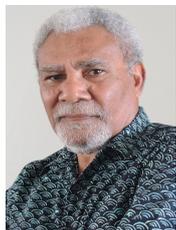


Public statement
by Rt Hon Sir Mekere Morauta
Port Moresby, 14 May 2017

Sir Mekere challenges the Prime Minister on Corruption



Former Prime Minister Sir Mekere Morauta said today he was shocked to hear that more than K1.5 billion was reported as stolen from or by Peter O'Neill's Government last year.

The estimate, by the head of the Fraud and Anti-Corruption Directorate, Chief Superintendent Matthew Damaru, was a wake-up call for the Prime Minister.

"Mr O'Neill has been making a lot of sweet talk about fighting corruption, but corruption has been totally out of control while he has been Prime Minister," Sir Mekere said.

"It appears to have worsened since Mr O'Neill abolished Task Force Sweep after a warrant for his arrest was issued over the Paraka fraud. And his subsequent decision to remove the independence of the Fraud Squad has clearly made matters worse.

"If we extrapolate Mr Damaru's estimate to the entire five years of Mr O'Neill's Prime Ministership, we are looking at billions of kina that has walked out the door of his government, without leaving any footprints.

"The Prime Minister should stop making empty promises and he should stop interfering in the agencies mandated to fight corruption – the Police, the Fraud Squad, Task Force Sweep, the Judicial Service.

"I challenge Peter O'Neill to spell out clearly how he is going to fight corruption and eradicate the corrupt practices that his Government has cultivated over the last 5 years."

Sir Mekere, who is standing as an independent candidate for the seat of Moresby North-West, said he has a comprehensive plan to fight corruption. The central elements are:

- Reinstatement of Task Force Sweep and resource it to investigate corruption throughout the public sector, including known cases, without any interference
- Widen the Proceeds of Crime legislation to allow prosecution of all parties involved – givers and takers
- Introduce legislation to protect whistle-blowers
- Strengthen and adequately fund the Police so that the Fraud and Anti-Corruption Directorate can carry out its investigations properly, without political interference
- Adequately fund the Auditor-General, the Ombudsman Commission, the Office of the Public Prosecutor and the Police Prosecutor
- Increase funding to allow the Judiciary to appoint special judges to hear corruption cases expeditiously
- Table the reports and recommendations of Commissions of Inquiry, including into SABLs and the Finance Department, and act on them
- Immediately audit trust accounts, State-Owned Enterprises and other state agencies
- Establish a Commission of Inquiry into land dealings, including Motu-Koita land

Sir Mekere said an example of Mr O'Neill's lack of interest in fighting corruption is his failure to implement a NEC decision of June 2014 to set up an Interim Commission Against Corruption under Justice Graham Ellis. Following the withdrawal last month of a court case preventing the creation of ICAC and the appointment of Justice Ellis as chairman, nothing has been done. Justice Ellis has reportedly not been able to obtain a visa to PNG and has heard nothing from the O'Neill Government about progress on its plans.

The Interim Commission was approved by NEC to replace Task Force Sweep and to be the precursor of the proposed Independent Commission Against Corruption.

Justice Ellis told the Australian Broadcasting Corporation that he was worried the delay in his appointment meant that the Task Force Sweep investigation files were not being looked after.

"It strikes me that looking after the Task Force Sweep files is important, so I'm particularly concerned that nothing might be happening in relation to files, and that would be very significant," he said.

Sir Mekere said every delay in the fight against corruption cost Papua New Guinea K28 million a week, according to Mr

Damaru's K1.5 billion estimate of the cost of corruption in 2016.

"That total amount is exactly half the K3 billion collected from Papua New Guineans in the 2017 Budget as personal income tax," he said. "So in effect, 50 toea of every kina ordinary Papua New Guineans pay as tax is stolen.

"The cost of corruption is now bigger than the entire 2017 Health budget or the entire Education Budget. It is much bigger than spending on other sectors, except for interest payments for Mr O'Neill's debt mountain."

Sir Mekere said the K1.5 billion estimate was very conservative, being a calculation based only on cases reported to the Fraud Squad.

It is the tip of the iceberg he said. It does not take into account cases reported to the Ombudsman Commission or identified by the Auditor-General, for example, and there are likely to be hundreds if not thousands of unreported cases over the five years of Mr O'Neill's Government.

"We cannot afford to wait a moment longer, and we cannot afford to leave the fight against corruption in Mr O'Neill's hands," Sir Mekere said. "We must kill the octopus now."