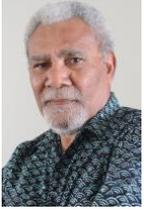


**Public Statement by Rt Hon Sir Mekere Morauta
Former Prime Minister and Member for Moresby North-West
Port Moresby, 15 October 2018**

Sir Mekere calls for inquiry into APEC scams



The Member for Moresby North-West, Sir Mekere Morauta, today called for a full independent inquiry into government spending on APEC, the behavior of the APEC Authority including the letting of contracts, and the cost to the nation of holding the event.

“Over the past few days, with the revelations about the importation of luxury Maserati cars by the APEC Authority, it has become clear that corruption surrounding APEC is out of control,” he said.

“We need to get to the bottom of it, and hold the guilty parties to account.”

Sir Mekere said the first step should be for the Fraud Squad and the Ombudsman Commission to investigate the Prime Minister, the APEC Minister, and APEC Authority officials in relation to the major discrepancies in the Maserati purchase, and contradictory statements by all involved.

In the meantime, APEC Minister Justin Tkatchenko and APEC Authority CEO Christopher Hawkins should stand down.

The second step should be a wider inquiry into all aspects of APEC, focusing on corruption, waste and mismanagement and the impact the cost of the event has had on ordinary Papua New Guineans through the diversion of funds away from essential services such as health and education.

“The Maserati purchase is a scandal,” he said. “There is no other word for it. The most basic legal and financial procedures appear not to have been followed, and it looks to me as if there is a discrepancy of several million kina in the transaction. Why would the Government buy vehicles from Italy via Sri Lanka?”

“The Prime Minister must explain in detail the entire transaction, and he must account for every toea of the people’s money that has been spent. For example, he must publicly provide evidence that a competitive public tender was held for the purchase of the cars, as required by section 21 of the APEC Authority Act. Was the purchase approval given by NEC, as required by the Act?”

“He must cease the secret sale of the cars to PNC cronies and others in the private sector, and conduct a proper tender under Section 21. Mr Tkatchenko says the cars ‘are selling like hot cakes’ to private buyers. What is the price? What are the terms and conditions? Who is buying them? And yet the Prime Minister says there will be a public auction for the vehicles after APEC. Whom are we to believe – PM or Justin? They are both trying to deflect all questions, and in the process are contradicting each other.

“Did any part of the transaction go before the APEC Supply and Tenders Board? Did it go before the Independent Probity Auditor required under Section 24 of the Act? These questions and many more are a matter of great public interest and they should be answered immediately.”

Sir Mekere said the Maserati scam had exposed the broader issue of the extravagant expenditure of the Government on APEC at a time when the nation cannot afford it.

“Let me be clear. I am not against APEC,” he said. “I am against the way the Government has sucked Papua New Guinea dry to pay for it. According to figures provided to the International Monetary Fund by Government officials, PNG’s budget for APEC was about K3 billion between 2015 and the end of this year. It could actually be more; the public needs to be told the truth.”

“The fact that we have had to ask other APEC countries to help meet the costs shows that Papua New Guinea cannot afford to host APEC. Australia has apparently contributed \$130 million to APEC security on top of the cost of the internet upgrade and other support for APEC; China has spent hundreds of million of Kina on APEC – upgrading roads and buildings, etc; New Zealand, the United States of America, Japan, Canada and Indonesia are also contributing to APEC security and costs.”

Sir Mekere said the opportunity cost – the price of diverting funds from elsewhere to pay for APEC – is enormous.

Cuts to departmental budgets; PNG missions overseas starved of funds – none of the recently-appointed heads of mission for example have been able to take up their posts as the department allegedly has no money for such use; foreign governments being asked to pay for PNG ministerial travel; cuts to teachers’ salaries; deteriorating health and education services; failure to immunize children resulting in a polio epidemic; a looming measles outbreak; an increase in the incidence of TB and malaria; no basic drugs or medical equipment in hospitals and health centres; a huge backlog of arrears – debts to businesses for goods and services already supplied to the Government.

“The list is endless,” Sir Mekere said. “Virtually every sector of the economy is suffering from Mr O’Neill’s cuts to pay for his grandiose and wasteful self-promoting projects in Port Moresby.

“As I said in Parliament in July, APEC was being portrayed as a king tide that will float the nation to high planes of social and economic development and drown our sorrows for good.

“It is not. It is a burden on ordinary Papua New Guineans. It has helped bankrupt the nation. It has become a source of ill-gotten gains by a favored few.”