambitious long-term plan to build a countrywide network of roads at a cost, at present prices, of about 5.5 billion Kina.

For the time being focus is on the repair of the Highlands Highway network. This links Lae, Madang, Goroka, Kundiawa, Mt Hagen, Wabag and Mendi.

Some sections have been damaged by landslides, washouts or have deteriorated due to inadequate maintenance.

It will probably be decades before the National Roads Authority-envisaged plan is completed. The obstacle of distance is partly being overcome by the installation of satellite communications systems.

However, until the road network has been significantly extended, Papua New Guineans will continue to rely heavily on coastal shipping and domestic air services as their primary means of domestic transport.

Soaring costs, particularly for fuel, are beginning to lift air and even sea transport beyond the means of grassroot people.

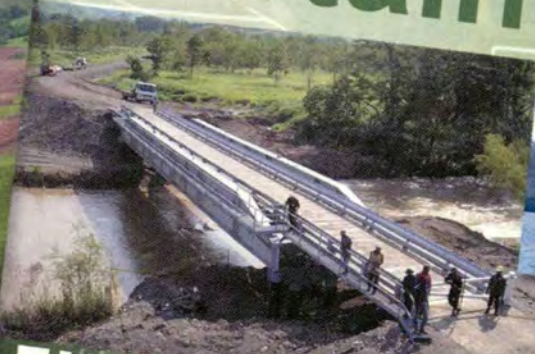
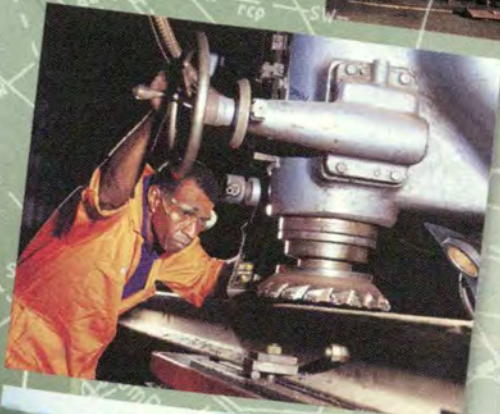
Less than half of the 400 rural airstrips remain in use. The dwindling, for economic reasons, of the coastal shipping trade is leaving many communities reliant on small open boats powered by outboard engines that are becoming prohibitively costly to buy, maintain and fuel. The next few pages of **PARADISE** review the outlook for transport and communications.



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IT'S A COUNTRY OF AEROPLANES



Balus. The aeroplane. People and their cargoes have ridden in the skies, above Papua New Guinea's forests and mountains for 80 years.

Air Niugini's then general manager, Bryan Grey, remarked in 1976: "This is the country of the aeroplane. Nowhere else have people been so dependent upon aviation."

The story of aviation in Papua New

Guinea is an epic one. It began as a story of daring men in their flying machines. Daring passengers too.

Hark back to gold rush days in the 1920-30s, and Papua New Guinea can justly claim to have pioneered the modern air cargo industry by flying mining machinery, supplies and prospectors, otherwise accessible only by weeks of torturous foot-slogging.

Without fixed-wing aircraft and, from the 1950s, helicopters, great areas of Papua New Guinea would still be almost inaccessible.

The structure of PNG's aviation industry is adjusting to meld with present needs.

For decades business was flown mostly with small single and twin-engined aircraft. The Twin Otter remains a primary workhorse. According to the Department of Civil Aviation, 18 commercial operators using about 200 aircraft are licenced to operate domestically.

While the number of aircraft used has fallen by more than one-third from a peak of more than 300, the modern prop-jet Dash-8s put on domestic routes in recent years by the two largest airlines, Air Niugini and Airlines PNG, carry two to four times more passengers than some of the

aircraft they have replaced.

The industry is being driven to consolidate by the same global pressures that have driven some of the world's largest airlines out of business or into mergers with other airlines.

The reach of domestic air services has contracted since more than half of the more than 400 airstrips that dot the country have closed. Villages, local governments and missions were unable to continue their maintenance.

Since the 1993 closure of the then largest private domestic airline, Talair, Airlines PNG, formerly Milne Bay Air, has grown to succeed it.

According to the airline's owner, John Wild, it is in discussions for a merger that will extend its local network beyond the southern region of the mainland it now focuses on.

Air Niugini, founded in 1972, is dominant as a domestic carrier and as the government-owned and only international airline. It pioneered the use of pure jets on domestic routes with Fokker 28s, introduced in the 1970s. Today's fleet is a combination of Fokker jet derivatives, the F100s, F28s and Fokker 28-4000s, and Dash-8 propjets. A leased Boeing 767 wide-bodied jet is being used for international flights to Australia,



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In the last two years, the reorganisation and redirection of Air Niugini's various departments has produced two consecutive years of record profit and reinvigoration of the airline's morale and sense of direction.

What are Air Niugini's future directions?

Domestically, Air Niugini's growth will be influenced by what such aviation infrastructure as airports and navigational aids can cope with, said Air Niugini's Bob Martin.

"What we want to do is have jet trunk routes and we can use the Fokker 100 on only about half of them at the moment.

"We also have weight penalties on the Fokker 28-4000s. We plan to be out of the 4000s by 2007 and run the Fokker 100 and Dash-8s. Again infrastructure, fuel costs and navigational aids are going to be the blockages.

"We won't operate anything smaller than the Dash-8 because going to smaller aircraft is not solving the problem of growth for tourism or anything else. As the gas pipeline and the nickel projects come along, there will be a need for bigger aeroplanes and better services."

Air Niugini's strategic planning committee has the question of future aircraft needs under constant review.

"The Fokker 100, if airport infrastructure comes along, will be fine for another seven to nine years. We are trying to forecast. Are projects like Ramu nickel and the pipeline going ahead? What capacity will they require? We have to tailor what we buy to the market and there is not a



lot of choice in the 70-seat range at the moment. The new Embraers have an enormous unit cost."

Martin said realistically fuel prices are pushing air travel out of the reach of grassroots travellers.

"The big issue here is that the grassroots domestic increase can't take much more in increases. Fares have not gone up since 2002. There have been surcharges to cover fuel, but we know that in the last eight years the domestic uplift has dropped consistently. The little guys can't pay forever and that is the problem."

Every airline in the world is worried about fuel prices, he said. "That's why airlines are merging on the big scene and that's why we are looking at fuel-efficient new planes like the Boeing 787. Their actual unit cost can be offset by 25 percent cheaper operating costs than a Boeing 767."

Air Niugini will keep its leased Boeing 767 until September 2007, which is the end of the code-share deal with Qantas.

"I think Qantas is interested in keeping it going," Martin said.

"Privatisation is on the backburner with the present government. In our strategy, we are saying some sort of equity within five years - may be some sort of superannuation fund or something like that. But I think it is one of the requirements that can bring in technology, ideas, capacity, finance and skills."

Air Niugini's business market should show a healthy growth if planned big infrastructure projects proceed.

"We are doing a lot to develop inbound tourism, and we still feel that has a lot of good opportunities, but that is also contingent on peaceful civil issues here and on getting better services on the ground, such as more hotels. In the long-term, we would like to see increased frequencies to Japan.

"You can hypothesise about China, but I don't think it is the market for us. There is a business potential there, but we are already tapping into that through Singapore and Manila and our Taipei office.

"Regional, we are looking at opportunities but a lot of Pacific Islands routes don't have much traffic. We are looking at the link may be bypassing the Solomons to Port Vila and Nadi, something like that, but this is very much an idea at this stage."

Founded in 1983, Airlines PNG grew rapidly after the closure of Talair. It hired many Talair staff and took over many Talair routes. It is now operating primarily Dash-8 and Twin Otters.

"This is one of the most difficult places in the world to operate in," says Wild. "We have mountains of up to 14,000-15,000 feet and we go into 7200-foot high airstrips. In the tropics, it's mainly morning flying and weather patterns can change very quickly."

Wild says the deterioration of airstrips has forced the airline to operate to only about half the number there were previously. Like Air Niugini, Airlines PNG is noticing the erosion of passenger numbers caused by additional fuel costs.

“One of the biggest problems is that the industry is becoming more technical,” he said. “We have to keep up with the trend.”

Indeed, the days of Papua New Guinea’s daredevil string bag flying machines are long, long past.



SHIPPING: COCONUT OIL POWER



It’s a sign of the times. Some of the ships of Rabaul Shipping Ltd’s fleet leave the smell of freshly baked coconut biscuits in the air above the wakes they cut in the coastal waters of Papua New Guinea.

And no wonder. Their diesel engines are running on coconut oil fuel as a substitute for the heavy diesel oil they would normally burn.

But with world oil prices climbing above US\$60 a barrel, times are no longer normal.

Coconut oil, normally exported in bulk for use by food and many other

manufacturers, is now cheaper for diesel engine ships to burn than oil, says Peter Sharp, Rabaul Shipping’s chief executive.

“It’s no trouble at all. In fact, it’s five percent more efficient.”

Rabaul Shipping operates a fleet of ten passenger and five cargo vessels. It first turned to coconut oil three years ago when oil prices rose to a then record height. It later returned to conventional fuel but has since resumed using coconut oil for its larger ships.

It all comes to price. Diesel oil fuel

costs two kina a litre. Sharp says a larger copra miller supplies coconut oil but he believes it could be produced at village level for 80 toea a litre and sold for a kina. If world oil prices remain, years as high as they are now, as they are forecast to, then Papua New Guinea’s depressed coconut industry could be revived to save the country oil imports of 100 million Kina a year, he says.

According to Sharp, the great days of the coastal shipping trade, when there was a “myriad” of owners of one, two or three ships, are over.

“Except for fuel prices, we would be

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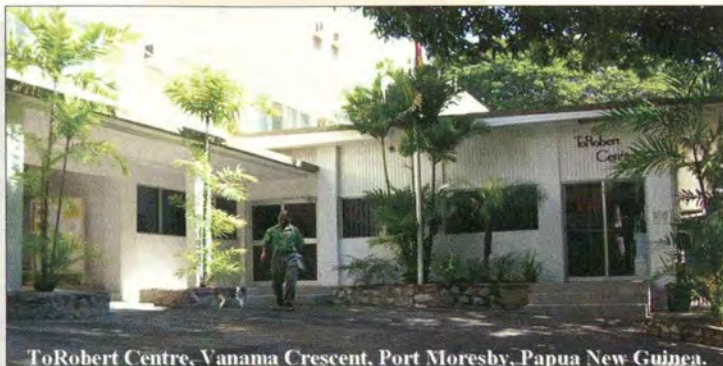
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doing very well because we cater for 75 percent of the population.”

There’s been a sharp decline in national fleet numbers and some consolidation of businesses.

He says that in common with shipowners throughout the Pacific Islands, the cost of replacing ships long past their economic life is prohibitive. What’s more, the sources of second or third-hand ships have all but dried up since there’s been a steep decline in the construction of small vessels suited for the Papua New Guinea trade.

The waning of the coconut industry, now producing half its original output, is another factor. Shipowners can no longer afford to divert ships to small, isolated islands for just a few sacks of copra. Papua New Guinea’s coastline now depend on outboard-driven workboats as their sole means of transport to the nearest port or airport. Outboard engines are comparatively high cost items and burn large amounts of costly petrol.

“In Milne Bay, I’ve noticed more motor-sailer craft. People are looking very seriously at return to sail,” Sharp says.



“In one day I saw three or four sailing canoes, which I have not seen before.”

The government has begun an aid-funded 80 million Kina project for the repair and replacement of lighthouses and beacons. Perhaps these will be pointers to short cuts that will

save shipowners some litres of fuel, whether diesel oil, petrol or coconut.



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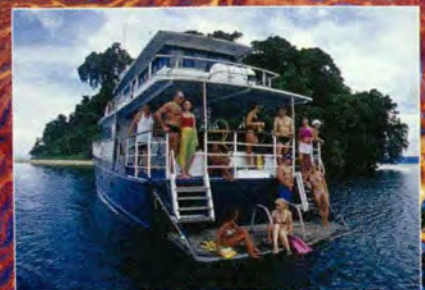
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Janet Kaki Sape

Age: 45

Home Province: Enga

Marital status/Children: Married to a Gulf province man for 27 years. Have 6 children

Occupation: Self-employed - Businesswoman

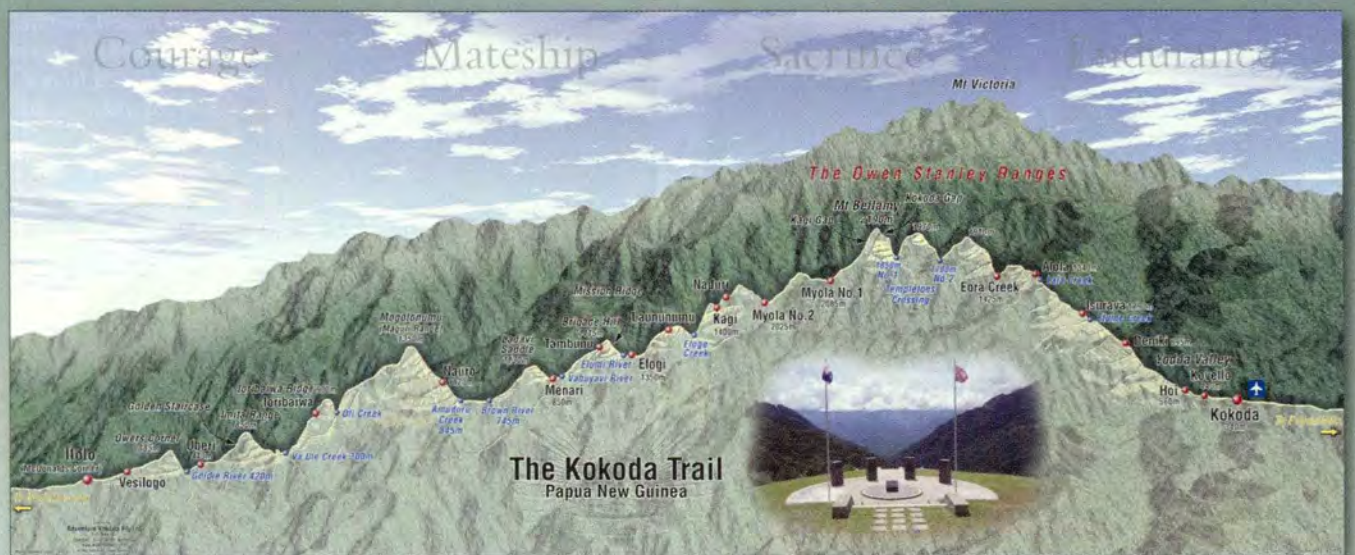
Professional Organisations: Director - Second Time Round

What were you doing during Independence in 1975?

Attending Notre Dame Catholic Girls High School in Western Highlands as a Grade 10 student.

Briefly explain, what are you doing now. What are your achievements?

I am running a chain of second-hand clothing shops of the highest



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quality in the latest fashions in Port Moresby and Lae. I own and operate wholesale and retail outlets in the two major cities. In relation to my achievements, I have:

1. Provided employment for the underprivileged people - from settlements, former prisoners, widows, divorced mothers, and youth - providing them a second chance through my Second Time Round shops.
2. Supported God's work through Churches, Wantok Radio Light, Prison Fellowship - reaching out to orphans and neglected people e.g. those who live on the edges of the rubbish dumps. Extended a lending hand to the lonely hurting people and pray to God that one day this nation will give them a fair share.
3. Proven that women in PNG can participate in whatever field they

want to be involved in - even in areas that men dominate. Also tried to be a good role model to women in all walks of life.

After 30 years of Independence, what do you think of the state of the country right now?

There are so many problems affecting this nation. There has never been a worse time than now. Corruption in high places has increased since the 1970s and 1980s. Life is becoming too difficult for our people due to high costs of living and less money for them to spend on basic needs.

There are also not enough jobs for many young people finishing Grade 12 or even universities. We are a Christian country and we are richly blessed with so many resources, so our people should not be suffering. This country looks like a sinking ship but only God will save it.

What do you hope for the future?

1. A better PNG that will offer basic needs for every Papua New Guinean citizen - in terms of employment, food, shelter, clothing and money in their pockets.
2. A safe PNG where tourists can flock to the country to enjoy the tropical paradise that we really are - to create employment and boost our economy. Also a safe PNG where women can move around without fear of harassment or abuse.
3. Strong laws to be put in place to protect women's rights against violence of any form.
4. More women to be in Parliament.
5. A Parliament consisting of 90% or more of truly God-fearing, born-again Christians - both males and females.



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Dr Betty Pilisa Lovai

Home Province: Western Province

Marital Status/Children: Married with three children

Occupation: Lecturer, UPNG

Professional Organisations: UPNG National Academic Staff Association, PNG Social Workers Association

Where were you during Independence in 1975?

I was in Grade 7 at High School in Lae, Morobe Province.

Briefly explain, what you are doing now.

I am a lecturer in Social Work at the University of Papua New Guinea. I teach both undergraduate and postgraduate courses and supervise students undertaking postgraduate research.

What are your achievements?

- a) Educational Qualifications
 - i) Bachelor of Arts Degree in Social Work, UPNG.
 - ii) Bachelor of Arts Honours Degree in Social Work, UPNG.
 - iii) Master of Arts Degree in Social Policy and Administration, University of Nottingham, United Kingdom.
 - iv) PhD in Social Work, La Trobe University, Melbourne, Australia.
- b) Services to the University of Papua New Guinea. In addition

to teaching, I have served on a number of the university committees dealing with administration and academic matters. In 1994, I was the first national to be appointed as Director of the Social Work Programme, University of Papua New Guinea. I held this position for 6 years and vacated it in 2000 to pursue PhD studies at La Trobe University. Since joining UPNG, I have been engaged on a number of consultancy assignments with various organisations on issues such as gender, women and development, water and sanitation, police and welfare, street children, navigational aids, community development and poverty alleviation.

- c) Service to the Community. I have also served the nation as a member of a number of committees established to address critical social, governance and development issues. Some of these appointments are stated below and still in effect.
 - i) Currently a member of the PNG Sustainable Development Programme Limited Advisory Council.
 - ii) Currently a member of the Guns Control Committee set up by the Government through the Ministry of Internal Security.
 - iii) Currently a member of the environment NGO, Conservation Melanesia Board.
 - iv) Recently appointed (2005) as a Commissioner on Constitutional and Law Reform Commission.
 - v) In 2004, served as a member of the Police Review Committee set up by the Government to review the administrative structure of the Royal Papua New Guinea Constabulary.
- d) Sports. I represented PNG in basketball at the 1983 South Pacific Games and 1995 Arafura Games.

After 30 years of Independence, what do you think of the state of the country right now?

Like any developing country, Papua

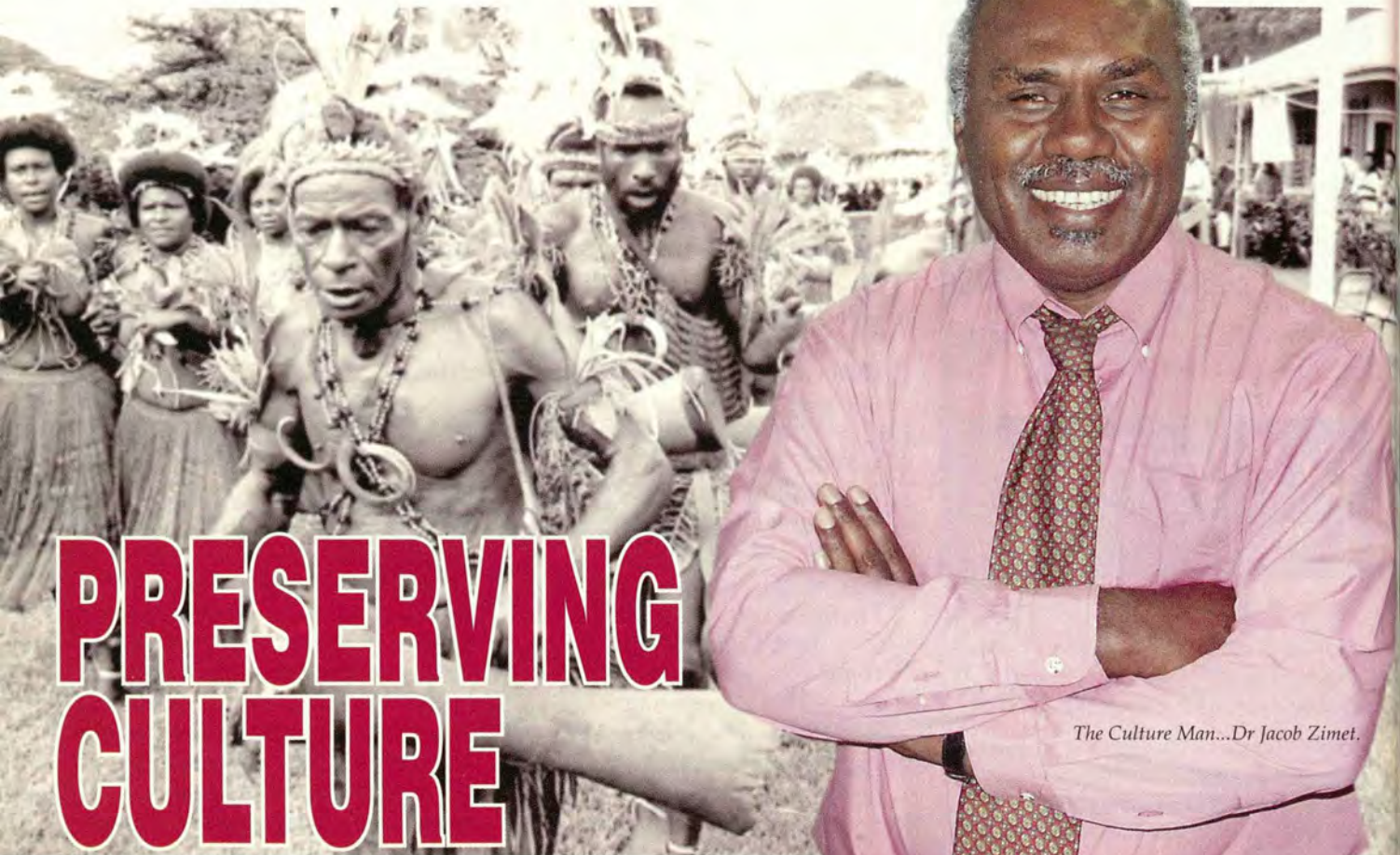
New Guinea has many complex challenges to overcome. Generally, the country advanced in many respects but progress has been accompanied by problems of distorted development. The country is struggling to stay afloat and the current government appears to have placed a high priority on getting the economy back on track, improving provision of basic services, dealing with the threat of lawlessness and promoting stability.

The problems of bad governance and lack of development can be attributed to the lack of mature, articulate, responsible and decisive leadership at all levels in managing change in a developing country. Uneven wealth distribution and high population growth have led to the unfortunate situation where the minority enjoy the benefits of development while the majority struggle to conform to modern standards and continue to sustain their livelihood by traditional means. The Public Service continues to be a burden on the national budget and service delivery especially to the rural majority is ineffective or non-existent. In the meantime, social indicators repeatedly show low levels of social welfare and are a direct reflection of the trend of development over the last 30 years.

What do you hope for the future?

I desire a prosperous, safe and violence free future for my children and the future generation of PNG. The challenge for all Papua New Guineans in responsible positions is to effectively and meaningfully redirect the development of the country and its people. We need to re-educate ourselves on the principles of good governance to effectively guide development efforts for the next 30 years and beyond. These principles are that development (i) is a learning process, (ii) focuses on people, (iii) transforms lives, (iv) empowers people to control their own future, (v) emphasises genuine participation, (vi) deals with critical limitations, (vii) uses local knowledge and technical experiences, (viii) promotes good health, (ix) pursues justice, (x) opens up new opportunities, (xi) promotes conservation of the environment, and (xii) is sustainable.





PRESERVING CULTURE

The Culture Man...Dr Jacob Zimet.

The Challenges



Papua New Guinea is drenched with amazing cultures. There's no question about it. For the country's size and population, the range of cultures is one of the most diverse in the world. The period of their heavy exposure to outside influences is comparatively short - in some regions no more than a few decades.

After 30 years of independence and penetration by development, how well are the country's hundreds of cultures resisting erosion by such impacts as television, pop music and urbanisation?

"When you talk about 870 different languages that is about the size of the job we have," says anthropologist Dr Jacob Zimet. "We have 870 different groups if language is a marker."

Dr Zimet is chief executive of Papua New Guinea's national cultural commission. In June, he travelled to Toare Village, Korama, in the Gulf Province, where the people are traditional mask-makers. Their masks are of cultural and spiritual significance, although the occasions when they are made and displayed became rarer. Now a

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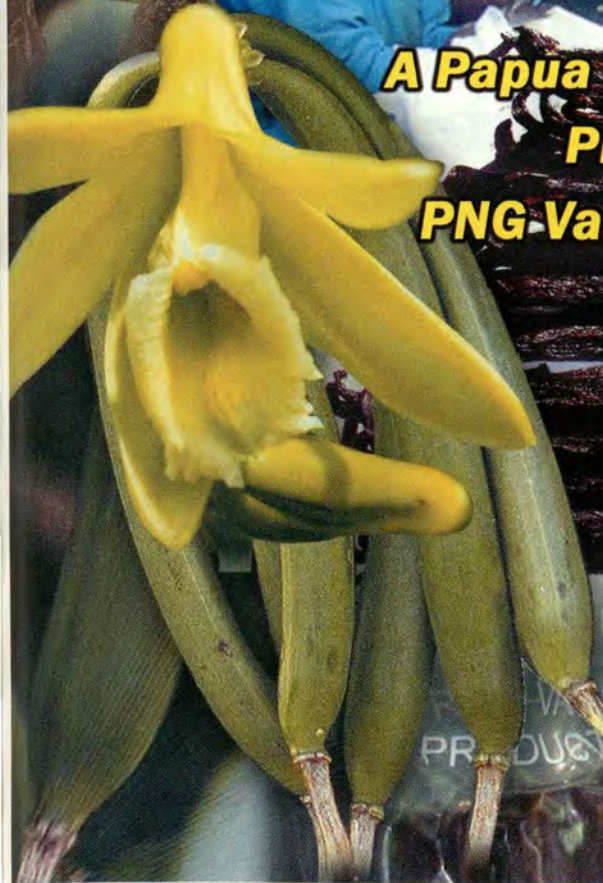
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But the cultural commission's chief says that elsewhere the impacts of urbanisation, television and western ways, dress and tastes are impacting heavily, if not utterly.

"In some ways culture is being eroded, but if you look at some systems, such as bride price, it is also being adapted to our times," he says.

"Before anyone from the western world came, bride price was organised along certain guidelines. Pigs and shells were exchanged and, so forth. You also have certain practices for compensation.

"The difference between what happened 10, 20 or 30 years ago is that now people are more likely to exchange things like cash, motor vehicles and a lot of other imports. That is where you see the change, but the principles are still there.

"With bride prices, a lot of complaints that people are charging high prices may be true. One can argue about that, but the principle of collecting money is still the same. It is distributed by the relatives of the bride and is still relatively the same.

deep urge to revive mask culture has occurred.

There is no road to Toare, no running water, no television. The journey to the village took Dr Zimet four hours by road from Port Moresby, then a one-and-a-half-hour boat ride, and then another sea crossing, of a bay, that took two hours.

"There is no tourism in that place, it is very difficult to get to," he related. "But that particular festival happened in June because people felt very strongly that they should revive it. The last time they saw any of those old masks was in 1914. But people kept the knowledge and they've just revived it. There is a very strong desire on the part of the people to assert their culture.

"The knowledge was still there despite the very long period of inactivity. I was surprised to see 33 masks."

The great day attracted 5000 local people and one intrepid Japanese visitor.

Toare wants to make the event an annual one, says Dr Zimet.

The spirit now revived in the village indicates that Papua New Guinea's cultures, in their purest form, can still burn brightly.





for it, but a lot of materials moved around.

"People made things for trade in the past. The only difference is that volume is increasing and has more commercial (cash) interest.

"If you want to talk about the spiritual value or ancestral value in these things, it's probably not there any more."

There's reason to worry about the future of authentic Papua New Guinea music, he says.

"Everything is beginning to sound the same. That's the trend everywhere in the world. That's the danger. One day everybody's going to be listening to the same music. Whether you are in the middle of the Sahara or Papua New Guinea, it will be Michael Jackson or some pop star you've never heard of.

"It's definitely affecting local music quite badly. You can still recognise some as having some roots in PNG, but music like reggae in Tok Pisin or English - it might as well have come from the West Indies. It doesn't belong here."

The growth of Papua New Guinea's towns is at the

"You go around and collect money - I've heard of as high as 35,000 Kina - from the relatives. You all end up with the same debts, and people who give you the money have to repay over 20 to 30 years.

"On the outside it looks like there has been a lot of change. But the bride price principles are still there.

"People always try to outdo each other with collections because you show how wealthy you are."

Nearly all Papua New Guinea's handicrafts - carvings, pottery, masks, and weaponry - have or had roots derived from practical use and needs. Today, they are collectors' pieces and treasured souvenirs - also often retaining practical value.

The trend, however, is production for the tourist market. As in other countries this custom can actually preserve and encourage culture since visitors are prepared to pay high prices for quality and authenticity.

Intricately, carved Trobriand walking sticks now fetch prices measured in thousands of kina, not just a few hundreds.

"Trade in artefacts and songs and dances was always there," Dr Zimet says. "You didn't necessarily pay money



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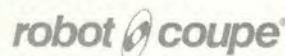
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expense of many village populations, and this is where Dr Zimet believes the greatest threat to the preservation of culture lies.

“Men stayed at home and made traditional money and funded these (cultural) things. Today, a lot of men don’t live in their villages any more. A lot of them are in Port Moresby. I’ve lived here for 30 years and that’s the story with anybody who is my age, 52, or younger. That is the big problem for many societies in Papua New Guinea. Those in position to manage traditional things on a large scale are no longer where they are supposed to be.

“When you leave a village situation, a lot of us unfortunately go with the resources.”

Some of the hundreds of Papua New Guinea languages have become extinct and more are doomed to become so, Dr Zimet says.

“It is a big problem when more and more of the people in the cities are not able to speak their own languages. There are probably less than 50 languages on the way to

extinction. A few years ago we lost two I know of. But there are others on the verge of extinction.

“Television has a lot to do with cultural change in terms of music, the way people dress, the way people present themselves, but that is something which is happening all over the world. People tend to believe that people in Europe dress the way they do on TV, and walk and speak the way they walk and speak on TV. It’s only when you go to the United States that you find that no one speaks like the movie stars. But unfortunately it does affect the way Papua New Guineans think of themselves.”





Iffysoe Segeyaro

Age: 42

Home Province: Eastern Highlands

Marital Status/Children: Married with 5 children

Occupation: Self-employed businessman - Managing Director of Negiso Investments Ltd; Founder of Schoolboys Rugby League - Team Manager of the schoolboys' rugby league travelling to Russia for the Youth World Cup later this year. The PNG Team is being sponsored by Nestle under Milo Brand. Sponsorship of Milo is worth K300,000 for three years.

Professional Organisations:
Advocator of Schoolboys Rugby League in PNG

Where were you during Independence in 1975?

I was attending Sigerehi Primary School in Bena, Eastern Highlands.

Briefly explain, what are you doing now? What are your achievements?

I have successfully revived the schoolboys rugby league competition which began last July with 34 schools in four age divisions, 72 teams and 1480 schoolboys both in the National Capital District and Central provinces. This year the competition expanded to three (3) other major centres - Goroka, Lae and Rabaul. Port Moresby still leads the way with 142 teams and a total of more than 3000 schoolboys participating.

This competition is also aimed at rehabilitating school children particularly in relation to the Code of Conduct, which has instilled discipline amongst the schoolboys. This can lead to a decline in street brawls or petty crimes. A good number of headmasters of participating schools have reported positive changes in the behaviour of their students, especially those participating in the competition. Similar comments have also been made by parents. For me personally, this is a remarkable achievement.

After 30 years of Independence, what do you think of the state of the country right now?

I think the economy is not in good hands. We have lost the plot and this is a simple fact of reality. Politicians in general have ruined things for all of us - the citizens of this so-called beautiful paradise. I don't think our politicians have a passion for our children, the future generation of this country, especially those in the remote areas of PNG. Many

politicians support their families and business cronies whilst a handful of business icons get political support to advance their business positions. Just look at where health, education and government infrastructure have gone to since Independence.

What do you hope for the future?

There is still hope for the future but not with the current system of government.

- a) We need a guided democracy where a presidential system of government is elected by the people, not parliament. Alternatively four regional presidential candidates should be appointed in each respective regions (Southern, Highlands, New Guinea islands, Momase) than the four go nationwide for the top post. This will then pave the way for a new hope of a future for PNG to emerge from new leaders.
- b) Strict and rigid screening process for leaders should take place before getting elected to avoid corrupt characters manipulating their way. Bureaucrats should also be screened. I believe PNG has the capacity to turn around in a space of one or two years if we restructure our political system and have new leaders. There are a few good leaders now, but not enough.
- c) Our exports should be monitored properly before being exported. Likewise, their receipts of payments must flow back into the country without leaving it offshore in some other countries' banks. This does not do us any good especially when we produce the goods here in PNG. Remember: "A transaction is completed when the payment reaches the port or origin."





Leon Buskens

Age: 39

Home Province: Parentage: Mother: Part New Ireland and part North Solomons;
Father: Netherlands (Dutch)

Marital Status: Married with 5 children

Occupation: Managing Director, POSF Ltd

Professional Organisations:

Australian Institute of Banking & Finance Securities Institute of Australia; Finance & Treasury Association Ltd (Australia); PNG Institute of Directors Director; PNG Transparency International - Director

Where were you during Independence in 1975?

I was born and grew up with my grandparents in Namatanai village. My grandfather was a driver with what was then the Works Department or Plant and Transport Board, while my grandmother was a typical PNG village home carer. When I reflect on my growing up, I realised how lucky and blessed I was, having started my young adulthood learning from and living life in the village and on plantations in New Ireland. I was in Grade 3 at Lahur community school, a Catholic Mission School in Namatanai when PNG gained Independence. Later years, I was educated at Utu High School (Kavieng), and Sogeri National High School.

Briefly explain, what you are doing now. What are your achievements?

I am currently the Managing Director of POSF Ltd (Public Officers Superannuation Fund). POSFL manages investment assets worth over a billion Kina for about 80,000 members' long-term retirement savings. In my role as CEO of POSFL, I sit on a number of boards of POSFL investee companies, including the Credit Corporation, SP Brewery, Arnotts Biscuits, Brian Bell Ltd, Marsh Insurance, Kumul Hotels which owns the Crowne Plaza/ Holiday Inn. I am an independent Director on the Board of Telikom (PNG) Ltd and I donate my Telikom Director's fees to Charity (Port Moresby City Mission). I am proud to have represented PNG at the 1987 South Pacific Games in Noumea in athletics competing in the 100, 200 metres and relay. I have also played rugby union at provincial level. On the question of achievements, I believe any good and rewarding performance be it in the sports arena or professional career is best judged by personal satisfaction. For me I am happy and fortunate to have been able to contribute to our country through sports and in my professional work. I also judge the value of my involvement as making good use of opportunities that have come my way. Over the years, many events, situations, challenges and opportunities that our country has faced or grappled with suggests that at the end of the day, the value of our achievements will very much depend on, as the famous US President JF Kennedy said, it is not so much what the country can do for you but what you can do for your country.

After 30 years of Independence, what do you think of the state of the country right now?

There has certainly been some lost opportunities. In fact, there is a lot of evidence of this out there and our country's social and economic statistics and indicators say it all. We need to ask ourselves, if the social and economic opportunities in the future are going to continue to decline or deteriorate, then what or how do we mitigate that? More

importantly, how soon can we manage changes needed to reverse the trend? University degree holders are competing for jobs where grade 10 and 12 leavers were once able to easily occupy. If PNG has about 40,000 school leavers per year, why not view them as 40,000 potential tradesmen; plumbers, carpenters, mechanics, bricklayers, etc? Doing something about this or reversing this trend is everyone's responsibility from government to business, from churches to local communities, from teachers to parents. Time is definitely not on our side. Accelerating any reform agenda is key. The next 5 to 10 years will be critical in getting the basics right for developing our skills base to changing the attitudes of our people about working hard to change their lives. Enhancing our agriculture potential or sustaining our resources from fisheries to agriculture to earn foreign currency - these are national assets we so often boast about. Talking about this abundance is one thing, but making good of such God's blessing is quite another.

What do you hope for the future?

I believe that everyone committing to taking the responsibility to act towards empowering our own people and the environment in which they live, is overdue. We owe that much to our future generations. Furthermore, doing something about it instead of just talking about it year in and year out, I believe will go a long way to enriching the lives of our people. My hope for the future? Good and quality leadership at all levels. Good governance that recognises and places our people and country first is paramount. More and more of our people are becoming disillusioned and disenfranchised with our national institutions and priorities. The growing cases of corruption, law and order and AIDS (HIV) have placed our country in much disrepute and disgrace. The future of our children and grandchildren is at stake so the time to commit to change for the better is now. I hope and pray that this philosophy will prevail and be a dedication to this year's 30th Independence Anniversary.





WOWING VISITORS

The PNG appeal



The appeal of Papua New Guinea's tourism is summed up neatly by Nikki George.

"It's the huge wow factor," she says. Nikki George is a dive and trek leader with Papua New Guinea Trekking Adventures.

She's talking about a trek the firm began recently on the Sogeri Plateau, not far inland from Port Moresby. Few Moresby residents are yet aware of.

The trek, more of a stroll really, compared to some of the not-for-the-fainthearted footslogs that rugged heroes can sign up for in PNG, offers a descent into a hole in the ground.

"It's like a huge cathedral inside, three storeys high, with massive stalagmites and stalactites, little bats, and an underground river. There's no lighting (except for torches). What they experience is a huge wow factor."

Papua New Guinea once promoted

itself as a destination for visitors with the slogan "Land of the Unexpected." It still is.

Take a cruise up the Sepik River. Wow! Scuba dive below the waves almost anywhere. Wow! Stand in the middle of thousands of incredibly costumed, chanting and dancing warriors at the Mt Hagen or Goroka sing-sings. Wow! Go cruising the Islands region. See smoking volcanoes. Explore the ruins of volcano-devastated Rabaul town, once hailed as the most beautiful town in the South Pacific. Wow! Wow! Wow!

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That now discarded slogan wasn't in the slightest off the mark.

Yet in 2004, only about 16,000 tourists visited Papua New Guinea, about a thousand more than the year before.

This is a minute catch for the giant of the region in terms of size, population and things to see and do compared to other Pacific Islands destinations.

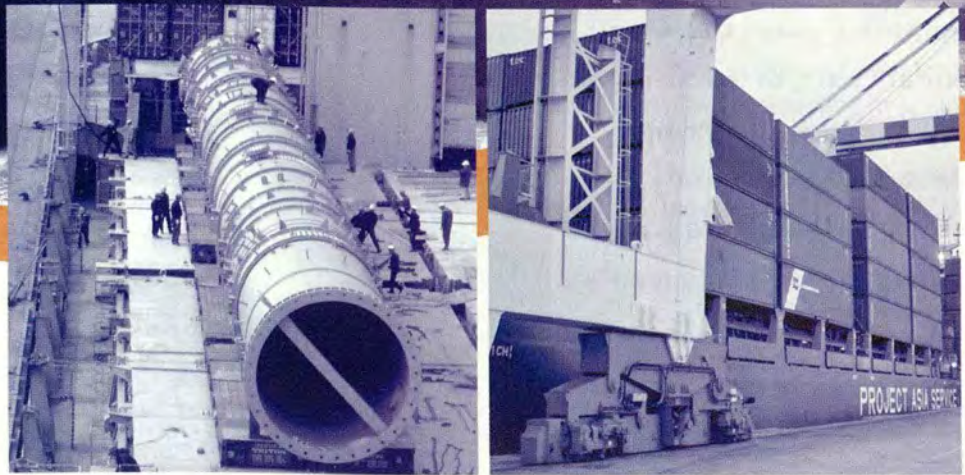
Far smaller Vanuatu, not so far from PNG, scores more than 50,000 visitors, tiny Tonga more than 20,000 and the even smaller Cook Islands 80,000.

In 2004, Fiji's visitor count exceeded 500,000 for the first time.

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business from there. We are working on the Asian market with the dive industry and expect to see growth in that segment over the next year.

"We have an outstandingly successful North American office in Los Angeles. We have set up these offices to assist the industry to develop in these markets. We have set up a distribution system to facilitate ticketing and reservations for travel agents worldwide.

"Four or five years ago Air Niugini kick-started the Australian holiday programmes by virtually paying for every tourist who came into the country on the holiday programme. We carried the cost of putting together the packages, advertised heavily in the Australian market as well as financed the distribution of the holiday programme brochures to the travel agents. We made the programme attractive and competitive and it started the flow of tourists from Australia," Martin said.

"We have GSAs (General Sales Agents) which are cost effective. But like many other airlines we're retreating from the view that we should bear a high portion of the sales costs. Our role is to provide competitive tour prices, a distribution system and an efficient domestic network with connections to and from our international services."

Air Niugini has had to carve out its own business niches, he said. "We developed a wholesale holiday programme in Australia to generate tourism to PNG. We've expanded our overseas representative offices to grow inbound tourism and it is working very well."

Diving and trekking remain the prime tourism segments at this time.

"We need more hotel rooms. I want to see tourism more decentralised. I would like to see New Ireland, (Kavieng), Sepik (Wewak, Vanimo) and East New Britain (Rabaul) with 60-70 room 3-star hotels, more variety and quality of service on the ground. What the government needs to do is look at the Fiji model which offers enormous tax incentives and tax holidays for tourism developers. In PNG, tourism developers do not enjoy that incentive.

"It's all relative. If we have a group of 20, it's a victory. It's not tens of thousands, but it's growing. The actual dollar sales value by our overseas offices grew by about 30 percent last year with very little fare increase.

"I would be very happy if we could pull in another 100 people a week for 2006. With another 150, we'd be dancing on the streets."



APPEAL #1

UNDERWATER WORLD

The best DIVING in the world

Papua New Guinea contains a host of still mysterious places where human feet have yet to walk. Mountains, ravines, swamps and forests combine to make exploration a challenge.

There are other parts of Papua New Guinea that are yet more mysterious - the submarine world of its coral reefs.

Here's what a recent United Nations report says about them:

"Papua New Guinea's coral reefs are among the most diverse in the world.

"They are one of the last opportunities for the conservation of coral reefs in the western Pacific region of maximum marine biodiversity.

"Few other locations offer the combination of large areas of high diversity reefs mostly undamaged by human activity.

"PNG's customary land tenure system can be used to enhance conservation."

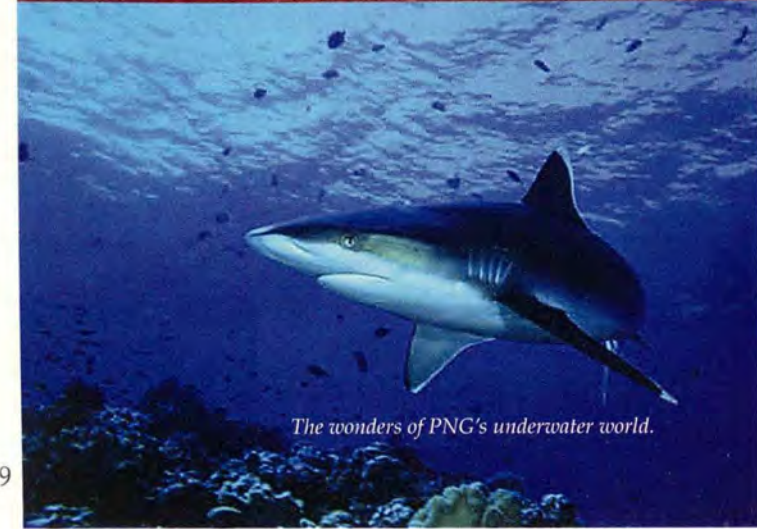
In one area alone, Milne Bay province, 326 species of hard coral, 1039 species of fish and 637 species of molluscs have been counted.

At Kimbe Bay, New Britain, 347 species of hard coral were counted. That's one of the highest numbers recorded anywhere in the world.

Since the reefs haven't been properly mapped, their area is probably greatly underestimated. One estimate is about 40,000 square kilometres of reefs to a depth of 30 metres.

There are a few places threatened by overfishing, including illegal fishing with explosives, pollution and, near big coastal towns, population.

Otherwise, the United Nations' verdict is: Pristine.



The wonders of PNG's underwater world.



Max Benjamin...diving business growing.

Is it any wonder that sportsdiving is the blue ribbon sector of PNG tourism?

Max Benjamin is president of the PNG Divers Association and owner of the Walindi Plantation dive resort near Kimbe, East New Britain.

He says the reefs draw 6000 visiting divers a year, many of them repeat visitors, and the business is growing by around five percent annually.

"It is becoming more and more recognised that PNG, with West Papua, is probably the best diving in the world.

"There are 20 operators, but there is plenty of room for expansion. We have seven live-aboard dive boats

operating here and they are world class - most of them are equal to anything in the world.

"It's very important that we develop environmentally. We don't want to overburden established areas, not that they are overburdened at the moment. But we don't want to get into a situation like Palau with a hundred dive ships in one town. PNG is a big country and you can spread it around and open up new areas.

"We have the opportunity now, because the dive business is still so small to try and get ground rules in so that it develops sustainably."

The association organises the installation of reef mooring points to protect coral from frequent anchoring by dive boats.

It has produced a new strategic plan to focus the industry on more cooperation. "We are by far the best organised industry association," Benjamin says.

"We recently attended the ADEC dive show in Bangkok where we got a bit of kudos because Indonesia and a couple other countries asked us how we cooperate and achieve so much with basically so little.

"Cooperative marketing and promotion gives small operators a lot of buying power."

"Dealing with the American and European markets, you have to keep your standards very high.

"We take a booth every year at the Moscow show and we do very well out of there, mainly for the live-aboard boat charters.

"We began a new marketing effort in Singapore in July. Most of the operators went there with assistance from Air Niugini.

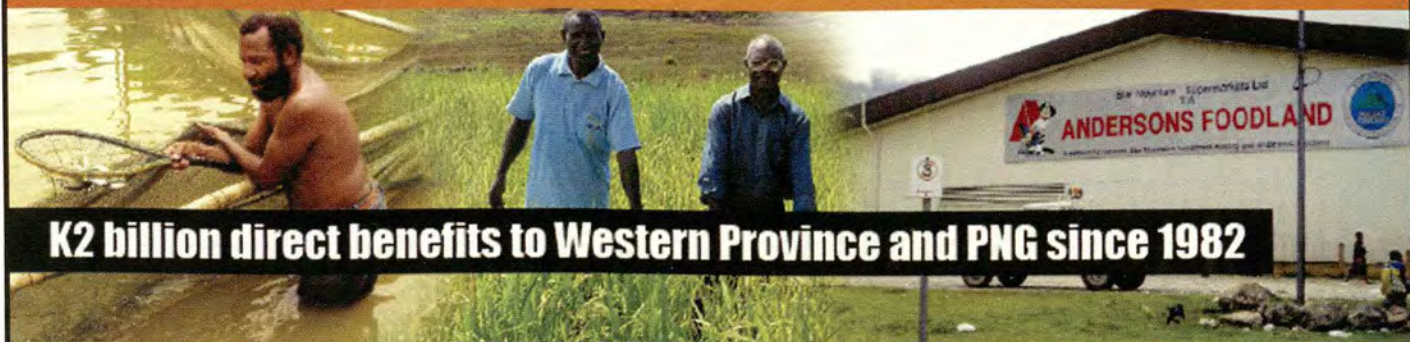
"The Asian market has a lot of options out of Singapore and Kuala Lumpur. You have all of Indonesia and Thailand, but PNG is one of the most desired destinations because we have far higher diversity than Thailand or Indonesia and numbers climb slowly each year. The other market we must look at is China. That is developing very rapidly. We've been invited to the dive show there in Shanghai in September."

Americans are Papua New Guinea's biggest dive market.

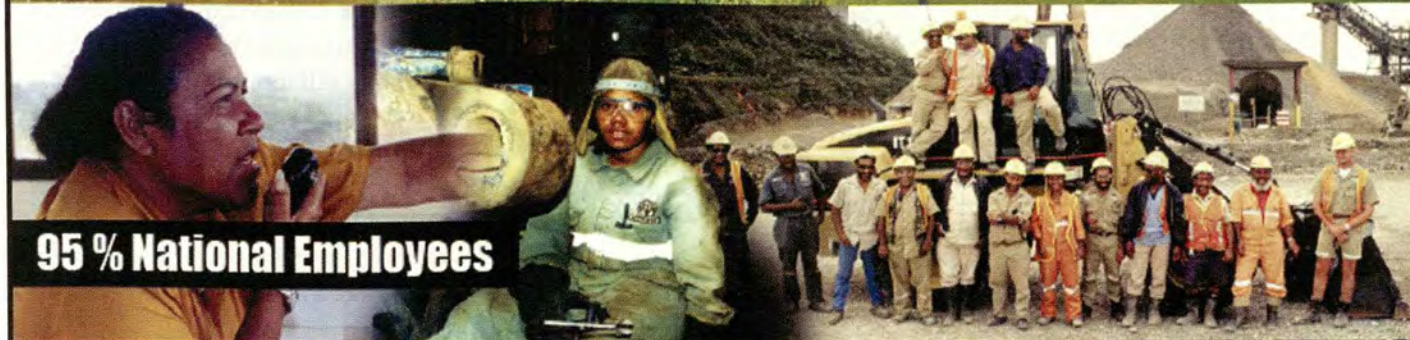
"We have to put more effort into Europe," Benjamin says. The Euro is strong against the American dollar and we sell in American dollars. We are putting a big effort into Dusseldorf in January 2006.



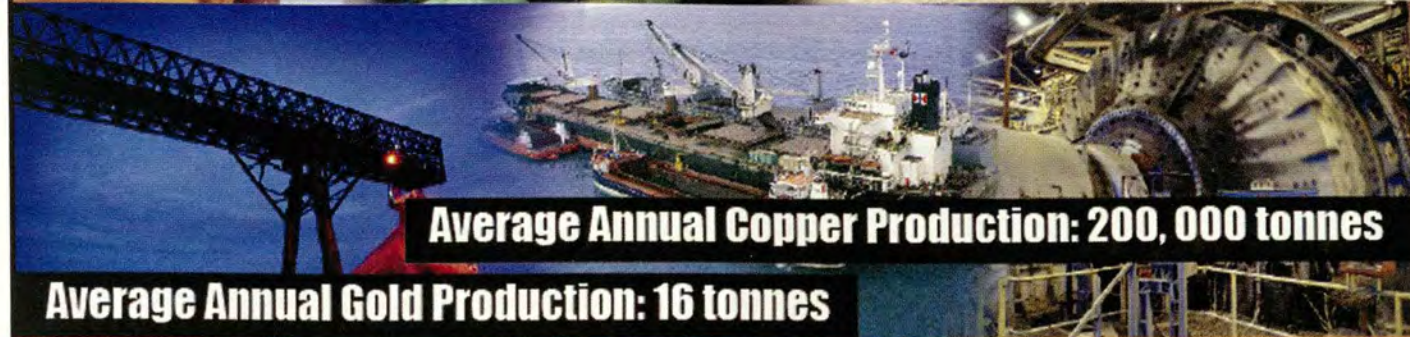
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APPEAL #2

TREKKING WAR TRAILS

Kokoda: A great tourist attraction



Frank Taylor...hot on the history of the Kokoda campaign.

No, says Frank Taylor, it's not the toughest walk in the world. But for many of the now hundreds of people who have walked it, the Kokoda Trail is the most fulfilling one.

In 1942, Japanese troops tried to capture Papua New Guinea's capital, Port Moresby, by crossing the Owen Stanley range of mountains from the north coast hoping to attack the town from the rear. They got within 35 kilometres of it.

They were resisted and finally defeated by Australian troops in a battle along a 96-kilometre mountain and jungle trail ending at Kokoda village.

Fought in atrociously difficult conditions the battle was an epic one. Memories of it still haunt the minds of those on both sides who survived it, and their relatives.

The Kokoda Trail trek is one of Papua New Guinea's great tourist attractions.

It existed way before the battle. It was a mail route and later a path gold prospectors used in hoping to strike it lucky in a district the Australian administration proclaimed as being an unfriendly no-go zone. Now, villagers put out welcomes all along the way for trekkers who stay in their rest houses, buy their food, and leave thousands of kina direct into their pockets.

Kokoda, says one brochure, is an emotional experience for trekkers whose relatives fought along the trail.

But the trail is under another form of attack, with as many as 20 businesses now engaged in guiding trekkers along it.

Ex-West Australian policeman Taylor has a more than a proprietary interest in the trail than the name of his company, Kokoda Tours and Treks Pty Ltd, suggests. He began organised treks along the trail in 1983 and has since covered it more times than he can rightly remember.

"When I first started, you would be lucky to see 200

walkers a year," he says. Now part of the art of running his business is avoiding other trekkers.

"I think there is a problem with groups of 30 to 40 and even 100 people," he says. "That's a strain on everybody."

Taylor restricts treks to the June/November-October period when there's less chance of heavy rain. At other times he's helped hikers along trails across the battlefields in Burma, Borneo and Turkey, with plans for the North African desert battle grounds simmering.

The Kokoda Trail doesn't follow the exact path of the battle since some sections have been rendered inaccessible by landslips and other capricious acts of nature.

Also, says Taylor, some of the wobbles take customers through more interesting ground. But essentially the route sticks to the battle trail, and that's where Taylor makes no bones about it. He's a purist, he says, and has put a great effort into placing memorial plates and other markers along the path that claimed so many lives and still haunts others.

"We make a heavy issue of its history, which I believe is due," he says. "History information generates respect when handled appropriately.

"There are a lot of conflicting groups now, but my view is more one of serious history than some others.

"Some operate strictly as a business. There are others who share my attitude. Most of his trekkers are Australians. It has become an icon for them because people feel they have seen and experienced for themselves what their fathers and grandfathers experienced."

He reckons that 18 to 20 trekkers is a comfortable maximum for the trail. He avoids the wet season because "that's when you slip and slide and if there's an accident, the weather may be too bad for a quick helicopter evacuation.

The super fit can cover the trail in six days. Taylor's advice is, "Take it easy in nine or 10 days, otherwise you'll miss seeing all that there is to see."

He's really hot on the history of the Kokoda campaign. Relics of it, most commonly weapons and observation pits, still scar the way.

"There is less, less and less war stuff. Some are souveniried by Australians, but there is still a significant amount of stuff, grenades, bombs, ammunition."

That's what can be quite easily seen. The jungle conceals a great deal more.

Trekkers can choose to carry their own pack or just carry bare essentials and have the heavy stuff carried by a carrier.

"Facilities are very much what you provide. Villages all have a house you could call a rest house and they are available. A lot of people prefer to sleep in a tent since the idea of sleeping in a tin house is not what they come for.

"A very desirable mix now is a rest house or village accommodation and bush camping. People get to experience a taste of history and soldiers."

The inevitable question is: How is the trail standing up to the tramp of many more feet?

"Rubbish is becoming an increasing problems," says Taylor, talking after his first trip of the 2005 season, "although I didn't see as much as I fear. But it is the first trip of the season.

"I don't think the trail is really saturated yet, but it is heading that way.

"The jungle, despite pressure on it, is proving to be more resilient than I thought."

In 20 years, he says, only three of his clients have failed to complete the trail. His oldest client was 73, "an ex-jackeroo", all fencing wire and whipcord.

"I do not believe it is the toughest walk in the world. It is challenging. Some people want a challenge. They are not the people I seek for business. Others do and will cater for them. There is room for both and the track is catering for them.

"We take nine to 10 days and sample the coast as well. The trail is but part of the story. Battles on the coast were equally horrendous and by casualty figures even worse.

"We've had a few repeat customers and some Japanese have walked it for social and religious motives. They have to get as near as possible to where their fathers died for a ceremony.

"We took a Shinto priest on one trip. He became their own best ambassador, a really dinkum guy. There is nothing judgmental from the Japanese side. They went through the religious ceremonies for the peace of mind of relatives."





The Queens of PNG

By Euralia Paine

A lot of changes have occurred in the last 30 years. Perhaps none more obvious than the Miss Papua New Guinea Quest. The annual quest is the PNG Red Cross Society's

major fundraising event and has transformed over the years in accordance with the varying social and economic conditions of the country.

THE PNG QUEENS

1974	Miss Eva Arni was the first holder of the title "Miss PNG" Eva went on to win the Miss Asia in 1975	1981	Miss Jennifer Abaijah	1994	—
1975	Miss Eau Suve. Eau went on to win the "Best Traditional Dress" award at the MissAsia Quest.	1982	Miss Moi Eli	1995	Miss Imanakone Sioa
1976	Miss Sayah Karukaru	1983	Miss Shannel Bray	1996	Miss Rita Stegman
1977	—	1984	Miss Patricia Mirisa	1997	Miss Lisa Linibi
1978	Miss Angeline Tukana	1985	Miss Carmel Vagi	1998	Miss Helai Oala
1979	Miss Milly Misbut	1986	Miss Anna Wild	1999	Miss Roberta Ali
1980	Miss Mispah Alwyn	1987	Miss Harriet Warren	2000	Miss Ephreddie Jubilee
		1988	Miss Erue Taunao	2001	Miss Olivia Wilson
		1989	Miss Joycelyn Leahy	2002	Miss Yaku Ninich
		1990	—	2003	Miss Cynthia Asi (she also raised over K158,000 to become the Miss Charity Queen).
		1991	Miss Marcia Muir		
		1992	Miss Jennifer Lemeki		
		1993	Miss Sharon Onsa		

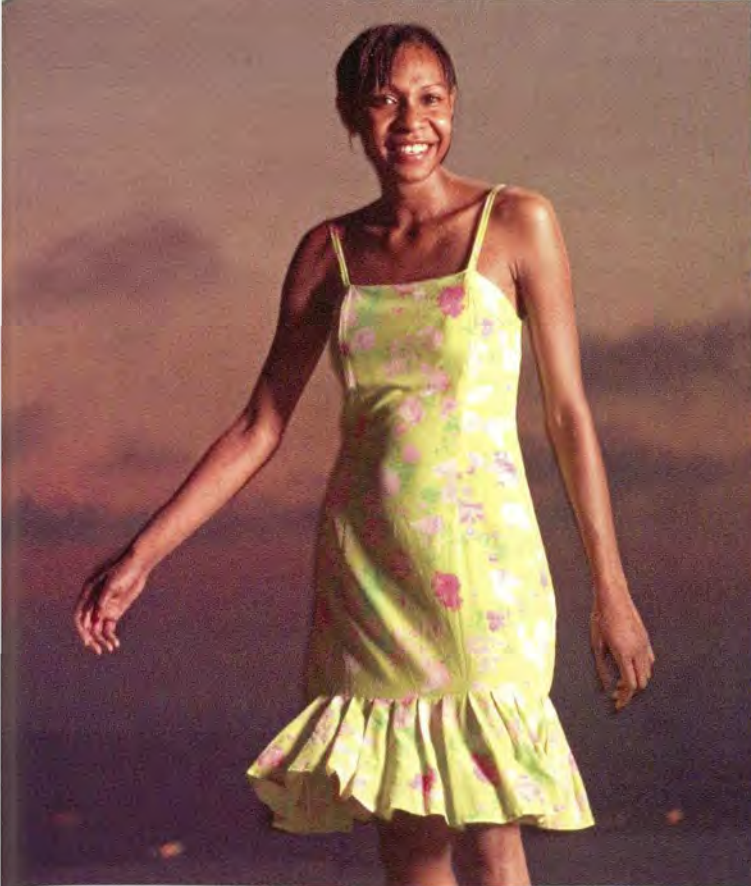
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Cynthia Asi, Miss PNG and Miss Charity Queen 2003.



Erue Taunao, Miss PNG 1988, with her husband and children.

The most noticeable difference in the quest between the 1970s and now, is the decrease in the number of entrants and particularly, sponsors.

This latter sentiment was echoed by two former Miss PNG winners - Erue Taonao - Miss PNG 1988, and Cynthia Asi - Miss PNG 2003. Both agreed that the lack of promotion of the quest and PNG not being a strong economy as it used to be, are the main reasons for the decline in the quest and entrant sponsors.

The quest seems to have lost its shine, particularly the crowning night - Miss PNG Ball. Gone are the days when the Miss PNG Ball was the prestigious Event of the Year. Tickets for the ball were always sold out weeks in advance despite its escalating price tag.

Socialites from Port Moresby and other centres competed with the beauty queens in showing off fashionable outfits purchased from local and overseas designers. The entrants of the quest and their

families spent a lot of time and effort in showcasing their mix of traditional and contemporary styles with the traditional dress parade being a major drawcard at the Miss PNG Ball.

However, all may not be lost. Miss PNG 1988, Erue is confident that with the right type of management and appropriate publicity, the Red Cross Miss PNG Quest could take off in a big way.

It is already moving in the right direction by taking the Miss PNG Ball to outside centres rather than being staged in Port Moresby.

"Certainly during the 80s and 90s, the Red Cross and the organisers of the Miss PNG quest were extremely active in promoting the cause and encouraging young girls to enter the quest. And there were two very prominent women who were part of that benevolent movement - Cathy Johnstone and Sue Darby - amongst others who had an interest and were passionate about the cause," she said.

She proposes that the promotion of the Red Cross Miss PNG Quest be done from a different perspective - such as getting the support of a growing industry like tourism and using Miss PNG as an ambassador for that industry.

In line with this should be the change of the Miss PNG title to Miss Earth PNG, bearing in mind the fact that PNG has the third largest rainforest tract in the world and the dire need for conservation of its pristine environment.

After living overseas in some of the region's most popular tourist destinations (Fiji, Bali, Kakadu in Alice Springs) for eight years, Erue has no doubts about the tremendous potential of her home and its capability of making tourism the biggest export earner. "I would like to see the right support given to an industry that I am so passionate about because I too see the benefits for our country. We have an amazing array of tourism products that has been barely tapped, and they are

unique and incomparable to Fiji, Bali and Phuket (Thailand). We can also grow and expand as a desired destination given the right support," she said.

"Our biggest tourism market is right there on our doorstep - 1 hour 20 minutes to Cairns - Australia. I am a big promoter of eco-tourism, and I would like to see our country's unique environment well preserved for our children to enjoy for decades to come."

Erue is employed as an Executive Officer by the PNG Tourism Industry Association whose role is to promote, develop, stimulate and enhance the interests of tourism companies in the country. In June this year, she was the main organiser of the "Lukim PNG" travel show in Port Moresby.

When she entered the Red Cross Miss PNG Quest in 1988, she was an 18-year old who had just completed school and was sponsored by two companies - Independent Books and the Investment Corporation. She won the crown from 14 other contestants.

"I learnt a very valuable lesson, to never lose sight of what are the most important aspects in your life. For me, it was and will always be family and friends. One outstanding comment from a friend was 'Remember it's only a title, don't forget who you are and where you came from'", she remembers vividly of the crowning night.

Of mixed Hanuabada (NCD) and Tolai (East New Britain) origin, Erue grew up mainly in Port Moresby where her father is a doctor. She is married to Daniel Bucher and they have two daughters - Livuana 9 years and Marcelle 7 years.

Another contributing factor to the decline in sponsorship of the Miss PNG quest could be that there are more organisations, individuals and



Some contestants of the Miss PNG.

sporting bodies seeking sponsorships from businesshouses. In other words, there is now more competition from community groups for sponsorships than in previous years.

Miss PNG 2003 Cynthia Asi explained, "Businesshouses now have a variety of groups that they choose to give sponsorships to - based on organisation, the publicity that the sponsor can get from its support, and more importantly WHY its support."

Twenty three year-old Cynthia, who works as an advertising co-ordinator with Post-Courier, was sponsored by Mineral Resources Development Company Ltd (MRDC). She beat eight other contestants to take out the crown. Her fundraising efforts raised K158,000 to contribute to a total of about K500,000 raised during the 2003 quest for the PNG Red Cross Society. She then went on to become Miss Papua New Guinea as well as Miss Charity.

Over the years the Red Cross Miss

PNG Quest has changed its focus from being a beauty contest to a charity event with the crown and major prizes going to the contestant who raises the most funds.

Major prizes have included cars, houses, jewellery and trips in PNG as well as to overseas pageants like Miss Universe and Miss World. Recently though, participation in the Miss Universe and Miss World events have been abandoned for a more appropriate option of Miss Pacific which brings together young women from around the region.

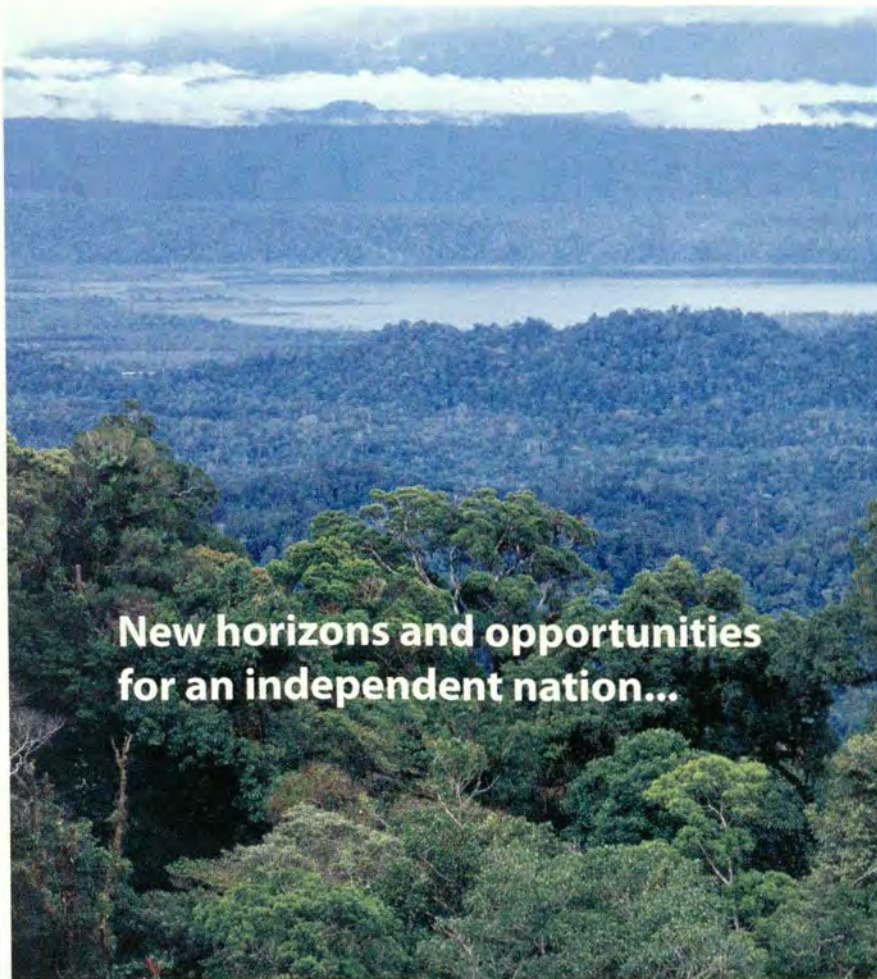
Reflecting on her reign as Miss PNG, Cynthia says the most memorable aspect was being able to work closely with Red Cross programme officers to understand the society's functions and seeing first hand what helping people means. She also learnt that everything she did in her professional life as well as personal life did not go unnoticed, be it good or bad.

"The moment you are launched, as an entrant in the quest, you automatically become a public figure that young women, girls and mothers look at as a role model," she said.

In realising the need for such a quest to continue, to not only raise funds and awareness for a worthy cause but to also assist young women, Cynthia hoped the quest would regain the support from PNG businesshouses as it once had, and that the PNG Red Cross Society would be more public with its programmes, aims and objectives, particularly in relation to the Miss PNG Red Cross Charity Quest.

As PNG celebrates 30 years of Independence, Cynthia says, "I hope for good governance that will lead us to a safer, transparent and thriving country - for me, for you but more importantly, for the children of Papua New Guinea".





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Bulolo Revived

By Jim Sinclair

An epic of aviation history

Air Niugini has just named its leased Boeing 767 jet Bulolo as a tribute to the town of Bulolo, a place that can justly be described as the cradle of Papua New Guinea aviation, where aviation in this country really began.

In the early 1930s, PNG led the world in civil aviation,

hard as this may be to believe today. Time and time again world airfreight records were set and broken by the small fleet of heavy Junkers aircraft flown mostly between Lae and the Morobe goldfield town of Bulolo.

The story really began in January 1926, when prospectors



Air Niugini's Bulolo Boeing 767 jet.

Bill Royal and Dick Gasson discovered the fabulous gold of Edie Creek.

As a direct result of the discovery, the Morobe goldfield visionary, Cecil Levien, was able to interest a group of Adelaide financiers to form a company, Guinea Gold

No Liability, with the object of acquiring large dredging leases in the lower Bulolo Valley, where Levien was convinced the true wealth of the goldfield lay.

Tests by engineers confirmed his belief. Guinea Gold obtained the leases and began to plan their exploitation.

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Miners from all over the world were meanwhile rushing to Wau and Edie Creek, eager for a share of the bonanza found there.

Prior to 1926 the only way to the field from the coast was on foot, a hard and frequently dangerous 10-day walk for carriers - the human beasts of burden - from the entry port of Salamaua to Edie Creek.

Today, the obvious solution to the worsening transport problem was air transport, but aeroplanes were still a perilous novelty in 1926. Again Levien showed his genius by persuading his company to buy an aeroplane and start an air service between the coast and the goldfield, a startling concept at that time.

A subsidiary company, Guinea Airways Ltd, was formed to operate a De Havilland DH37 biplane with a payload of just 600 pounds. Pilot A.E. (Pard) Mustar and engineer A.W.D. (Mull) Mullins were engaged to operate it. The new service was immediately popular. Another pilot, R.J.P (Ray) Parer, came in with an ex-World War One DH4 bomber.

Mustar and Mullins made the first flight from Lae to Wau on April 18, 1927, and the aerial link thus forged was never broken, save by the war.

By the end of that year, four small aviation companies were operating from Lae to the goldfield, employing six

old biplanes, six pilots and six engineers. Among these men were such famous names as A.S. Cross, Charles Pratt, Ian Grabowsky, H.D.L. McGilvrey, Joe Taylor, "Skip" Moody, Bill Wiltshire, Lionel Shoppee and Jerry Pentland.

The dominant company from the first was Guinea Airways. Mustar and Levien quickly realised that more modern aircraft were required, capable of lifting far more than war-surplus biplanes. They convinced Guinea Airways to invest in a single-engined Junkers W.34 monoplane able to carry over 2000 pounds. This was immediately successful and others were ordered.

In December 1929, the Guinea Gold leases in the Bulolo Valley were purchased by a Canadian mining company, Placer Development Limited. BGD intended to exploit their leases with huge dredges. But how were these monsters to be brought in from the coast to the field?

Mustar and Levien now made quite a revolutionary proposal. They knew that in Germany the Junkers company was developing a large, all-metal, tri-motor freighter monoplane, the G31, which could carry up to 7000 pounds. If the dredges could be built in sections, with no single part exceeding this weight, they could be flown in from Lae to the large airstrip that the company would construct at Bulolo and assembled on the site.

Not only the dredges but also an entire township-



Guinea Airways' Bulolo airstrip.

workshops, sawmills, heavy engineering equipment, power stations and a thousand other things would also have to be flown in. It was a breathtaking proposal. Nothing like this had been done before anywhere in the world. And the only aeroplane that could do the job in 1930 was the German-built Junkers G31.

The rest is history. BGD purchased three G31s and Guinea Airways one. BGD christened its machines Peter (VH-UOV0, Paul (VH-UOU) and Pat (VH-URQ). All four were operated by Guinea Airways. The airlift which followed was a triumphant success.

The G31s flew non-stop during daylight (there was no night flying then. The 1100-ton Bulolo Dredge Number One went into service on March 21, 1932, just ten days after scheduled.

The last dredge, Number 8, began operating in November 1939. Two of the dredges, at 4000 tones, were then the world's largest.

Every pound was carried in the G31s without loss and without a single major accident. In the process, world records were shattered. In the 12 months ending February 1932, the four G31s carried 3947 short tons and freight and 2607 passengers.

In the whole of 1931 the combined air services of Britain lifted a total of 649 tons, those of France 1508 tons, those of Germany 2175 tons and of the United States 513 tons. Almost all these services were subsidised, unlike Guinea Airways.

Many pilots flew the G31s, perhaps the most famous of them being "Bertie" Heath. It took the outbreak of the Pacific War to stop the Junkers.

Heath was flying Paul on January 21, 1942, from Lae to Bulolo. He landed unaware that he was being followed by a pack of Japanese Zero fighters. He parked alongside Peter and Pat and scant moments after he left his cockpit, the Zeroes swept in. In a matter of seconds, the marvellous old aeroplanes were totally destroyed.

It was the death-knell of pre-war aviation in PNG. After the war, the aviation industry revived. For many years, until recently, Bulolo was a vital link in the national air network.

It is indeed fitting that the national airline should honour the part that Bulolo played in aviation history.





THE ART OF MAKING A HULI WIG

By Rebecca Byfield

Did you know that it takes four years to grow enough hair to make one Huli hair wig? And this is just for a day wig. It takes eight years in total to make a ceremonial wig as it is two-day wigs sewn together.

Students come to the "school", paying as much as would be needed for bride price. Payment can be made either in cash or kind. Most students bring pigs as payment.

The young boys leave their families for a time, dedicating their lives to the ancient art of hair growing that has been passed down from generation to generation.

There are strict rules at the hair "school". It is only boys that are allowed to take part. These boys must swear off women for the entire time they are at the school. The headmaster instructs the boys in the time honoured superstitions of the Huli people.

If the boys don't listen to him, their hair will never grow enough to weave it into the intricate shape of the traditional wig. Without these wigs, the men will never reach manhood, will never be accepted back into their clans and possibly, never find themselves a wife.

"We mustn't look at a woman or our hair will stop growing," said one boy, through our guide. "If we must go back to our families for any reason, there are rules about associating with the women.

Another said: Each day, we climb to the top of the mountain. Up there, is a stream that has been blessed. We collect the water from the stream and bring it back down to the school. That water is sprinkled on our hair and helps it to grow. If we cheat and get the water from somewhere else, our hair stops growing."

There are many more rules and



“sins” that can be committed, all of which will stop the boy’s hair from growing and as a result, his sin will be discovered and he will have to leave the school.

At any given time, there can be a dozen boys at the school at once. The staff of the school includes the headmaster or elder who is responsible for training the boys in the art of wig making. There is the Chief Wig Maker, a man who has graduated from the school and is now considered an artisan in weaving the hair together to form the wig. And, depending on the size of the school, there could be other elders also helping out.

Each day, the boys spend hours grooming their hair. They help each other to pick out lice, to brush it and sprinkle it with the blessed water from the stream and then they each say a prayer over their hair to ensure it continues to grow. Some hair obviously grows faster than others and these boys become popular among the other students, like a prefect is looked up to by other students.

At night, the boys sleep in the dirt,

with a thin bamboo pole supporting their necks.

“It is the only way for their hair not to be squashed,” said the headmaster. “Hair continues to grow in the night so we must protect its shape.”

The shape of the hair is just as important as the length and a pillow or any form of traditional bed would cause the hair to grow in a strange shape. The boys, therefore, sacrifice comfort for the end result of perfectly shaped hair wigs.

At the end of four years, the boys hair will be carefully shaved using traditional tools. It is then handed to the Chief Wig Maker to shape. After it is shaped into a wig big enough for each of their heads, the boys are responsible for decorating the wigs.

Day wigs tend to be left a plain colour and interspersed with small yellow flowers, feathers, cuscus fur and anything else bright and colourful they can find.

These boys are now free to return to their families and be welcomed into manhood. But for those wanting to grow a ceremonial wig, they must

now remain another four years.

Their wigs are not decorated but are put aside until the new wig has been grown.

New boys also join the school and the ceremonial growers become the experienced boys, the ones that are looked up to by the new students.

At the end of the eighth year, the boys receive a second haircut and this hair is shaped into a second wig. The two wigs are then sewn together, forming a large ceremonial wig to be used in traditional sing sings and spiritual dances. The wigs are painted in shades of red or gold and then decorated with a riot of colour and texture. Enormous feathers from the Bird of Paradise adorn the top, along with whole cuscus pelts and a variety of different flora from the surrounding mountains.

These boys are now men, respected among the community for the great sacrifice they have made and now held in high esteem. They have paid the price and done the time. Each man’s wig will be one of the most treasured items in his house.



Ambua Lodge is owned by Trans Niugini Tours and can arrange a visit to one of the Huli Wig Schools. Situated 2100 metres up the Tari Valley, Ambua Lodge features round huts made in the traditional way with materials from the local area. Each hut is comfortably

furnished - have electric blankets for the cool evenings and full ensuite facilities. For more information about Ambua Lodge or the Huli people, contact Trans Niugini Tours by phone on 675 542 1438 or fax on 675 542 2478. Alternatively, you can email them on travel@pngtours.com.

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for the love of
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Spathoglottis papuana at Daniel Kage's farm.



Daniel Kage and Sir Rabbie Namaliu.

By John Brooksbank & Jean Nuia

Daniel Kage is no longer the laughing stock of his village, he's an eco-enterprise role model - and all thanks to orchids!

He was recently 'discovered' by an EMTV film crew in Tugiri village on the shores of Lake Kutubu, where until then he had been almost secretly collecting and cultivating orchids. The meeting with the producers of the PNG Gardener show has changed Daniel's life forever!

Daniel, who left school after Grade 6, lives an essentially subsistence lifestyle - fishing in the nearby Lake Kutubu, harvesting sago and tilling his vegetable gardens. When there are visitors he is also an irregular cook at the nearby Tubo Eco-lodge, perched high on the top of the Tubo Peninsula that sticks out into the lake, just a ten-minute canoe ride away from his village.

Despite this part-time employment Daniel's real passion is orchids, which he collects whenever he goes into the forest surrounding his village, bringing them back to a patch of the jungle that has become his 'bush garden'. Here, he has cleared the undergrowth, creating rough pathways and mounting his orchids on all manner of trees and carved pieces of tree fern to create a totally natural, almost park-like environment.

Along with a few others in the village



Grastidium spp

who share his interest in orchids, Daniel makes long treks through the surrounding countryside looking for specimens. To others in the village who do not share this love of orchids or understand their motivation, the group's activities are the subject of laughter and derision - so much so that the collectors often do not return to the village till after dark, to escape the comments of others.

Just about the only other person who was aware of what Daniel and his associates were doing was Dennis Badi, an employee with the WWF Kikori Integrated Conservation & Development Project (KICDP) based across the lake at Moro - a project supported by the oil field operator, Oil Search Limited.

Dennis first met Daniel whilst attending workshops held at Tubo Eco Lodge. Gradually, as their friendship grew, Dennis came to know of Daniel's passion for orchids and encouraged him to pursue his pastime, initially in a small way but with the long-term objective of making some sort of a small income.

With its intermediate altitude between the Highlands and the coastal plains and regular rainfall, Lake Kutubu is home to a number of orchids that are unique to the area. There are many orchids in this part of the Southern Highlands - possibly



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up to 2,000 different species! – and many more yet to be described and scientifically named.

Just recently, orchid specialist Wayne Harris from the Queensland Herbarium photographed a colourful and rare orchid, *Bulbophyllum folliculiferum*, whilst carrying out a survey with WWF scientific officers near Lake Kutubu. This orchid has only ever been described once before - in Dutch New Guinea in 1914.

In early 2005, the CDI Foundation arranged for Justin Tkatchenko, host of the EMTV PNG Gardener show, and his production team to visit various areas of the Southern Highlands and Gulf provinces where CDI operates, to investigate locations to feature in their regular weekly television programme. On arrival at the CDI camp at Moro, near Lake Kutubu which is also shared by the WWF KICDP team, there was some discussion about what interesting places there were in the area. Dennis Badi quietly mentioned Daniel Kage and his Tugiri village garden as somewhere they might want to have a look at.

No-one else had ever heard about this garden and people were a little sceptical about what they would find. But when the group visited Tugiri village by boat the next day they were completely amazed at what they found - a beautiful bush orchid garden literally in the middle of nowhere, established for just over a year and for no reason other than Daniel's love of orchids.

Justin and CDI were so impressed by what Daniel and his friends had achieved that they decided to help him get some official recognition and make the contacts that could turn a pastime into a potential business venture.

The Orchid Society of Papua New Guinea have now paid for Daniel's

membership of their organisation and the CDI Foundation met the costs for Daniel and three associates travel to Port Moresby to attend and have a display booth at the 2nd International Orchid Show held from 3-5 June at the Sir Rabbie Namaliu Orchid Gardens at the National Parliament.

This trip was a real eye-opener for these village orchid collectors and growers - they now realise that their interest is shared by thousands of people all over the world. They now also know that Papua New Guinea, with its largely unspoilt natural environment, has a special place in the hearts of orchid fanatics in many countries as the home of some unique species.

For Daniel's village helpers, it was their first time to travel any distance at all outside of their home on the shores of Lake Kutubu. For them, Port Moresby - with its sealed roads, tall buildings, well dressed people, hotels, clubs and all the other modern-day artefacts of a vibrant developing nation's capital, was a mind altering experience they will no doubt remember for a long time to come.

Daniel displayed twenty orchids at the PNG International Orchid Show. Seven of these were selected to go into the final competition assessed by a panel of international judges from Malaysia and Singapore. The Tugiri villagers dressed in their traditional finery added yet more colour to the occasion.

To everyone's amazement the Kutubu orchids won two prizes - in the dendrobium and native species categories! At the cocktail party after the show, the 'stunned' Tugiri villagers were interviewed by EMTV, Post Courier and introduced to the Patron of the PNG Orchid Society, Sir Rabbie Namaliu, Minister for Foreign Affairs.



Bulbophyllum masdevalloacium



Glomera sp



Epiblastus acuminata



Eria imitans



Dendrobium sp

The next day Daniel and his associates visited the National Botanical Gardens, where they were really excited by all the different ways that orchids could be grown and displayed - noticing many, many ideas and techniques that they were eager to put into practice back home in their village orchid garden.

With assistance from the two NGOs working in the Lake Kutubu area, WWF and CDI, Daniel intends to improve and expand his activities and his garden collection. This will include producing more orchid holders carved from tree ferns for sale through the Orchid Society in Port Moresby.

Daniel was featured in the episode of EMTV's 'The Happy Gardener' show screened on 19 June this year, along with coverage of other interesting gardening topics from the Kutubu and Kikori areas of Southern Highlands and Gulf provinces.

Daniel and his family have already started planting vanilla vines, probably the most widely grown orchid worldwide, that will in a year or so start to flower and produce pods that can be cured and sold to earn a small income also.

Another complementary activity

that Daniel has discussed with WWF staff is butterfly 'farming'. This is where the plants that are the food for particular insect species are planted and these butterflies and moths are bred, collected and sold to the Insect Farming and Trading Agency in Bulolo - the only agency approved by Government to export these species.

Daniel and his village friends have demonstrated that you don't necessarily require an education to get ahead in this world, just the ability to recognise what resources are around you and have the enterprise to utilise them. Their achievements are an example of rural development that should serve as a real inspiration to other villagers throughout Papua New Guinea.

As Daniel says, "many of us have the qualifications to work on the land, but often we don't use them".



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MT HAGEN SHOW - MT HAGEN

To promote and preserve unique cultures for future generations; to promote tourism development for the province; and to carry on its great tradition of unifying the highlands provinces and people of other provinces.

Background: Started in 1994, the show immediately became an annual event gaining international and domestic recognition. The organizing committee endeavours to use this show as a measure for Unity, Pride, Presentation and Progress. The kinds of performance that occur during the show include, Traditional dance groups, Typical Western Highlands rituals, Primitive arts & crafts, Western Highlands Province Products fair and others.

Duration: 2 - 3 days
Month: August

Venue: Kagamuga Show Ground. Located seven kilometers from Mt Hagen town and five minutes from Kagamuga airport.

Transport: Public transport, Hire cars

Places of interest: Mt Hagen market, Surrounding villages.

ENGA CULTURAL SHOW - ENGA

To identify the heritage and pride of their forefathers.

Background: Started in 1994, the show immediately became an annual event gaining international and domestic recognition. The organizing committee endeavours to use this show as a measure for Unity, Pride, Presentation and Progress. The kinds of performance that occur during the show include, Traditional dance groups, Typical Enga rituals, Primitive arts & crafts, Enga Products fair and others.

Duration: 2 - 3 days
Month: August

Venue: The Enga Show Ground
Transport: Public transport, Hire cars

Places of interest: Surrounding villages

TUMBAN MASK FESTIVAL - RABAU.

Staged in Port Moresby for the first time in 1995, it is the National Cultural Commission's desire to maintain and preserve, in live form, this important aspect of Papua New Guinea culture.

Background: The Mask festival was staged as a National festival to promote Mask cultures of Papua New Guinea, particularly the provinces where the mask culture is prevalent, the New Guinea Islands, the Momase region and the Gulf province. The festival is on rotational basis.

Duration: 2 days
Month: July
Venue: Queen Elizabeth's Park, Rabaul, ENBP.
Transport: Public transport, Hire cars.

Places of interest: Yamamoto Bunkers, Submarine Base Tunnel, Japanese Tunnel-Karawia, Watom Island, Rabaul Observatory.

GOROKA SHOW - GOROKA

To promote and preserve Eastern Highlands and other Highlands cultures as well as showcase other provinces arts and cultures.

Background: The first Highlands show was staged at Goroka in 1956. The Australian Administrator's initial aim was to bring together various clans from around the Highlands provinces. The tradition continues and in recent years the show has hosted between seventy and one hundred and forty singing groups- each comprising of between ten and twenty participants. Groups now come from all corners of the country and are hosted for a week by neighboring villages around Goroka. This is by far the largest gathering of groups at any show.

Duration: 3 days
Month: September
Venue: Goroka Show Ground
Transport: Public transport and Hire cars.

Places of interest: JK McCarthy Museum, Eastern Highlands Cultural Centre (Kainantu), Daulo Pass.

HIRI MOALE FESTIVAL - PORT MORESBY

To observe and preserve the Hiri Trade expeditions between the Motu- Kaitabu people and Erema (Kerema) people on the south western coast of Papua New Guinea.

Background: Using traditional means of navigation, the Motu-Koitabu people would sail west to trade clay pots for sago and canoe logs from the Erema (Kerema) then return some months later. The Hiri trade remained an integral part of Motu- Koita life even after the first expatriate arrived. However, with the onset of western influences, WWII carrier duties and the population seeking employment, this saw the decline of this voyage and in 1957, it was officially banned after a lagatoi capsized killing a number of crew members. This cultural event was staged to maintain and remember the spirit of the Hiri trade thereby imparting Hiri expedition experiences and skills that would otherwise be lost. Performances include traditional dances, Hiri queen contest, Lagatoi arrival, canoe racing, musical presentations plus arts & crafts exhibitions.

Duration: 2 - 3 days
Month: September
Venue: Selected areas around Port Moresby, But mainly around the Hubert Murray Stadium and Ela Beach.

Transport: Public transport, Taxis and Hire cars

Places of interest: Varirata National Park, Sogeri Plateau, National Museum & Art Gallery, PNG Arts, National Capital Botanical Gardens, Bomana War Cemetery, National Parliament.

authentic cultural experience

CANOE & KUNDU FESTIVAL - ALOTAU

Background: Initiated by the National Cultural Commission and the PNG Tourism Promotion Authority in close consultation with the Milne Bay Tourism Bureau as agent in 2004 as an annual cultural event. Milne Bay a maritime province where the main form of transport in the past and today is by sea of different forms and character. The choice of awarding Milne Bay with this festival is not only an appropriate selection, but truly a somewhat grand mix of culture and tourism working together to promote our living traditions and eco-tourism.

Duration: 6 days
Month: November
Venue: Aotau. Feeder starting points will also stage cultural activities before racing canoes off to Aotau.
Transport: Hire cars and taxis

Places of interest: Skull caves, Bat caves, World war II relics tours, local village tours, nearby island tours, snorkel & dive tours, bird-watching tours, Samarai & Kwato Historic site tours.

MOROBE SHOW - LAE

To display and promote agricultural, manufacturing, educational and cultural products to visitors.

Background: Displays at the show include varied displays such as mining, poultry, animal shows, building materials, school displays and non government organizational groups. It is also an arena to promote the Morobe people's art and culture in terms of performing arts. Performances include traditional singing groups mainly from the Morobe province plus contemporary rock and string-band music.

Duration: 3 days
Month: October
Venue: Lae Show Ground
Transport: Public transport and Rental cars.

Places of interest: Rain Forest Habitat, Lae War Cemetery, Lae Botanical Gardens

when & where in 2005

May 5 - 7th	PNG Coffee festival & Trade Fair	Goroka, Eastern Highlands
June 5 - 7th	Central Agriculture show	Port Moresby, NCD.
June 24 - 26th	Lukim PNG Nau Tourism exhibition	Port Moresby, NCD.
July 5 - 9th	Milimala Yam festival	Kiriwina, Milne Bay
July 6 - 12th	Talai Warwagira	Kokopo, East New Britain
July 13 - 16th	National Mask festival	Kokopo, East New Britain
Aug 12 - 14th	Engan Cultural show	Wabag, Enga
Aug 12 - 14th	Tufi Cultural show	Tufi, Oro
Aug 20 - 21st	Mt Hagen Cultural show	Mt Hagen, Western Highlands
Sep 2nd - 3rd	Garamut & Mambu festival	Wewak, East Sepik
Sep 15 - 18th	Hiri Moale festival	Port Moresby, NCD.
Sep 16th	PNG Independence celebrations	All throughout the country
Oct 15 - 16th	Morobe show	Lae, Morobe
Nov 2nd - 5th	Kundu & Canoe festival	Aotau, Milne Bay

Smaller shows and events do take place throughout the year. Colourful cultural activities from schools, church groups and communities also take place throughout the country.

For further information

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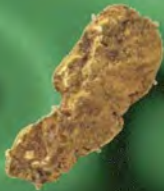


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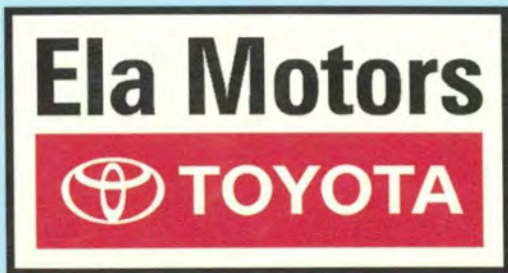
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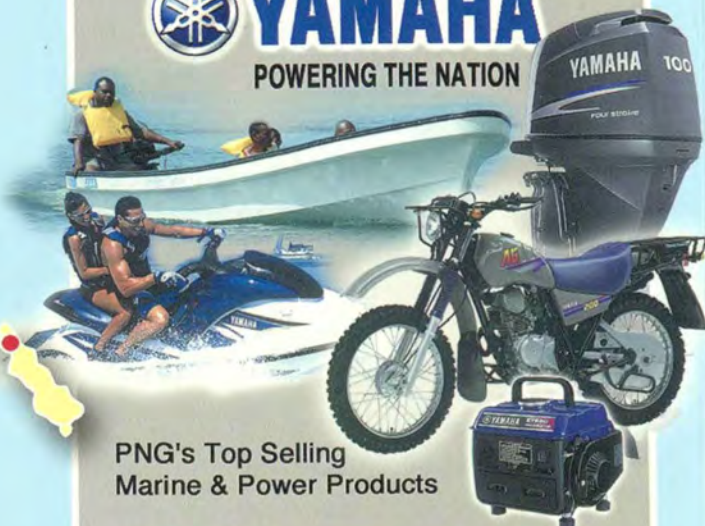
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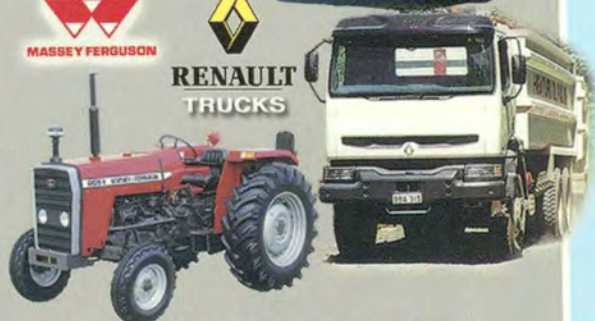
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