

**Memorandum of Understanding**  
**between**  
**The Government of Australia**  
**and**  
**The Government of Papua New Guinea**  
**on**  
**Cooperation in the Transport Sector**

The Government of Australia and the Government of Papua New Guinea, hereinafter referred to as “the Participants”, wishing to further develop friendly and cooperative relations based on equality and mutual benefit.

Recognising the importance of:

- a) the transport sector to the economic and social development of Papua New Guinea and Australia;
- b) transportation safety domestically and globally; and
- c) governments in coordinating and facilitating cooperation to ensure safe and efficient transportation systems that enable economic development;

Understanding that:

co-operation and exchanges will be mutually beneficial and based on full participation by both Participants having regard to their capacity and resources and will be based on mutual respect; and

such activities should be coordinated with other Australian Government funded development programs such as the *Transport Sector Support Program* under the Australia-Papua New Guinea Partnership for Development and activities of other partner governments and international development assistance institutions.

Have reached the following understandings:

### **1. Purpose of this Memorandum of Understanding**

- a. This Memorandum of Understanding has been arranged in accordance with Paragraph 2 of Article 10 of the *Treaty on Development Cooperation between the Government of Australia and the Government of Papua New Guinea*, signed at Port Moresby on 7 October 1999 (the Treaty), which permits the conclusion of arrangements relating to the implementation of activities provided for by the Treaty.
- b. Activities arranged under this Memorandum of Understanding are subject to the terms of the Treaty and its Annex.
- c. In the event of an inconsistency between this Memorandum of Understanding and the Treaty, the terms of the Treaty will prevail.

### **2. Aims of cooperation**

The aims of cooperation of this Memorandum of Understanding are:

- a. To encourage and support cooperation between the Participants in relation to shared interests in the safety and efficiency of the air, maritime, and road transport network, including across national boundaries.
- b. To develop and maintain relations between transport portfolio agencies, relevant industry participants and other organisations concerned with the safety and efficiency of the transport network.
- c. To share information on transport sector matters globally and regionally where the Participants may have mutual interests.

### **3. Areas of cooperation**

- a. Cooperation in the transport sector may be undertaken in some or all of the following areas:

- i. air transport;
- ii. sea transport;
- iii. road transport;
- iv. transport safety investigation;
- v. weather/meteorological services as they relate to transport safety;
- vi. transport sector policy, planning and organisational development;
- vii. education and training;
- viii. data analysis and information management;
- ix. strengthening institutional linkages;
- x. compliance with international arrangements and requirements; and
- xi. other areas as may be determined mutually.

#### **4. Modes of Cooperation**

The aims and areas of cooperation under the Memorandum of Understanding may be pursued via a range of methods including, but not limited to, the following;

- a. high level and working level engagement;
- b. subject matter expertise exchange;
- c. agency to agency secondments;
- d. formal and on-job professional training and development opportunities;
- e. short and long term advisory placements;
- f. engagement of specialist consultancies; and
- g. other methods as determined mutually.

#### **5. Annexes**

- a. Cooperation may be in the form of activities, established under the Annexes to this Memorandum of Understanding. The content of each of these Annexes is to be established by mutual consent of the implementing authorities specified for a particular Annex, being subject to this Memorandum of Understanding.

- b. The implementing authorities for a particular Annex may be approved by mutual consent of the Participants.
- c. The specified implementing authorities for a particular Annex will develop work programs to facilitate activities outlined in the Annex that is consistent with the governance arrangements mutually decided within the *Transport Sector Support Program*. Work programs will be reviewed regularly, consistent with the management arrangements established under *Transport Sector Support Program* requirements.

## **6. Implementation**

- a. The implementing authorities for this Memorandum of Understanding are the aforementioned Participants.
  - i. The Government of Papua New Guinea hereby nominates the Department of Transport and Infrastructure.
  - ii. The Government of Australia hereby nominates the Department of Infrastructure, Transport, Regional Development and Communications.
- b. The Participants may nominate other implementing authorities from time to time for the purpose of implementing all or any of the terms of this Memorandum of Understanding.
- c. The Participants will meet annually via a Transport Senior Official's Meeting (TSOM) and may meet more frequently as mutually determined between the implementing authorities for this Memorandum of Understanding.

## **7. Resources**

- a. The Participants to this Memorandum of Understanding will seek to address appropriate resourcing for the implementing authorities to work towards achieving the aims of cooperation outlined in paragraph 2 of this Memorandum of Understanding as well as specific activities established under the Annexes.

- b. The Participants acknowledge that the activities in the Annexes and associated work programs will only be established and carried out in a manner which takes account of the personnel, facilities and funding available to the implementing authorities.
- c. Procurement of property or services will be consistent with the Australian Commonwealth Procurement Guidelines.
- d. Paragraphs 8 and 10 of the Annex to the Treaty will apply to activities performed in Papua New Guinea.

***Paragraph 8: Duties, Levies and Taxes on Australian Institutions***

*The Government of Papua New Guinea will exempt Australian institutions from income taxes or other similar taxes on income or profits, and other remuneration derived from activities performed in Papua New Guinea to which this Annex applies. Furthermore, Australian institutions will be exempted from those taxes on income derived from activities performed outside Papua New Guinea from which income is not transferred into Papua New Guinea.*

***Paragraph 10: Activity Supplies and Personal Professional and Technical Material***

*Unless otherwise agreed by the Parties, activity supplies will become the property of the Government of Papua New Guinea upon completion of the activity.*

*In respect of activity supplies and personal, professional and technical material, whether to be imported from outside or procured within Papua New Guinea, the Government of Papua New Guinea will:*

- a. *zero rate for value added tax and exempt from payment of customs duties, excise duties, sales tax, other duties, taxes, levies and other charges of a similar nature upon these items;*
- b. *facilitate the movement of activity supplies by providing appropriate customs and wharfage facilities in the port closest to the project site and will be responsible for the expeditious transport of such supplies to the site;*

- c. *unless provided otherwise by mutual arrangement between the Parties, provide expeditious transport to the site of the activity; and*
- d. *exempt from or be responsible for inspection fees and storage charges and all other levies, duties, fees or charges on activity supplies purchased in or imported into Papua New Guinea.*

*Activity supplies provided for a specific activity to which this Annex applies will be available only for the purpose of that specific activity and will not be withdrawn from that use without the mutual agreement of the co-ordinating authorities. The Australian co-ordinating authority will exercise administrative control over such supplies for the duration of the project or until both authorities agree that they may be released from the activity.*

## **8. Designated representative**

In order to coordinate cooperative activities each Participant will designate a representative to be responsible for determining the particular directions of cooperation and for ensuring the effectiveness of all cooperation and exchange activities.

## **9. Consultation**

The Participants will consult annually and identify areas for collaboration. Work plans will be mutually decided consistent with the governance arrangements contained within the *Transport Sector Support Program*.

## **10. Treatment of in-confidence material**

Neither Participant will disclose or distribute any information that is supplied and marked, or stated to be, "In-Confidence" or "For Official Use Only" or "Official" by the originating Participant, except as, and to the extent, authorised by the originating Participant or as required by domestic law.

## **11. Amendment**

This Memorandum of Understanding may be added to or amended at any time by mutual consent of the Participants.

## **12. Applicability of the Memorandum of Understanding**

This Memorandum of Understanding applies only to the arrangements set out in the Annexes. It does not apply to other bilateral agreements and arrangements relating to the transport sector concluded between the Participants or between transport or transport-related agencies.

## **13. Settlement of disputes**

Any dispute or differences arising out of the interpretation or implementation of this Memorandum of Understanding will be settled amicably through consultation or negotiation between the Participants.

## **14. Status of this Memorandum of Understanding**

This Memorandum of Understanding does not constitute, nor is it intended to be, a legally binding arrangement or agreement. It does not create any legally binding or enforceable obligations, expressed or implied. It serves only as a record of each Participant's separate intention.

## **15. Entry into effect, duration, and termination**

- a. This Memorandum of Understanding will come into effect on the date of its signing and remain in effect for a period of five (5) years with a review period at three (3) years, unless either Participant notifies the other Participant in writing of its intention to terminate this Memorandum of Understanding at least six (6) months in advance.
- b. The termination of this Memorandum of Understanding will not prejudice the completion of any ongoing project or activities initiated under this Memorandum of Understanding.

- c. The termination or suspension of this Memorandum of Understanding will not terminate or suspend the operation of paragraph 9, which will remain in effect between the Participants as if it were subject to paragraph 13.
- d. This Memorandum of Understanding may be executed in several counterparts, all of which taken together will constitute one single memorandum of understanding between the Participants.

The foregoing represents the understandings reached between the Participants.

FOR THE GOVERNMENT OF AUSTRALIA

FOR THE GOVERNMENT OF PAPUA NEW  
GUINEA

BY:

BY:



**SIMON ATKINSON**  
**SECRETARY**  
**DEPARTMENT OF INFRASTRUCTURE,**  
**TRANSPORT, REGIONAL DEVELOPMENT**  
**AND COMMUNICATIONS**

**ROY MUMU, OBE**  
**SECRETARY**  
**DEPARTMENT OF TRANSPORT AND**  
**INFRASTRUCTURE**

DATE: 22/11/21

DATE: 16/12/21